

Attorney General-Elect vows to fight predatory lenders

Look up and down the streets of many residential neighborhoods in Minneapolis and what do you see? Boarded up and vacant houses, hundreds of them. Abandoned, in many cases, after the homeowners were preyed upon by financial vultures.

"I felt like I was picked on," said Patti Thompson, who lives with her husband, Brian, in a neatly-kept house on the 5800 block of 46th Avenue in South Minneapolis.

The Thompsons bought their home in 2002 with the help of a mortgage from Wells Fargo. In an effort to decrease their monthly payments and consolidate their debts, the Thompsons re-financed with Ameriquest two years later. But instead of lower monthly payments, like they say they were promised, the Thompsons' mortgage bill went up by more than \$400 a month.

"I was dumbfounded," said Patti.

The couple complained to the Minnesota Attorney General's office and later found out that Ameriquest agents had falsified documents and lured them into a bogus re-finance deal. Ameriquest's parent company admitted no wrongdoing, but entered into a \$325,000,000 settlement agreement with unhappy customers.

Thursday, in her first formal news conference since election night, Attorney General-elect Lori Swanson vowed to crack down on what she called "predatory lenders" as soon as she takes office.

"The issues I'm going to be focusing on a lot," said Swanson, "are issues that affect people's lives, bread and butter issues that are a big deal to people. Predatory lending hurts our communities, families, homeowners," Swanson said.

More specifically, Swanson proposed a variety of truth-in-lending reforms designed to protect consumers from bait-and-switch tactics.

Brian and Patti Thompson stood by Swanson's side during the news conference and urged other homeowners not to be "suckered" by unscrupulous lenders.

"Please," Patti said, "buyers and new homeowners beware. [Predatory lenders] are out there and, if you're not careful, they'll get you."

By Mark Daly, KARE 11 News