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FOR MORE INFORMATION:  
Renee Thompson, 850-224-2265

## **Banks the best and safest place for financial matters**

TALLAHASSEE—Recent news stories reconfirm what Florida bankers have been saying for months now: The state’s foreclosure crisis in part was driven by non-bank lenders.

“Here-today-gone-tomorrow mortgage originators were in the practice of doing whatever needed to be done to close the loan. As we now see, some of the mortgage loan originators were willing to lie, cheat or steal just to seal the deal,” said Florida Bankers Association President & CEO Alex Sanchez. “When banks make the American dream of homeownership a reality, they put their customers into homes they can afford to keep.”

Banks, which are highly regulated and highly capitalized (meaning they have required rainy day funds), conduct a series of examinations to determine the credibility of a loan before its issuance, including verification of income, requiring a solid deposit and performing substantial credit checks. According to a recent *Miami Herald* article, others peddled mortgages “that required no money down and minuscule payments for the first few years.”

The Herald also reported that more than 10,000 people with criminal records were allowed to work in Florida’s mortgage industry. Of those, more than 4,000 cleared background checks despite committing crimes that state law requires regulators to screen, including fraud, racketeering and extortion.

“It’s irresponsible for personal information, such as social security numbers, be in the hands of common criminals, some of whom were convicted of financial crimes and even mortgage fraud,” said Sanchez. “Florida is in an undeniably difficult position dealing with flippers, fraud, foreclosures and criminals handling the transactions of one of the most important—and often largest—financial purchases of a person’s life: the purchase of a home.”

The recent news about mortgage lenders is evidence of the safety and soundness of the banking industry. “Bank employees are thoroughly screened, loans are fully scrutinized and our customer’s money is safe.”

When looking for a home or business loan, there is no better place to go than a bank.

“At times, bankers have to tell customers things they don’t want to hear, like, ‘you can’t afford this loan,’” said Sanchez. “But at the end of the day, I think people would rather hear that than ‘we’re sorry but your mortgage broker is in jail and all your money is gone.’”

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