

Bill advances despite Perez's protest vote

Council president wanted stronger lending protection

by Douglas Tallman

Staff Writer

The sponsor of County Council legislation meant to fight discrimination in lending objected to the removal of one of the measure's key provisions, and as a result he took the rare step of voting against his own bill.

Council President Thomas E. Perez was the sole dissenting vote last week when the council's Health and Human Services Committee passed the predatory lending bill, 2-1.

The other committee members hailed other elements in the legislation, including a hundredfold increase, to \$500,000, in the cap on an award for humiliation.



Leventhal

"It's the strongest bill in the United States to combat discriminatory lending," said George L. Leventhal (D-At large) of Takoma Park, the committee's chairman.

But Perez had another idea.

"I think we took a step forward," said Perez (D-Dist. 5) of Takoma Park. "I think in the affordable housing context, our goal should be to get our best foot forward, not a foot forward. We can and must do better."

The deleted provision would have codified a legal maneuver already used in some lawsuits where plaintiffs use studies of practices in aggregate to show how a defendant's business practices can be discriminatory.

Such "disparate impact" studies have been the center of employment complaints for years. A study re-

leased in October with the announcement of the Perez bill showed minorities were charged higher fees and higher interest rates than whites for loans for homes in the same neighborhood. A study like that, targeted at a specific bank, could be used to prove discrimination.

Lenders have argued such studies are illegal, but assistant county attorney Clifford Royalty has argued county law already implies disparate impact cases can be heard under county code.

Lenders also claim a disparate impact law could force banks to withhold loans from people with less-than-perfect credit. That second point resonated with Leventhal and Steven A. Silverman, the third member of the committee.

"I'm very concerned about the law of unintended consequences. We need to root out predatory lending, but we also need to make a sub-prime market available," said Silverman (D-At large) of Silver Spring.

Perez's nay vote shocked Silverman and Leventhal, raising questions in their minds about the future of the bill. As council president, Perez decides when bills come up for vote. Perez said the bill would come up for a full council vote, and he would propose amendments to return disparate impact to the legislation.

Over the past several months, the debate on the bill has become heated. In April, Leventhal opened a session defending himself from accusations he was "evil" for considering changes to the bill.

"We all care about people who suffer discrimination," said Perez, who was a civil rights lawyer for the Justice Department. "This has real faces of real victims attached to it."

Despite the real faces, the rarefied debates have centered on the effects of complex legal theories. Leventhal said he did not have the expertise to tell the bankers that what they were telling him was not true.

"It was an emotionally difficult debate. I'm not sure I did the right thing," he said.