

# Sarbanes takes Gramm's seat

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Sen. Paul S. Sarbanes awoke this morning as chairman of the Senate Banking, Housing and Urban Affairs Committee, giv-

ing the powerful group of lawmakers a liberal slant that will prioritize consumer protection and curbing predatory lending.

The Maryland Democrat was given the reins of the committee after Sen. James Jeffords abandoned the Republican Party in favor of becoming an independent from Vermont, which tipped the Senate in favor of the Democrats for the first time since 1995. Sarbanes replaces Sen. Phil Gramm, the Texas Republican credited with helping deregulate the banking industry under the Gramm-Leach-Bliley Act.

Whereas Gramm was known as a hard-line conservative who favored tax cuts and reducing corporate fees to register stocks, Sarbanes' liberal agenda will focus on remedying some of the problems in minority communities and helping consumers who are struggling with the economy.

"I, for some time, have thought that we don't give enough attention to the urban

affairs dimension of the committee's jurisdiction" Sarbanes said in his agenda speech. "I mean, this is the Banking, Housing and Urban Affairs Committee, and I think there's a challenge ahead of us with respect to the urban affairs dimension.

"The Census figures already, although they are not fully com-

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ERIC STOCKLIN

Sen. Paul S. Sarbanes takes over the Senate Banking, Housing and Urban Affairs Committee in the upheaval that puts the Democrats in control of the Senate.

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plete, indicate that there have been enormous changes in the economic and social makeup of metropolitan areas that we once considered urban problems. Affordable housing, adequate transportation, growth and congestion are now impacting the suburbs and even having consequences in the rural areas of the country," he said.

Rep. Robert L. Ehrlich Jr., R-Md., could not be reached for comment yesterday on the shifting of power in the Senate.

Predatory lenders typically target low-income, minority and elderly borrowers who take out loans or refinance at unfairly high interest rates, often under hidden terms. Maryland Attorney General J. Joseph Curran Jr. has launched several aggressive initiatives to fight both predatory lending and house flipping, which is inflating the sale value of a home through illegal appraisals.

"I think it is becoming more and more clear that this is a growing problem across the country," Sarbanes said. "And many of my colleagues on the committee have indicated that it is a problem in their states, and this is one of the issues they want to examine carefully."

Curran said he has already contacted Sarbanes' office about working together in developing strategies to fight predatory lending.

"We already admire the work Sarbanes has done," Curran said. "We both feel that predatory lending is a real concern."

In addition, Sarbanes indicated that

he would conduct hearings to look at consumer and investor protections, including privacy protections, access to capital and credit, as well as credit card abuses and household debt.

Sarbanes' priority of better consumer protection also was a key issue in the past legislative session in Annapolis. Del. Anthony G. Brown, D-Prince George's, was the chief sponsor of a bill that established an "opt in" policy for consumers to prohibit online merchants from using customer data without consent.

Brown's proposal partly was in response to the Gramm-Leach-Bliley Act that allows banks, insurance companies and securities firms to merge under one holding company. Under the federal law, insurance companies can share sensitive health care information with third parties unless a consumer "opts out" or tells the company not to release the data.

"We have to address this opt-in/opt-out situation," Sarbanes said. "But I think people, generally speaking, think that information is their information, not the company's to which they've given it to, and that the company to which they've given it to ought to be limited in how in turn it can disseminate the information."

Sarbanes also plans to hold hearings on the Federal Reserve's semi-annual Monetary Policy Report, the Treasury Report on International Economic and Exchange Rate Policy, the Annual Report of the Trade Promotion Coordinating Committee and the focus on the challenges facing global financial regulation.

Other goals include combating money laundering and promptly moving on nominations as the committee receives them.