

Substitute Amendment Offered by Mr. Watt  
to the Amendment Offered by Mr. McHenry (001)  
to the Committee Oversight Plan

*Bachus*

In lieu of the matter proposed, insert the following:

*Mortgage Lending* *Lending to Underserved*  
*segments of the*  
~~SUBPRIME LENDING:~~— The Committee will study the complex problem of, and potential solutions to, abusive and deceptive lending in the mortgage industry, particularly among those households with imperfect credit. The Committee recognizes that extending credit to underserved segments of the population has positive aspects and the Committee's effort will be to decrease the amount of abuses without undermining such access to credit. In targeting abusive practices, the Committee will be cognizant of the need to avoid policy prescriptions that result in shutting off credit to these underserved borrowers. The 2005 Home Mortgage Disclosure Act (HMDA) data, like the 2004 HMDA data, continued to show substantial disparities in the incidence of higher-priced lending across racial and ethnic lines, with Black and Hispanic borrowers more likely to obtain loans with prices above the pricing thresholds than non-Hispanic white borrowers. The Committee will continue to examine HMDA data to help assess patterns of home mortgage lending to minority populations while recognizing the inherent limitations of any set of data. The Committee will extend its inquiry to examine all relevant factors.