AMERICAN PREDATORY LENDING AND THE GLOBAL FINANCIAL CRISIS

ORAL HISTORY PROJECT

Interview with

Debbie Goldstein

Bass Connections

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PREFACE

The following Oral History is the result of a recorded interview with Debbie Goldstein conducted by Clare Holtzman on June 9, 2020. This interview is part of the Bass Connections American Predatory Lending and the Global Financial Crisis Project.

Readers are asked to bear in mind that they are reading a transcript of spoken word, rather than written prose. The transcript has been reviewed and approved by the interviewee.

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Clare Holtzman: . . . . I'm Clare Holtzman, a J.D. Candidate at the Duke University School of Law. I'm also a research assistant for the Global Financial Markets Center's American Predatory Lending project. It is Tuesday, June 9th, 2020. I'm conducting an oral history interview with Debbie Goldstein, currently executive director of the NC [North Carolina] Leadership Forum at Duke University, who is joining me through Zoom. Thank you for joining me today.

Debbie Goldstein: Good to be here.

Clare Holtzman: … I'd like to start by establishing a bit about your background. I believe that you received your bachelor's degree from Brown University. Is that right?

Debbie Goldstein: Yes.

Clare Holtzman: And after college, [you] then completed a J.D. At Harvard Law School, correct?

Debbie Goldstein: Yes.

Clare Holtzman: …[I]n law school, you wrote your note on subprime mortgages. Could you tell me a little bit about what attracted you to studying consumer law and subprime mortgages?

Debbie Goldstein: So, I went to law school with a very strong interest in racial and economic justice and was very interested in the community economic development movement and did … a lot of course work on that in college. I actually wrote my college thesis on microloan programs in the U.S., and a particular set of them in Providence, Rhode Island, and then went to law school, really wanted to become trained to do community and economic development work. And, the summer between my second and third year, I had an internship at a national affordable housing group called NeighborWorks. And they said, basically, the number one issue that our local affiliates are dealing with right now is predatory lending and asked me to spend my summer researching how that was impacting their membership and what policy options there were. …[S]o I wrote a paper between second and third summers, and then that became the note that you're talking about. So, I would really say it's because it was the predominant issue at the time for groups working on empowerment of low-income communities and affordable housing, and the way predatory lending was undermining all of the efforts they were making to build financial empowerment in those communities.

Clare Holtzman: … I'm really curious then how you understood the subprime mortgage market at the time, and how your views have changed since then.

Debbie Goldstein: That's a great question. So, when I first did research on predatory lending, I already knew a lot about redlining and how traditional financial institutions didn't invest or have resources available to low-income communities. And so, I knew a lot about that. And then when I started doing research on predatory lending, it became really clear that there were individual shady actors that were going into low income communities and convincing people to take out bad products. So, I remember interviewing a borrower who had been persuaded to take out a loan. I don't remember quite exactly, but it was a mortgage loan, but I don't remember the details, but they did his closing at a McDonald's in the parking lot. And I remember how shocked I was by that, but it felt like individual brokers were the problem and sort of, like I said, shady actors, individuals.

And as soon as I started talking to the larger field, like regulators over and over and over again, regulators would have this mantra, "Just remember all subprime lending is not bad; …most predatory lending happens in the subprime market, but there's also good subprime lending." And that was like the mantra at the time that there are good subprime lenders providing access to credit, but there's some bad practices and bad actors. And I think it became clear as I did more work over the next decade that actually the subprime market as a whole was … systemically problematic and that the incentive structures encouraged systemic bad behavior. And that it wasn't just like a couple of bad apples. It was a really problematic system.

Clare Holtzman: … [Y]ou joined, CRL [Center for Responsible Lending] right after law school—could you talk a little bit about what led to your decision to do that right after you graduated?

Debbie Goldstein: So, it was two things. So, the summer that they [NeighborWorks] hired me to write this paper was—it would have been the summer like June to August of 2000. So, the North Carolina predatory lending law had just passed. And so, I spent a lot of time interviewing folks who had worked on the North Carolina law and understanding what the North Carolina law did and comparing it to just a really small handful of other cities and states that were taking action at the same time. But the North Carolina law was really the model. And the people that worked on that law were very influential in the project—the paper that I put out—and giving me a lot of feedback and helping me with the direction of the paper.

And then, when I graduated law school, coincidentally, my husband decided to get a graduate degree at Duke. And so, I really, I got in some ways, very lucky. I applied to Self-Help, which had been a leader on this issue, for a job. And they were in a period of growth and they actually hired me to do sort of random work on advocacy in a new position that hadn't existed before, as well as some general counsel work on lending they were doing. And it was kind of a blend. And I was there for about six months before they got the funding to start the

Center for Responsible Lending and was extremely involved in drafting the proposal to create it, helping to secure some of the funding and then being one of the very first employees of the Center and thinking through how it would function from the very beginning. So, it was a little bit luck and a little bit a function of work I had done.

Clare Holtzman: …[W]hat was it like to work at a policy startup? And what were . . . the organization's initial objectives?

Debbie Goldstein: So, when I arrived, the predatory lending law had, as I said, had just passed and was taking effect; and so a lot of my early assignments were to work on follow up work, which really fell into a couple of buckets. So, they had done the legislation on the predatory lending practices. But there was a second piece of legislation that worked on broker licensing and standards for accountability for mortgage brokers. And so, when I arrived, you know, some of my first assignments were to write up the basic principles of that broker legislation.

Another emerging strain was that once the North Carolina law passed other state advocates in other states wanted to enact similar statutes in their state. And they were being told by lenders that if they did that lenders would leave the state. And so, I did a lot of work kind of on the fly, supporting other state advocates on condensing what did the North Carolina bill actually say, did lenders leave the state—which largely wasn't true—what are the important parts of the bill and what are less important? And then last, the coalition had emerged out of the predatory lending work on North Carolina really strong and effective, and they began to take on payday lending in the state. And so, I worked a little bit on that, although I would say I worked on the first two a lot more and eventually spent almost all my time in the early years on mortgage legislation in other states after North Carolina.

Clare Holtzman: …[C]ould you elaborate a little bit more on what the predatory lending practices [were that] you were encountering the most and that were giving CRL the most concern at the time?

Debbie Goldstein: So, there were probably there—I'll name a couple. So, the one was—at the time, you would see a loan origination documents with huge fees. So, I remember working on bills and pulling loan files and seeing that there was a, you know, 10 percent origination fee on a loan, when if you took out a standard traditional conventional affordable housing loan, and it would have a 1 percent fee or less. So [the predatory loan was] just totally loaded with fees that were unfair and exorbitant compared to the market. The other issue I spent a lot of time doing research on [was] prepayment penalties. So, in the conventional, traditional mortgage market, a borrower would get a loan and you could pay it off early. In fact, that was very common. It was really common to refinance in the first five years of a loan, and there'd be no penalty [to pay off the first loan with the new loan], but on a predatory loan, there would be a fee that would be like six months interest if you pay the loan off early. And that was especially problematic because these loans had high interest rates and high fees. So, you know, people would say, well, you know, if the market is competitive they should just be able to refinance into a better product, but they couldn't because they were trapped by the prepayment penalty.

The other issue that was really prominent immediately when I arrived in 2001, was it was the beginning of—it was the end of a period where almost all subprime loans included [credit] insurance. That was for—that was claimed to be for—paying off your loan if you lost your job or were injured or died. So, it was credit insurance, but it was financed into the loan and paid upfront, and it would cover five years' worth of the loan's term, even though it was [financed over] a thirty-year loan. So, it was really, really expensive insurance. And there was a huge amount of data showing almost no one was able to cash in on this insurance when they needed it. And so, I forget the exact year, but when I arrived in 2001, Self-Help and the Center for Responsible Lending had already been putting out a lot of research and fighting about this issue.

And it came to a head …, there was like a tipping point where lenders started saying, "You know what, we're not going to offer this anymore." And, there were Senate hearings in the U.S. Senate and a tipping point where suddenly it became very clear that this product was unacceptable. But that was a big fight.

And then I was going to say there was one more, there were—there was a lot of argument around how brokers were compensated. So, brokers were paid in a way that encouraged them to originate as many loans as possible, collect their fees and get out before the mortgage was sold on the secondary market, without regard for whether there was appropriate underwriting, whether the borrower really needed the loan, et cetera. And so, there was a lot of work around the incentive structures for brokers and brokers in general, and their role in the mortgage market vis-a-vis the later investors.

Clare Holtzman: And so, could you . . .describe kind of how you understood what predatory lending was…, and if your understanding of what predatory lending is, has changed over time?

Debbie Goldstein: I think I understood it as two things…. [I]t became very clear that predatory mortgages had certain terms like these fees that other mortgages didn't have. And then also that there were practices of target marketing these loans to certain people—predominantly people of color and people in low-income neighborhoods—when maybe they didn't need the product or they qualified for something better, steering people into these products when they could qualify for something better; target[ing] … people to refinance over and over and over again, even if it wasn't in their benefit. And those were, they were practices that were harder to just come up with a bright line definition, but they were clearly driving what was happening in the market.

So, I understood it as a combination of those two things. And I would say that just turned out to be more and more true over time. The only difference being it became quite clear that there were two markets, there was a conventional market that, if you could get into it, your loan was pretty likely to be similar to everybody else's loan and fairly low cost with responsible terms, and another market. And if you ended up in that market, you were in big trouble because your loan was going to be loaded up with all kinds of problematic things. And there was not a lot of middle, it's not like somebody with a slightly worse credit score paid a little bit more. It was like either you got into the good market or the bad market, and the impacts were exponentially worse in the predatory market.

Clare Holtzman: . . . [G]oing back to your work with Self-Help . . . so CRL is not a financial institution. So, one of the things we're really interested in was how you were learning about predatory lending practices as . . . a policy organization.

Debbie Goldstein: So . . . Self-Help is a community development lender and originates a lot of its own mortgage loans. It then also purchases mortgage loans from other financial institutions in an effort to incentivize them to make more affordable housing loans. So, they would . . . buy loans from a bank [that made affordable loans] for Community Reinvestment Act credit, and then that bank that they bought them from would commit to make more loans and sell those as well. And so, when I arrived, there was a piece of the work [at Self-Help] that was advocacy that became a separate affiliate – [the] Center for Responsible Lending. And one of the first roles I had was … working on legislation, provid[ing] examples of mortgages that were problematic.

So we would get … get loan files, not really from our own borrowers, but from AARP [American Association of Retired Persons] or ACORN [Association of Community Organizations for Reform Now] or a legal aid attorney who was handling a borrower who had already gotten in severe trouble or had lost their home to predatory lending. And we would sort of summarize the terms of those loans. And then I would often pull examples of loans that [Self-Help was] purchasing or making and show how, if you compare the two loans, the costs were extraordinarily different and use that to demonstrate you can make loans to low income people on affordable terms, or you can make them on abusive terms. Both are possible, but the abusive terms are really out of the norm. And that was one of the first things I did. I learned a lot by literally looking at HUD-1s and comparing the costs . . . on the two disclosures and showing how different they were.

Clare Holtzman: …[W]hat kinds of activity were you personally engaged in on the policy advocacy front to address predatory lending practices?

Debbie Goldstein: I wrote a lot of one- or two-page documents summarizing the key arguments for fixing a particular issue or passing a bill. I wrote a paper on prepayment penalties and why they were problematic and what different states were doing to address them and how many states had made them illegal. And then, like I said, so I first supported advocates that were going to other states and working on legislation with some of this research and examples. And then, I guess probably by 2002, I was personally going to states, especially, the two I spent the most time in were New Jersey and Massachusetts, but I went to a lot of other states. I remember going to South Carolina several times to support coalitions in those states that were trying to pass predatory mortgage lending laws.

Clare Holtzman: Could you describe a little bit more about your work specifically in those states, like Massachusetts and New Jersey?

Debbie Goldstein: Yeah. And they were very different. So, in New Jersey, there was a coalition that included ACORN, a number of affordable housing groups, a number of racial justice groups and AARP, and they had proposed legislation on predatory mortgage lending. And there was really actually a fight amongst even some of the Democrats about how far they wanted to go. And so, in many ways I acted as staff to that coalition and helped them understand how to compare their proposal to other states and provided them with data and wrote a lot of memos and supported them. But I went up to New Jersey quite a lot. In Massachusetts, there was a legislator in the state House who really had taken on this issue and wanted direct support thinking through the different components.

And so, I worked closely with ACORN and a couple other groups, but I also worked directly with some state legislators who wanted to take this on and wanted to understand how to, what issues mattered, how to do it right. And how to answer the concerns that lobbyists were coming to them with. So, I worked on both probably for two to three years working to pass predatory lending legislation in both states.

Clare Holtzman: And could you talk a little bit about . . . the dynamics like between some of the nonprofits and between the legislators and lobbyists both amongst each other—

Debbie Goldstein: Yeah. When I arrived in New Jersey, the chair of the banking committee was very close to the lobbyists and ACORN and AARP had both put significant personal pressure on the chair. And it had created a dynamic where the bill was just stuck. But the—I don't remember exactly the legislative leadership, and I think the governor at the time really wanted to do something about the issue. And so, at some point—I don't remember exactly when—but at some point they intervened and moved the bill from the banking committee to a special committee on senior issues. And I remember the bill went from being completely stuck and sort of stuck in personal relationships to gliding through committees where behind the scenes they would work really hard to get the legislation to where it needed to be. And then the committee would hold a hearing and it would glide through to the next level. And it really took moving it just from one committee to another and leadership interference to make that happen.

But there were big fights about credit insurance and about broker, mortgage broker accountability, and then in New Jersey one of the big fights related to a fight they'd had in Georgia as well around holding investors accountable for these mortgages. So, a big issue at that time was like I said, a mortgage broker would make the loan to the borrower and they would actually fund it in their own name and then get the loan done. And then within 90 days they would sell it to a subprime mortgage finance company. And then the subprime mortgage finance company would package the loan up with . . . many other loans into a security and investors would buy, invest in that security with cash . . . on Wall Street. And so, what would happen is the original actor that made the loan would be long gone by the time the borrower's payment became due, and it was clear that there was a problem. And borrowers and legal aid attorneys and others were really frustrated because . . . you couldn't hold anybody accountable for making the loan, even if everybody acknowledged it was abusive. And the end result was the borrower would end up in foreclosure or having lost a lot of money by having the equity stripped out of their house through the loan process.

And so, there was a big fight to say that investors, while not intentionally responsible for making the loan in the first place, through their investment, incentivized the bad behavior and had the resources to help hold the broker accountable and restore the borrower's loss. And so, in Georgia and New Jersey and a couple other states, there was a real working out with the Wall Street and secondary market actors, as well as with the Mortgage Bankers Association. How are we going to balance accountability with [allowing lenders to know] enough about the market that they could make loans without worrying about sort of extreme undue damages, or something like that. And so, I worked a lot on that issue. I spent a lot of time explaining it and researching it and negotiating it. …[I]t was resolved very well in New Jersey. And that became a model for other States. I remember telling—in Massachusetts—telling the legislator, "You literally have to use this language down to the plurals and the singulars, because then I know investors will continue to stay in the state." That kind of thing.

Clare Holtzman: You mean the language that was put into the bill?

Debbie Goldstein: Yeah, it was the remedies and enforcement provisions of the bill in New Jersey were heavily negotiated and then repeated in other states.

Clare Holtzman: Can you talk a little bit about the different strategies involved in advocating at the state level versus the federal level, and where you thought that CRL had the most success?

Debbie Goldstein: At the state level, typically legislators, in many cases, they don't have any staff at all, or they have one staff person. There were only a few state legislatures in the country that have professional committee staff or something like that. And so at the state level, in particular, CRL added a lot of value by doing research and translating it for the legislators directly in a way they could understand it. . . . Massachusetts was a good example where I found the legislators, they really wanted to serve their constituents, but the only experts they were hearing from were mortgage lenders. And they wanted to be able to respond to what they were [hearing from constituents], but they didn't have any information. So if we could provide them with good quality information, comparisons of state laws in different places and real documented information of how lenders reacted in other states to these laws, it was really valuable to them to know how to … do what they wanted to do in the first place. So that was really, really important in the states. And at the federal level in Congress, there are whole bodies of committees and staff that can do a lot of that work. But at the state level there's not. And so that was a big piece.

The coalitions were also really, really important. So, there were, like I said, there were groups like ACORN that were mobilizing individuals that had been harmed by predatory lending and were part of the neighborhoods that were impacted by foreclosures. And they were bringing their voice to the table. Legal aid attorneys who had clients who were impacted. AARP was critical in many states in showing the impact on seniors. And I worked in states where the most important influential thing was a group of senior advocates showing up in AARP t-shirts or legislators who cared about having their picture in the AARP newsletter. And the NAACP in many states was very important also in calling for accountability for the way these practices were affecting African American borrowers and other borrowers of color. So those coalitions were important.

There was also, in some states—in North Carolina—there were responsible mortgage lenders who didn't want to be associated with predatory lending who were helping to weigh in and say, “We don't do these things, and we are very comfortable with making it illegal to charge these fees because we don't charge them.” That was really important. In Massachusetts, that was the Credit Union League. In North Carolina, it was the Mortgage Bankers Association. In other states there were lenders who were like, “We don't want any regulation at all,” and they just opposed everything.

And that was challenging, but wherever we could, we tried to work with lenders to agree on things that they could live with because they weren't engaged in these predatory practices. And so that, that made a big difference. Also—the opposite was also true. For example in New Jersey, the brokers association was really opposed to this bill, and I remember the sponsor of the bill, like went to get gas for her car one day and a mortgage broker started yelling at her at the gas station. …[T]hose kinds of bitter fights were really difficult at the state level because everything's much more close to the ground and personal. And, we had to do a lot of work to help legislators in those efforts understand why what they were doing was the right thing.

Clare Holtzman: … I know you talked about, kind of a second ago, advocating for people of color. So, could you talk specifically about what strategies were the most successful when advocating for the disproportionate impact of predatory lending on people of color?

Debbie Goldstein: I think it was really lifting up individual stories of how people could have qualified for better products, or even in many cases, owned their home and were persuaded to take out a loan that was so costly that they lost wealth as a result; lifting up those stories, having them testify, really made a big difference. And then in many cases these coalitions and civil rights groups in particular, putting pressure on legislators . . . to take action and not listen to the sort of entrenched lobbyists was critical in moving things forward. So those things helped. In some states it also really did make a difference [to show what other states had done]—like I remember going to Massachusetts and being like, "Look, if North Carolina can pass a bill, of course Massachusetts should be more advanced than that, more progressive than that." And that of course really resonated with them. And in New Jersey, they wanted to have a stronger bill than in New York. And so, there were dynamics like that as well.

Clare Holtzman: …[W]hen you were working with the states to enact anti-predatory lending laws, what challenges were you seeing in terms of pushback from the federal banking agencies and how did you respond?

Debbie Goldstein: I mean, there was huge pressure. Lenders would threaten outright to state leaders that they would not make loans in the state if the law was passed—in New Jersey, there was a lender that threatened to pull jobs out of the state. Like, "We're going to move a call center or operations out of the state if you pass this bill." So that was a big issue with states worrying about losing business to other states. And then federal regulators compounded that by saying they were going to preempt these state laws or that they were going to persuade state-based financial organizations to convert, to be federally chartered financial institutions. So, there were big fights where the federal regulators were saying, "This is our turf, and . . . we're going to preempt these state laws or. . . make it easier for financial institutions to leave the states." And that was a huge, huge problem.

Clare Holtzman: . . . [H]ow [has the] approach [to] federal preemption changed over time…?

Debbie Goldstein: You know, it's a basic principle of a lot of the Truth in Lending Act and a lot of consumer protection laws that there should be a federal floor, like a basic standard that applies to everyone and that states should feel free to go above that. And I've really over time seen the ways states are much better positioned to act quickly to address new emerging financial issues. When you . . . say this fee is illegal, predatory lenders will immediately come up with a way to charge the same fee with a different name in a loophole. And so, you need the ability for states to respond to that quickly. And I think that idea that there's a floor of basic consumer protection, but states can act to address new emerging issues is really, really important. And that federal agencies are not well positioned to regulate small actors and emerging issues quickly.

All that said, I think things changed dramatically when the Consumer Financial Protection Bureau arrived because they had a different focus, their focus wasn't on keeping the financial institutions happy. The focus was detecting abuses that take advantage of consumers and acting on them. And that's a completely different frame and has made a big, big difference in addressing things where maybe state bodies don't have the resources. So, I think there's like a healthy balance, but somewhat it's just really critical, I think for states and local officials to be able to act because things evolve very quickly.

Clare Holtzman: …[C]ould you also talk a little bit about how you saw third party actors contributing to the problem?

Debbie Goldstein: Well, I would say it in two parts. So, I think as I sort of said before, the mortgage system creates incentives that drive how the third-party actors behave. And so first and foremost, by packaging mortgage loans and selling them and sort of limiting liability as they travel through the chain, that created a lot of incentives for individuals to do things that benefited them and not the system, as opposed to like a bank that originates a loan and then keeps it, and therefore wants the borrower to be able to pay it off. So, the system made a big difference, but I mean, it was very clear that individual mortgage brokers, because of these incentives then went out and really push-marketed bad products in neighborhoods.

I've seen lots of examples of brokers that just drove through neighborhoods and knocked on doors and convinced people to refinance their homes in a deceptive way that was really problematic. …I remember many years ago, meeting with folks at Wells Fargo who talked about how they had basically call centers that just called and push-marketed borrowers into bad products. And at the time they were paying their staff incentives to put people into these things. So, the individual actors and third parties played a big role, but we shouldn't discount the ways in which the lenders and Wall Street set up a system that tried to limit their liability but created a lot of incentives for these third-party actors to act in the wrong way.

Clare Holtzman: As we got closer to the housing bubble peak in 2006, what changes were you seeing in the marketplace in terms of mortgage lending practices and the types of entities that were making mortgages?

Debbie Goldstein: So, from like 2001 to 2006, we saw these, these terms I described like prepayment penalties and single premium credit insurance. As those became illegal, the subprime market shifted to a new form of adjustable rate mortgage product where their main goal was to make the monthly payment look really, really low by saying in the first year or two, you only have to pay interest or you have this really low interest rate for a period of time. And then the interest rate will jump up or suddenly you'll have to start paying principal and your payment will jump, but that won't be for two, three years. And the—and in many cases they didn't even tell the borrower that; they just said, Here's the [initial monthly payment]. And then the borrower discovered to their surprise that the payment rose after the broker was long gone. …[W]hat borrowers were told is, "Well it'll be fine, because you'll be able to refinance into another loan and you'll just keep getting different loans." And that worked great for the lender, but what happened is borrowers suddenly found they couldn't refinance. And in some cases, they couldn't sell their house either. And so, they were stuck with a loan that had gone from cheap to expensive. And that's when the foreclosure crisis really hit. So, the products really changed, and they got much worse. They also became much more common—this kind of particular, 2-28 or interest only loan. And you didn't see some of these terms we had seen before, but you saw a whole new abuse that really spun out of control very fast.

Clare Holtzman: I'm just going to move into some of our concluding questions now. . . . . So, over the last decade, we've seen a number of different narratives emerge to explain the financial crisis. Can you talk a little bit about how you understand what caused the crisis?

Debbie Goldstein: I mean, I really understand the crisis as driven by a combination of bad innovations in mortgage lending that took advantage of people by charging them a lot upfront for deceptive products that eventually left the borrower holding the bag when the lender was long gone, and Wall Street and other financial incentives that encouraged that kind of behavior on the origination side without a lot of accountability. And I think over and over again, I saw that borrowers didn't really go out seeking mortgage loans. There was a huge amount of marketing to them that convinced them to refinance their house or take out a loan that harmed them, using deception, when actually they didn't need a loan at all, they own their house, or they could have qualified for something better, but that wasn't marketed to them in the same way. And so that's really how I understand what happened and then slowly it spiraled out of control and brought the whole market down with it. But I think that's the best way I can describe how we got here.

Clare Holtzman: [T]o what extent do you see your personal experience as adding something important to our understanding of what happened in the run up to 2007 and '08?

Debbie Goldstein: [I]t really illustrated the importance of states and the role they can play in addressing quickly unfolding and emerging abuses that as soon as . . . you address them, they transform and become something else. That states have a really important role to play. They also played a really important demonstration role in testing out legislative reforms … and refining them to the point where there was much more consensus about how to address predatory lending and that culminated in passing a couple of components of Dodd-Frank that made a big difference nationally. I think the other piece of my personal experience is it really illustrates that there—at the state level in particular—it's possible to bring together coalitions [so] that the people impacted have a very large voice, but also the lenders can take responsibility and you can negotiate through that to arrive at a solution that works well. And that that's much, much harder to do at the federal level than it was at the state level, but it's really important.

Clare Holtzman: Looking back on the crisis over a decade later, what do you see as its most important lessons from mortgage originators and state level policy makers?

Debbie Goldstein: . . . I entered this as I said, because I wanted to be involved in access to credit and affordable housing and really empowerment of low-income people by owning their own home….I really still believe in that—but I think regulators and legislators and lenders really need to take that responsibility seriously and pay attention to how those important efforts can become corrupted by bad financial incentives very fast and that the impacts can be widespread. And so, it's really important to find a good balance of monitoring and regulating and enforcing consumer protections, but also making credit available to as many people as possible to help them build wealth. And I just think that's really, really important. It's really important for racial and economic justice, which is why I got into this. But there's got to be a really good balance of access to credit and regulation of credit to do it well.

Clare Holtzman: So, to what extent do you see mortgage originators and policymakers implementing those lessons?

Debbie Goldstein: I think things are really different now than they were in 2001. I think now regulators understand that there's a wide variety of quality and that regulation is important. I would still like to see regulators doing more and sort of more professionalization of monitoring financial companies. But I still think they take it much more seriously than that sort of early years when I told you people would say, "Well, not all subprime lending is predatory." And I think we've learned that it was a little more complicated than that. So, I think things are much improved, but there's a long way to go to hold lenders accountable for treating consumers fairly.

Clare Holtzman: Is there anything else you think I should have asked or that you would like to add?

Debbie Goldstein: No. I think that covers it. I think we've covered a lot.

Clare Holtzman: Great. Thank you so much.

Debbie Goldstein: My pleasure.

[END OF SESSION]