

**HELP STOP FORECLOSURES:
SUPPORT JUDICIAL MORTGAGE MODIFICATION**

February 24, 2009

Dear Representative:

Last week, President Obama unveiled a comprehensive set of new initiatives to help millions of American homeowners and reduce the massive wave of foreclosures that lie at the root of today's economic crisis. The plan recognizes that voluntary industry-led programs to avert foreclosures simply have not yet worked. Therefore, the Administration is putting in place a coordinated set of options and incentives to servicers and investors to prevent foreclosures that do not need to happen.

An essential part of the Obama Administration plan supports congressional action to permit distressed homeowners to seek home loan modifications in bankruptcy court, an option now permitted on other types of loans that have a far smaller impact on the economy as a whole. Legislation to accomplish this critical part of the plan, H.R. 200 ("Helping Families Save Their Homes Act"), was approved last month by the Judiciary Committee. That legislation will be part of a broader package of proposals (H.R. 1106) intended to help stabilize the housing and financial markets and expected to be considered on the House floor this week.

We are writing today to reiterate our support for legislation that would allow for court-supervised mortgage modifications as a way to help families stay in their homes and avoid foreclosure. Judicial mortgage modification will provide a vital last resort that could prevent hundreds of thousands of foreclosures, **without spending one penny of taxpayer money**. Equally important, it will be the most reliable way to encourage loan servicers to offer sustainable mortgage modifications outside of court.

The logic here is simple: We can't end the financial crisis without stemming the rising tide of foreclosures. Court-supervised loan modification is an essential component of an effective and comprehensive plan to meet that challenge.

At a time when an estimated 6,600 families are losing their home to foreclosure each and every day, there is no time for delay. We urge Congress to act immediately to pass legislation, without weakening amendments, to lift the ban on judicial modification of primary residence mortgages. It is perhaps the most important thing we can do right now to help arrest the terrible toll that the recession is taking on American families.

Sincerely,

AARP
AFL-CIO
Americans for Fairness in Lending
ACORN
Black Leadership Forum

Boston Trust
Calvert Asset Management Company
CDFI Coalition
Center for Responsible Lending
City, Life and Action for Regional Equality
Communications Workers of America
Community Legal Services Inc.
Consumer Action
Consumers Union
Consumer Federation of America
CREA: Center for Reflection, Education and Action
DEMOS
Domini Social Investments LLC
Greater Boston Legal Services
Green America
International Brotherhood of Teamsters
Lawyers' Committee for Civil Rights Under Law
Leadership Conference on Civil Rights
Legal Assistance Corp of Central Massachusetts
Massachusetts Alliance Against Predatory Lending
Miller/Howard Investments
MMA
NAACP
National Association of Consumer Advocates
National Association of Consumer Bankruptcy Attorneys
National Black Caucus of Local Elected Officials
National Community Reinvestment Coalition
National Consumer Law Center (on behalf of its low-income clients)
National Council of LaRaza
National Education Association
National Fair Housing Alliance
National League of Cities
National Low Income Housing Coalition
National NeighborWorks Association
National Policy and Advocacy Council on Homelessness
National Training and Information Center
National Urban League
North Star Asset Management
Opportunity Finance Network
Pax World Mutual Funds
Rural Advancement Foundation International
Service Employees International Union
Sisters of Loretto Investment Committee
Sisters of the Sorrowful Mother
UAW International Union
U.S. PIRG