



**Americans for Financial Reform**  
1629 K St NW, 10th Floor, Washington, DC, 20006  
202.466.1885

June 14, 2011

Dear Senator,

We, the undersigned (**consumer, civil rights, senior, labor, other**) organizations that have come together as Americans for Financial Reform urge you to support the Regulation of Mortgage Servicing Act of 2011. The Act is being offered as amendment number 428 to the Economic Development Act, S. 782. This important amendment will bring much needed protections to homeowners at risk of losing their homes to foreclosure and hold mortgage servicers accountable in preventing avoidable and improper foreclosures.

Due to years of reckless and abusive lending practices, there have been as many as 5 million homes lost since 2007, and there may be as many as 11 million more foreclosures filed in the next few years. In addition to the devastating impact these foreclosures will have on the affected households, they will also cause the value of nearby homes to substantially decline. The Center for Responsible Lending reports that during 2009-2012, foreclosures will cost U.S. families approximately \$1.9 trillion in lower home values, an average of \$20,300 in lost wealth per household. The harmful economic effect of foreclosures doesn't stop with declines in home values. This crisis also drains state and local budgets as they drive declines in tax revenues that support schools, police, and emergency services.

Unfortunately, this crisis is being exacerbated by the misconduct of mortgage servicing companies whose staff are trained for collection activities rather than loss mitigation. According to a recent survey conducted by the National Association of Consumer Advocates (NACA) and the National Consumer Law Center (NCLC), mortgage servicers often initiate foreclosure proceedings improperly, either while a homeowner is awaiting a loan modification or due to improper fees or payment processing. The recently publicized robo-signing allegations and illegal actions against military service members and veterans are just the tip of the iceberg of servicer noncompliance of state and federal laws and contracts. For years, consumer advocates have documented a pattern of shoddy, abusive and illegal practices in the mortgage servicing industry.

The Regulation of Mortgage Servicing Act of 2011 helps to level the playing field for homeowners seeking loan modifications. Unlike the recent consent orders issued to top mortgage servicers by the Office of the Comptroller of the Currency and other federal regulators, this bill actually eliminates the "dual tracking" problem. Under this legislation, when consumers are being evaluated for a loan modification, foreclosure proceedings cannot be initiated or must be

paused if they have been initiated prior to the conduct of the evaluation. The Act also requires servicers to establish a single point of contact for homeowners. This provision will help homeowners seeking a modification by ensuring that they are not shuttled from one representative to another, given a new story and a new set of requirements each time. This requirement should also cut down on the frequency with which servicers lose vital paperwork submitted by homeowners. The Act also enhances the likelihood that proper modification reviews are conducted by requiring an independent review of the file prior to initiation of foreclosure.

We strongly urge you to support this important piece of legislation. Too many families have lost their homes due to the misconduct of lenders and servicers. Immediate action by Congress to rein in these abuses will better serve homeowners as well as investors, communities and the entire mortgage market.

Sincerely,

Americans for Financial Reform  
Alliance for a Just Society / Main Street Alliance  
California Reinvestment Coalition  
Center for NYC Neighborhoods  
Center for Responsible Lending  
Consumer Action  
Consumer Federation of America  
Empowering and Strengthening Ohio's People  
National Association of Consumer Advocates  
National Association of Consumer Bankruptcy Attorneys  
National Community Reinvestment Coalition  
National Consumer Law Center  
National Fair Housing Alliance  
National People's Action  
Neighborhood Economic Development Advocacy Project (NEDAP)  
SEIU  
The Leadership Conference on Civil and Human Rights

## **Following are the partners of Americans for Financial Reform.**

*All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.*

- A New Way Forward
- AARP
- AFL-CIO
- AFSCME
- Alliance For Justice
- Americans for Democratic Action, Inc
- American Income Life Insurance
- Americans United for Change
- Campaign for America's Future
- Campaign Money
- Center for Digital Democracy
- Center for Economic and Policy Research
- Center for Economic Progress
- Center for Media and Democracy
- Center for Responsible Lending
- Center for Justice and Democracy
- Center of Concern
- Change to Win
- Clean Yield Asset Management
- Coastal Enterprises Inc.
- Color of Change
- Common Cause
- Communications Workers of America
- Community Development Transportation Lending Services
- Consumer Action
- Consumer Association Council
- Consumers for Auto Safety and Reliability
- Consumer Federation of America
- Consumer Watchdog
- Consumers Union
- Corporation for Enterprise Development
- CREDO Mobile
- CTW Investment Group
- Demos
- Economic Affairs Bureau/Dollars & Sense
- Economic Policy Institute
- Essential Action
- Greenlining Institute
- Good Business International

- HNMA Funding Company
- Home Actions
- Housing Counseling Services
- Information Press
- Institute for Global Communications
- Institute for Policy Studies: Global Economy Project
- International Brotherhood of Teamsters
- Institute of Women's Policy Research
- Krull & Company
- Laborers' International Union of North America
- Lake Research Partners
- Lawyers' Committee for Civil Rights Under Law
- Move On
- NASCAT
- National Association of Consumer Advocates
- National Association of Neighborhoods
- National Community Reinvestment Coalition
- National Consumer Law Center (on behalf of its low-income clients)
- National Consumers League
- National Council of La Raza
- National Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National People's Action
- National Council of Women's Organizations
- Next Step
- OMB Watch
- OpenTheGovernment.org
- Opportunity Finance Network
- Partners for the Common Good
- PICO
- Progress Now Action
- Progressive States Network
- Poverty and Race Research Action Council
- Public Citizen
- Sargent Shriver Center on Poverty Law
- SEIU
- State Voices
- Taxpayer's for Common Sense
- The Association for Housing and Neighborhood Development
- The Fuel Savers Club
- The Leadership Conference on Civil and Human Rights
- The Seminal
- TICAS
- U.S. Public Interest Research Group
- United Food and Commercial Workers

- United States Student Association
- USAction
- Veris Wealth Partners
- Western States Center
- We the People Now
- Woodstock Institute
- World Privacy Forum
- UNET
- Union Plus
- Unitarian Universalist for a Just Economic Community

*Partial list of State and Local Signers*

- Alaska PIRG
- Arizona PIRG
- Arizona Advocacy Network
- Arizonans For Responsible Lending
- Association for Neighborhood and Housing Development NY
- Audubon Partnership for Economic Development LDC, New York NY
- BAC Funding Consortium Inc., Miami FL
- Beech Capital Venture Corporation, Philadelphia PA
- California PIRG
- California Reinvestment Coalition
- Century Housing Corporation, Culver City CA
- CHANGER NY
- Chautauqua Home Rehabilitation and Improvement Corporation (NY)
- Chicago Community Loan Fund, Chicago IL
- Chicago Community Ventures, Chicago IL
- Chicago Consumer Coalition
- Citizen Potawatomi CDC, Shawnee OK
- Colorado PIRG
- Coalition on Homeless Housing in Ohio
- Community Capital Fund, Bridgeport CT
- Community Capital of Maryland, Baltimore MD
- Community Development Financial Institution of the Tohono O'odham Nation, Sells AZ
- Community Redevelopment Loan and Investment Fund, Atlanta GA
- Community Reinvestment Association of North Carolina
- Community Resource Group, Fayetteville A
- Connecticut PIRG
- Consumer Assistance Council
- Cooper Square Committee (NYC)
- Cooperative Fund of New England, Wilmington NC
- Corporacion de Desarrollo Economico de Ceiba, Ceiba PR

- Delta Foundation, Inc., Greenville MS
- Economic Opportunity Fund (EOF), Philadelphia PA
- Empire Justice Center NY
- Empowering & Strengthening Ohio's People, Cleveland OH
- Enterprises, Inc., Berea KY
- Fair Housing Contact Service OH
- Federation of Appalachian Housing
- Fitness and Praise Youth Development, Inc., Baton Rouge LA
- Florida Consumer Action Network
- Florida PIRG
- Funding Partners for Housing Solutions, Ft. Collins CO
- Georgia PIRG
- Grow Iowa Foundation, Greenfield IA
- Homewise, Inc., Santa Fe NM
- Idaho Nevada CDFI, Pocatello ID
- Idaho Chapter, National Association of Social Workers
- Illinois PIRG
- Impact Capital, Seattle WA
- Indiana PIRG
- Iowa PIRG
- Iowa Citizens for Community Improvement
- JobStart Chautauqua, Inc., Mayville NY
- La Casa Federal Credit Union, Newark NJ
- Low Income Investment Fund, San Francisco CA
- Long Island Housing Services NY
- MaineStream Finance, Bangor ME
- Maryland PIRG
- Massachusetts Consumers' Coalition
- MASSPIRG
- Massachusetts Fair Housing Center
- Michigan PIRG
- Midland Community Development Corporation, Midland TX
- Midwest Minnesota Community Development Corporation, Detroit Lakes MN
- Mile High Community Loan Fund, Denver CO
- Missouri PIRG
- Mortgage Recovery Service Center of L.A.
- Montana Community Development Corporation, Missoula MT
- Montana PIRG
- Neighborhood Economic Development Advocacy Project
- New Hampshire PIRG
- New Jersey Community Capital, Trenton NJ
- New Jersey Citizen Action
- New Jersey PIRG
- New Mexico PIRG
- New York PIRG
- New York City Aids Housing Network
- NOAH Community Development Fund, Inc., Boston MA
- Nonprofit Finance Fund, New York NY

- Nonprofits Assistance Fund, Minneapolis M
- North Carolina PIRG
- Northside Community Development Fund, Pittsburgh PA
- Ohio Capital Corporation for Housing, Columbus OH
- Ohio PIRG
- OligarchyUSA
- Oregon State PIRG
- Our Oregon
- PennPIRG
- Piedmont Housing Alliance, Charlottesville VA
- Michigan PIRG
- Rocky Mountain Peace and Justice Center, CO
- Rhode Island PIRG
- Rural Community Assistance Corporation, West Sacramento CA
- Rural Organizing Project OR
- San Francisco Municipal Transportation Authority
- Seattle Economic Development Fund
- Community Capital Development
- TexPIRG
- The Fair Housing Council of Central New York
- The Loan Fund, Albuquerque NM
- Third Reconstruction Institute NC
- Vermont PIRG
- Village Capital Corporation, Cleveland OH
- Virginia Citizens Consumer Council
- Virginia Poverty Law Center
- War on Poverty - Florida
- WashPIRG
- Westchester Residential Opportunities Inc.
- Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI
- WISPIRG

