

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

Updated

March 4, 2009

Dear Representative:

Today, President Obama and his Administration unveiled the details of 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, as modified, 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 tomorrow.

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

(continued)

Action for Regional Equity  
AIDS Alabama  
Americans for Fairness in Lending  
Association of Community Organizations for Reform Now  
Black Leadership Forum  
Boston Trust  
Calvert Asset Management Company  
Catholic Charities of Kansas City-St. Joseph  
CDFI Coalition  
Center for Responsible Lending  
Central Illinois Organizing Project  
Change to Win  
City Life Vida Urbana  
City, Life and Action for Regional Equality  
Coastal Enterprises Corp.  
Communications Workers of America  
Community Legal Services of Philadelphia  
Connecticut Legal Services  
Consumer Action  
Consumers Union  
Consumer Federation of America  
CREA: Center for Reflection, Education and Action  
DEMOS  
Domini Social Investments LLC  
Ensuring Stability Through Action in Our Community  
Florida Legal Services  
Greater Boston Legal Services  
Green America  
Greenlining Institute  
International Association of Machinists and Aerospace Workers  
International Brotherhood of Teamsters  
Lawyers' Committee for Civil Rights Under Law  
Leadership Conference on Civil Rights  
League of United Latin American Citizens (LULAC)  
Legal Assistance Corp of Central Massachusetts  
Low Income Housing Coalition of Alabama  
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)

(continued)

National Council of LaRaza  
National Education Association  
National Fair Housing Alliance  
National Federation of Community Development Credit Unions  
National Housing Law Project  
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  
Public Justice Center  
Rural Advancement Foundation International  
Sargent Shriver National Center on Poverty Law  
Social Investment Forum  
Service Employees International Union  
Sisters of Loretto Investment Committee  
Sisters of the Sorrowful Mother  
Survivors, Inc.  
Tri-City Community Action Program, Inc.  
UAW International Union  
U.S. PIRG