

Congress of the United States
Washington, DC 20515

January 19, 2012

The President
The White House
Washington, DC 20500

Dear President Obama:

As Members of Congress from California, a center of the nation's foreclosure catastrophe, we've written to you and your Administration regularly for a year-and-a-half, requesting more aggressive action to prevent foreclosures and resuscitate the ailing housing market.

We have repeatedly met with Secretaries Donovan and Geithner during this time and have presented numerous constituent cases to them demonstrating the questionable, possibly fraudulent, and irresponsible practices of the mortgage servicing industry. We have also offered several specific recommendations to reduce preventable foreclosures and provide relief to aggrieved homeowners, including a principal paydown plan to reduce negative home equity which is necessary as the remedy for the housing woes in America. Despite our efforts, we have concluded that efforts by both the government and the private sector have not addressed our nation's foreclosure crisis with sufficient urgency. We therefore request a meeting with you at the earliest opportunity to discuss additional actions your Administration can take to tackle the foreclosure crisis that is hurting so many of our constituents and slowing our economic recovery.

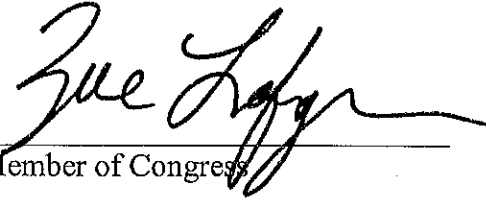
As of the end of the third quarter in 2011, 10.7 million homeowners nationwide owed more on their mortgages than their homes are worth. In California alone, more than 34% of homeowners with mortgages faced negative equity or were very close to being underwater. These homeowners confront the highest risk of foreclosure, and could most benefit from meaningful mortgage principal reductions.

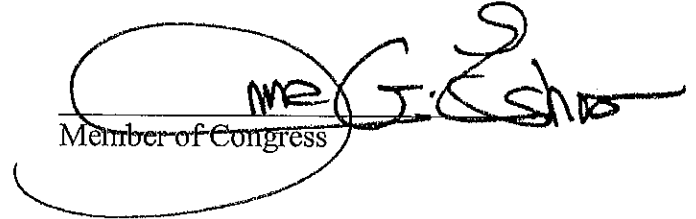
Though the Administration has adopted the Home Affordable Modification Program (HAMP) as its signature housing initiative, the overwhelming feedback from our constituents is that HAMP has not helped them. We believe additional and more effective approaches are necessary. One idea we proposed in previous correspondence to you is a temporary reduction in the interest rates of certain homeowners who file for Chapter 13 bankruptcy, so that the entirety of their monthly payments would be dedicated to paying down their principal balances for five years. We discussed this proposal with Secretaries Donovan and Geithner, and also with Ed DeMarco, the Acting Director of the Federal Housing Finance Agency, all of whom expressed an interest in the idea. However, we have yet to receive a decision from your Administration. Why not?

Our constituents and the health of our economy are dependent on swift and immediate action on ideas like this to prevent more foreclosures. We, as Members of the California Democratic Congressional Delegation, look forward to meeting with you so we can discuss ways to advance

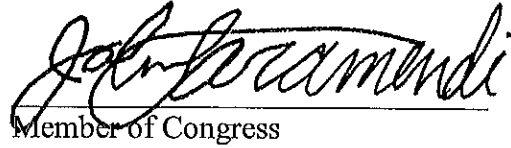
meaningful and effective solutions to address a foreclosure crisis that is ravaging communities and hurting families. We stand ready to work with you to help the people we serve.

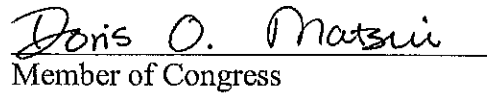
Sincerely,

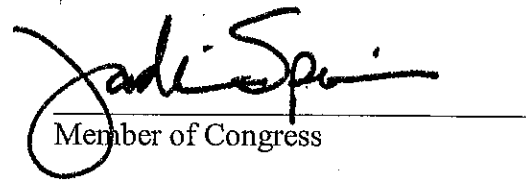

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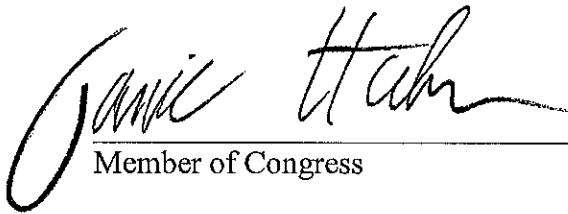

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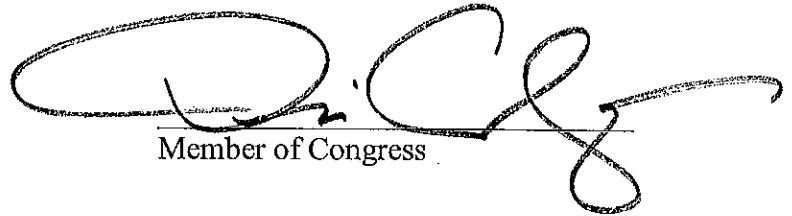

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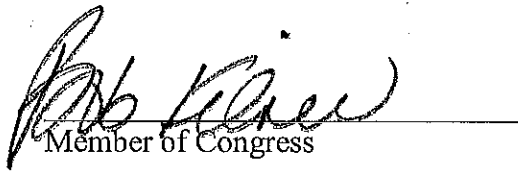

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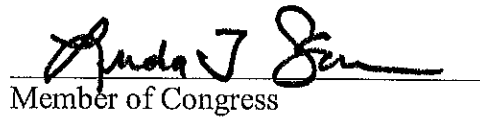

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