

July 12, 2007

The Honorable Jack Reed  
United States Senate  
728 Hart Senate Office Building  
Washington, DC 20510-3903

The Honorable Robert P. Casey  
United States Senate  
383 Russell Senate Office Building  
Washington, DC 20510-3805

The Honorable Sheldon Whitehouse  
United States Senate  
502 Hart Senate Office Building  
Washington, DC 20510-3905

Dear Senator Reed, Senator Casey and Senator Whitehouse:

We, the undersigned organizations, write to express our strong support for S. 1386, the Homeownership Protection and Enhancement Act (“HOPE Act”) of 2007. Today, as the foreclosure crisis in our country is exploding, it is clear that Congress must act to assist borrowers facing the prospect of losing their homes. We truly appreciate your leadership on this important issue.

Last year, homeowners suffered over one million foreclosures, more than a 40 percent increase from the previous year. As of the end of the first quarter of 2007, over five percent of subprime loans were in foreclosure and another eight percent were over 90 days delinquent. Once a borrower loses a home, on average it takes over 10 years to regain homeownership. Many homeowners face default without a reasonable chance of reversing this course. Good counseling and monetary assistance to tide over households in distress are hard to find, while mortgage servicers often do not provide the flexibility borrowers need to stay in their homes. Moreover, foreclosures result in tens of billions of dollars in lost equity and other costs for homeowners. Neighbors, communities and local communities also lose money.

S. 1386 addresses these concerns with practical, reasonable solutions, including:

- the establishment of State Homeownership Protection Centers and a requirement to refer delinquent homeowners to these centers for assistance;
- the creation of revolving loan funds to provide grants or loans to families in crisis;
- additional funding for HUD-approved housing counseling agencies and information about the availability of counseling at application, closing and at delinquency;
- a federal database on defaults and foreclosures to improve oversight; and

- a duty for lenders and servicers to engage in reasonable loss mitigation prior to foreclosure.

We look forward to working with you and your colleagues to enact S. 1386 into law, thereby helping more Americans stay in their homes. Thank you again for your leadership and commitment to low- and moderate-income homeowners.

Sincerely,

Association of Community Organizations for Reform Now (ACORN)  
Center for American Progress  
Center for Responsible Lending  
Consumer Action  
Consumer Federation of America  
Leadership Conference on Civil Rights  
National Association of Consumer Advocates  
National Community Reinvestment Coalition  
National Consumer Law Center (on behalf of its low-income clients)  
National Council of La Raza  
National Fair Housing Alliance  
Opportunity Finance Network  
ShoreBank Corporation  
The New America Foundation