



Consumer Federation of America

1620 I Street, N.W., Suite 200 * Washington, DC 20006

May 20, 2008

The Honorable Doris Matsui
U.S. House of Representatives
Washington, DC 20515

Dear Rep. Matsui:

On behalf of the Consumer Federation of America I write to express our appreciation for your leadership in introducing H.R. 6076, the "*Home Retention and Stabilization Act of 2008*."

The United States faces a deepening foreclosure crisis unlike any witnessed in decades. Twenty-thousand foreclosures on subprime mortgages alone are occurring every week. The negative spillover effects from these foreclosures is undermining whole communities and damaging the broader economy. Meanwhile the surge in mortgage delinquencies continues to outpace the capacity of mortgage servicers to respond to workout requests. Too many beleaguered homeowners continue to fall through the cracks and are losing their homes through foreclosure.

H.R. 6076 would provide struggling homeowners additional time to work with their servicers to seek alternatives to foreclosure. The nine-month timeout provided by the bill also provides a critical extension of time to enable longer term policy solutions, such as the voluntary FHA rescue program passed overwhelmingly by the House earlier this month (H.R. 3221), to be enacted and fully implemented by HUD.

H.R. 6076 is narrowly crafted and targeted only to those borrowers: with mortgages that federal regulators have identified as toxic and most prone to foreclosures – subprime and negatively amortizing loans; for which the property is the principal residence; and whose income is under 200 percent of area median income. H.R. 6076 also encourages long-term, affordable loan modifications by exempting those homeowners that have received such modifications. CFA is pleased that the bill also allows the states to provide additional foreclosure protections to their residents.

Again, we thank you for your effort and look forward to working with you on this legislation.

Yours sincerely,

Allen Fishbein
Director
Housing and Credit Policy

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