

NCLC and NACA Survey Results Demonstrate Servicers Continue to Proceed With Foreclosure Sales Without Completing Proper HAMP Reviews



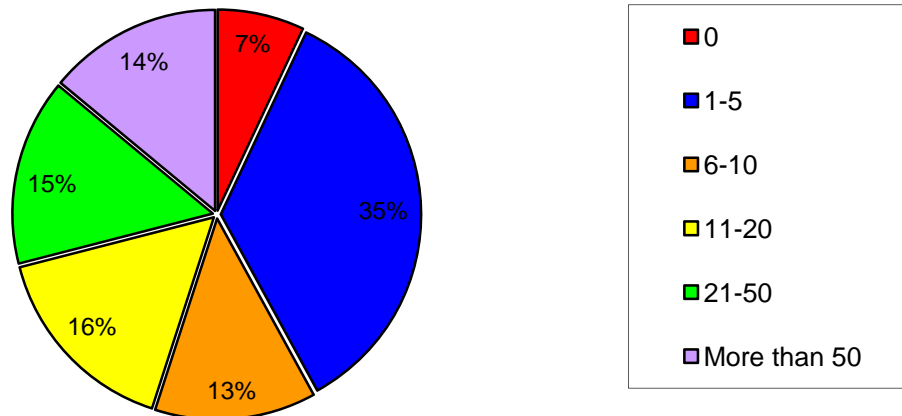
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In October 2009, the National Consumer Law Center (NCLC)ⁱ and the National Association of Consumer Advocates (NACA)ⁱⁱ issued a report that indicated a widespread failure among participating servicers to adhere to the Administration's Home Affordable Modification Program (HAMP) requirements regarding foreclosure sales. The report included numerous case studies from consumer attorneys where servicers proceeded with a foreclosure sale without completing a proper HAMP review.

On November 30, 2009, NACA and NCLC surveyed NACA member attorneys who work on housing and foreclosure prevention issues about their experience with HAMP. We asked them the following: "How many households have you or your office represented, where a mortgage servicer attempted to proceed with a foreclosure sale on someone's primary residence without first properly reviewing the homeowner for a HAMP mortgage loan modification?" The results of the survey demonstrate that servicers continue to violate the letter and spirit of HAMP.

- ◆ Almost 95% of the 113 consumer advocatesⁱⁱⁱ responding from over 24 states^{iv} represent homeowners in cases where the servicer attempted to proceed with a foreclosure sale without a completed HAMP review.
- ◆ Nearly 50% of the respondents represent 10 or more households suffering from this situation.
- ◆ 29% of the survey respondents stated that they represent more than 20 households where a servicer attempted to proceed with a foreclosure sale.
- ◆ 14% of the survey respondents stated that they represent more than 50 households where a servicer attempted to proceed with a foreclosure sale.

**Percentage of Respondents Reporting the
Number of Attempted Foreclosure Sales on a Client's Primary
Resident Without a Proper HAMP Review**



The results from our survey are clear - *servicers are not abiding by the current HAMP policy on stopping foreclosure sales*. Unless the Treasury Department mandates a policy that requires servicers to refrain from foreclosure referrals or procedures until a full and fair evaluation of a homeowner's eligibility for HAMP has been completed, too many Americans families will be improperly denied the opportunity to save their homes.

ⁱ The **National Consumer Law Center, Inc.** (NCLC) is a non-profit Massachusetts Corporation, founded in 1969, specializing in low-income consumer issues, with an emphasis on consumer credit. On a daily basis, NCLC provides legal and technical consulting and assistance on consumer law issues to legal services, government, and private attorneys representing low-income consumers across the country. NCLC publishes a series of eighteen practice treatises and annual supplements on consumer credit laws, including *Truth In Lending* (6th ed. 2007) and *Foreclosures* (2d ed. 2007), as well as bimonthly newsletters on a range of topics related to consumer credit issues and low-income consumers. NCLC attorneys have written and advocated extensively on all aspects of consumer law affecting low-income people, conducted training for thousands of legal services and private attorneys on the law and litigation strategies to deal with predatory lending and other consumer law problems, and provided extensive oral and written testimony to numerous Congressional committees on these topics.

ⁱⁱ The **National Association of Consumer Advocates** (NACA) is a non-profit corporation whose members are private and public sector attorneys, legal services attorneys, law professors, and law students, whose primary focus involves the protection and representation of consumers. NACA's mission is to promote justice for all consumers.

ⁱⁱⁱ 40% of the survey participants responded on behalf of an office; 60% responded on individual experience.

^{iv} AL, AZ, CA, CO, DC, FL, IL, IN, IA, LA, MD, MA, MI, MN, MS, MO, NV, NJ, NY, NC, OH, PA, SC, VA.