

April 24, 2008

The Honorable Barney Frank  
Chairman  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Spencer Bachus  
Ranking Member  
House Financial Services Committee  
B371a Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Frank and Ranking Member Bachus:

We are writing to urge you to support Representative Mel Watt and Representative Nydia Velázquez's amendment to H.R. 5830, the "FHA Housing Stabilization and Homeownership Retention Act," that would provide funding to state and local legal organizations representing homeowners in danger of losing their homes.

As you are all too well aware, thousands of homes across our country are being lost to foreclosure on a daily basis and this tide is only continuing to rise. Funding for state and local legal organizations is an essential and necessary component in directly providing much needed relief to at-risk homeowners.

We applaud Congress' resolve to provide much needed increased funding to housing counseling agencies, however that effort is simply not enough. Housing counselors, who play a vital role in helping at-risk homeowners, are unfortunately limited in their ability to pursue federal and state legal claims for abusive lending practices. Legal Aid and other non-profit lawyers, with their experience in representing homeowners and their legal knowledge of state and federal consumer protections, have the unique ability to change that equation and force recalcitrant servicers into creating loans that allow homeowners to remain in their homes and their communities. Unfortunately, the reality is that there are not enough non-profit attorneys doing this kind of direct service work and many are needed to quell the tide of foreclosures. The existing pool of such attorneys already report a flood of incoming homeowners seeking assistance for abusive loans.

By providing funding to legal providers at the state and local levels, thousands of homes can and will be saved. We therefore urge you to support Representative Watt and Velázquez's amendment to H.R. 5830. If you have any questions, please contact Cora Ganzglass, Legislative Director, National Association of Consumer Advocates, at (202) 452-1989 or cora@naca.net.

Sincerely,

ACORN  
Black Leadership Forum  
Center for Responsible Lending  
Consumer Federation of America  
Consumer Union  
National Association of Consumer Advocates  
National Coalition of La Raza  
National Consumer Law Center (on behalf of its low-income clients)  
National Fair Housing Alliance  
U.S. PIRG  
Central Illinois Organizing Project