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## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

July 23, 2009

The Honorable Timothy F. Geithner  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

The Honorable Shaun Donovan  
Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW  
Washington, D.C. 20410

Dear Secretary Geithner and Secretary Donovan:

On July 16, 2009 the Senate Banking, Housing and Urban Affairs Committee held a hearing titled "Preserving Homeownership: Progress Needed to Prevent Foreclosures." One of the witnesses on this panel, Diane Thompson of the National Consumer Law Center, raised a number of very serious concerns about the conduct of servicers participating in the Home Affordable Modification Program (HAMP). I have enclosed her testimony with appendices which details the problems to which she testified. I am writing to bring these concerns to your attention and to ask you to look into these claims.

Specifically, Ms. Thompson reports that several participating servicers are in violation of HAMP guidelines by:

- Demanding upfront payments in advance of review or trial modification;
- Requiring homeowners to waive all claims and defenses in order to apply for a review;
- Denying loan modification reviews to homeowners who are not yet in default; and
- Initiating foreclosures and selling homes while HAMP reviews are still pending.

It is my understanding that HAMP prohibits each of these activities.

I would greatly appreciate it if you could look into the concerns Ms. Thompson has expressed. If true and widespread, abuses of this kind threaten to undermine the effectiveness of the HAMP program and deny the relief on which so many Americans are depending for their financial stability.

These problems also underscore the importance of ensuring transparency in both the program guidelines and their implementation. The federal government is funding a significant number of foreclosure prevention counselors. If the rules and procedures governing the program are made public, these counselors and other interested parties can help ensure that Treasury guidelines are followed and mistakes prevented or expeditiously corrected. Transparency can help ensure accurate and timely results, and I urge you to require openness in the operation of this important program.

I thank you in advance for your time and efforts in responding to this inquiry.

Sincerely,

A handwritten signature in black ink that reads "Chris Dodd". The signature is written in a cursive, flowing style.

Christopher Dodd  
CHAIRMAN

Enclosure