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March 28, 2011

The Honorable Spencer Bachus
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Barney Frank
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Bachus and Ranking Member Frank:

I am writing to express my deep concern with recent and ongoing efforts in the House to scale back several key federal initiatives that currently play a critical role in helping mitigate the national foreclosure crisis. Weakness in the national housing market continues to hamstring our economic recovery. Further, with millions of borrowers in danger of losing their homes, now is not the time to withdraw federal support for foreclosure mitigation programs.

Foreclosures remain a significant issue in Massachusetts. The Commonwealth experienced over 12,200 foreclosures in 2010, a rough 32 percent increase from 2009 levels. Many of these foreclosures are multi-unit properties in our oldest, poorest cities.

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Foreclosed, vacant, and abandoned properties invite crime and vandalism and threaten longstanding public investments in neighborhoods.

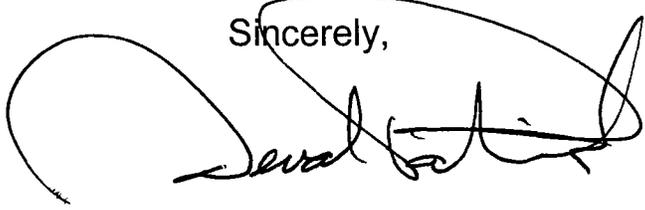
To combat the impact of foreclosures on communities, and under the leadership of Congressman Frank and others, Congress created the Neighborhood Stabilization Program (NSP). Through three rounds of funding, NSP has done exactly what it was designed to do – stabilize neighborhoods. The Massachusetts Department of Housing and Community Development and the Massachusetts Housing Investment Corporation have collectively invested \$65.3 million in federal NSP funds, successfully enabling the purchase and rehabilitation of more than 730 units in 110 buildings in 22 cities. Yet, on March 16th the House voted to withdraw third round NSP funding and permanently shutter the overall program. This shortsighted action would cost the Commonwealth \$7.4 million in the near term as well as any future benefits from this effective program moving forward.

This week, the House is expected to consider the Home Affordable Modification Program (HAMP) Termination Act (H.R. 839). HAMP helps homeowners modify mortgage payments in order to avoid foreclosure and protect the value of their homes. Nationally, HAMP has helped over 600,000 residents, including almost 13,500 residents in Massachusetts, secure permanent modifications to mortgage payments to stave off foreclosure. HAMP represents one of the few sources of meaningful assistance for homeowners facing the worst housing crisis in several decades. Repealing HAMP would remove an important benchmark for the mortgage servicing industry, and inject unnecessary risk into a fragile housing market still seeking to gain its footing.

Under the pretext of promoting efficiencies and cutting spending, and in the absence of proposed alternative approaches, the House would eliminate the cornerstones of the federal effort to mitigate the housing crisis. I strongly urge you to reconsider these actions which would undermine the core of the federal foreclosure

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mitigation response, and therein an important initiative critical to our economic recovery.

Sincerely,


cc: Senate Majority Leader Harry Reid
Senate Minority Leader Mitch McConnell
Speaker John Boehner
House Minority Leader Nancy Pelosi
Senator John Kerry
Senator Scott Brown
Representative John. W. Olver
Representative Richard E. Neal
Representative James McGovern
Representative Niki Tsongas
Representative John F. Tierney
Representative Edward J. Markey
Representative Michael Capuano
Representative Stephen F. Lynch
Representative William Keating