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Congress of the United States

House of Representatives

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May 24, 2011

The Honorable Darrell E. Issa
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am writing to request that you issue six subpoenas to mortgage servicing companies that have refused to comply voluntarily with requests for documents relating to illegal foreclosures and inflated fees charged to homeowners—a key area of our Committee’s oversight agenda. Although four other mortgage servicing companies have provided the Committee with at least some information in response to document requests, these six companies have provided no documents despite efforts by staff to obtain their voluntary compliance.

On February 10, 2011, the Committee adopted an oversight plan for this Congress pursuant to House Rule X, Clause 2(d). At my request, the final oversight plan included a commitment to “examine the foreclosure crisis including wrongful foreclosures and other abuses by mortgage servicing companies.”¹ At the time, you commended my efforts and stated, “I believe we now have a plan that can be unanimously adopted.”²

Two weeks later, after consultation with your staff, I sent letters to ten of the nation’s largest mortgage servicing companies seeking documents relating to allegations of wrongful foreclosures against military service-members and their families, “robo-signing” of foreclosure documents filed with courts, inflated fees, fraud, and other deceptive practices. These letters requested the following documents for the time period from January 1, 2006, to the present:

¹ House Oversight and Government Reform Committee, *Oversight Plan*, 112th Cong. (Feb. 10, 2011) (online at http://oversight.house.gov/images/stories/112th_Oversight_Plan_02092011.pdf).

² House Committee on Oversight and Government Reform, *Business Meeting on Oversight Plan*, 112th Cong. (Feb. 10, 2011).

- (1) internal investigations and audits relating to foreclosure policies, procedures, or practices;
- (2) documents relating to improperly executed foreclosures;
- (3) documents relating to improper fees charged to homeowners;
- (4) the total number of complaints alleging improperly executed foreclosures; and
- (5) the total number of complaints alleging improper fees charged to homeowners.³

Four of the mortgage servicing companies that received these letters have now begun responding to these requests. We are continuing to work with those companies to gather additional documents and information related to the Committee's investigation.

The remaining six mortgage servicing companies have failed to provide any of the requested documents. Five have written to explain their refusal, and one has failed to respond at all. The companies that have not provided documents are MetLife, Inc.; PHH Mortgage; SunTrust Banks, Inc.; U.S. Bank, N.A.; Wells Fargo & Company; and Bank of America Home Loans.⁴ Bank of America Home Loans has not submitted any response. One company, MetLife, Inc., explained that it would not provide the requested documents unless it was "subject to a subpoena."⁵

Our country is facing a foreclosure crisis that has affected six million homes since 2006, and there are currently 2.2 million homes now in foreclosure.⁶ As we heard during our Committee's first hearing on the foreclosure crisis on January 26, 2011, the performance of

³ See, e.g., Letter from Ranking Member Elijah E. Cummings to U.S. Bancorp (Feb. 25, 2011) (online at http://democrats.oversight.house.gov/index.php?option=com_content&task=view&id=5229&Itemid=49).

⁴ Letter from MetLife, Inc. to Ranking Member Elijah E. Cummings (Mar. 24, 2011); Letter from PHH Mortgage to Ranking Member Elijah E. Cummings (Mar. 28, 2011); Letter from SunTrust Banks, Inc. to Ranking Member Elijah E. Cummings (Mar. 14, 2011); Letter from U.S. Bank, N.A. to Ranking Member Elijah E. Cummings (Mar. 18, 2011); and Letter from Wells Fargo & Company to Ranking Member Elijah E. Cummings (Mar. 25, 2011).

⁵ Letter from MetLife, Inc. to Ranking Member Elijah E. Cummings (Mar. 24, 2011).

⁶ *Strains Visible in Homes Data*, Wall Street Journal (May 20, 2011).

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mortgage servicing companies has been “abysmal.”⁷ Several of these same mortgage servicers have now admitted publicly that they wrongfully foreclosed on homeowners and charged improper fees.⁸

To fulfill the Committee’s oversight agenda and investigate these allegations adequately, we must obtain responsive documents from these mortgage servicing companies. For these reasons, I request that you authorize and issue subpoenas to compel the production of these documents from MetLife, Inc.; PHH Mortgage; SunTrust Banks, Inc.; U.S. Bancorp; Wells Fargo & Company; and Bank of America Home Loans.

I appreciate your strong interest in these issues and look forward to working with you.

Sincerely,



Elijah E. Cummings
Ranking Member

⁷ Testimony of Neil M. Barofsky, Special Inspector General for the Troubled Asset Relief Program, *Hearing on Bailouts and the Foreclosure Crisis: Report of the Special Inspector General for the Troubled Asset Relief Program*, House Committee on Oversight and Government Reform (Jan. 26, 2011) (stating also that “stories of servicer negligence and misconduct are legion”) (online at http://oversight.house.gov/images/stories/Hearings/Opening_Statements/Testimony.Barofsky.SIGTARP.012611.pdf).

⁸ See, e.g., “Biggest Mistake”: *Dimon Rues Action on Military Families*, New York Post (May 18, 2011).