



## **Closing Statement of Chairman Edolphus Towns**

### **House Committee on Oversight and Government Reform**

**March 25, 2010**

#### **“Foreclosure Prevention: Is the Home Affordable Modification Program Preserving Homeownership?”**

Listening to the testimony today, I am reminded how effective it can be to just schedule an oversight hearing.

Within the last 24 hours, the Treasury Department issued a new directive that, as I understand it, would prohibit foreclosures on all HAMP-eligible loans until the borrower has had a chance to apply help from the Making Home Affordable program.

This should help with one of the biggest complaints borrowers have, that they have been unable to contact their lenders, that their paperwork is lost over and over again, and that they have not been given the opportunity to otherwise participate in HAMP.

Also over the last 24 hours, the biggest mortgage lender in the country, Bank of America, announced that it was adopting a mortgage reduction program for severely underwater homeowners, under which a significant part of the principal will be forgiven.

Reducing the amount owed on a mortgage strikes me as a very effective way to preserve home ownership while giving homeowners a realistic way to get their heads above water again.

Again, I strongly urge the Treasury Department to give serious consideration to a similar improvement to the HAMP program. But it shouldn't stop there. I am asking the Treasury Department to expand that idea to include more borrowers and more lenders. The time to stem the home foreclosure crisis is now. Thank you.