



HOUSE COMMITTEE ON
OVERSIGHT & GOVERNMENT REFORM

CHAIRMAN EDOLPHUS TOWNS

CLOSING STATEMENT

“Foreclosure Prevention Part II: Are Loan Servicers Honoring their Commitment to Preserve Home Ownership?”

June 24, 2010

I must say that after listening to the testimony today, I am encouraged by the fact that all five of our mortgage banking witnesses recognize that it is not just the Federal government's job to help homeowners in trouble.

HAMP is part of the solution, but the private sector needs to step up and play the largest role in this. And if I understand your testimony correctly, some banks are going beyond HAMP to modify troubled mortgages.

HAMP is certainly not perfect. Everyone knows that, and both Treasury and some of the mortgage servicers are taking steps to improve it. We aren't there yet, but it looks like there has been some progress.

Nevertheless, the bottom line is that the avalanche of foreclosures is devastating to homeowners in trouble and it

is a major factor in holding back the nation's economic recovery.

Some of the banks testifying today have taken steps to save homes from foreclosure with principal forgiveness, second lien modifications, and other help for the unemployed.

These kinds of programs need to be expanded to cover more homeowners. Treasury can't do that, but the banks can. We need concrete action now. On another note, I must say that I was surprised to hear some of my colleagues on the other side of the aisle say at the beginning of this hearing that the Treasury Department should be testifying today.

To be honest, I just don't understand that. We already devoted a full Committee hearing to the Treasury Department's implementation of HAMP, complete with critical testimony from GAO, the SIGTARP, and others.

Today was the mortgage banking industry's turn.

But more importantly, this isn't just about HAMP. Usually, my colleagues on the other side of the aisle complain about relying on the Federal Government to fix problems. Well, here is an opportunity for the private sector to play a major role in providing a solution to the foreclosure crisis.

The banks understand that. And I sincerely hope that all of my colleagues can come to the same understanding so that we can work together to truly help homeowners in trouble.

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