

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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November 15, 2016

Mr. Jay Wintrob
Chief Executive Officer
Oaktree Capital Management
333 South Grand Ave., 28th Floor
Los Angeles, CA 90071

Dear Mr. Wintrob:

I write to request information on Oaktree's servicing of mortgage loans purchased through the Distressed Asset Sale Program (DASP) within the Federal Housing Authority (FHA). DASP enables investors to purchase pools of distressed FHA-insured loans at auction and encourages pool purchasers to modify the pool's mortgages to better enable homeowners to stay in their homes.¹

A recent report by Unite Here indicates that 45% of homes with Oaktree-owned DASP mortgages in and around Baltimore City appear to be vacant. According to the report, Oaktree has purchased more than 5,000 total loans through DASP, including 612 loans located in and around Baltimore City. The report also indicates that Oaktree is the only purchaser of 2014 DASP pools that failed to reduce the unpaid principal balance on a single loan it modified, and more than half of the loans Oaktree modified incurred an increase of at least \$10,000 on the mortgage's principal balance.²

In order to examine how Oaktree managed the DASP loan pools it purchased, I request that you provide the following information on the loans purchased by Oaktree for homes located in Baltimore City and all other counties in Maryland:

1. Home Mortgage Disclosure Act (HMDA) data on each loan or, if HMDA data is not available, demographic, geographic, and gender information available to Oaktree about each homeowner;

¹ Department of Housing and Urban Development, *HUD Announces New Note Sales Under Expanded Distressed Asset Stabilization Program* (May 3, 2013) (online at portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2013/HUDNo.13-066).

² Unite Here, *Will Oaktree Run Afoul of HUD Requirements on Distressed Baltimore Mortgages?* (Oct. 2016).

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2. the loan amount, interest rate, and loan type (e.g., 30 year fixed, 5/1 ARM, etc.) for each loan at the time the loan was acquired by Oaktree;
3. a list of all HUD loss-mitigation programs in which each loan participated before it was purchased by Oaktree; and
4. a list of each modification made to each loan by Oaktree, including the dates and terms of each loan modification, whether the modification increased or decreased the principal owed and by how much, and the current status of the loan (such as foreclosed, performing, in default, etc.); and whether Oaktree initiated an eviction for the home and, if so, whether the property was held as a long-term rental or sold to an owner-occupant, non-profit, or investor, or re-sale information, including traceability to the original purchaser of the mortgage.

Please provide the requested information by December 12, 2016. If you have any questions about this request, please contact Todd Phillips with my office at (202) 225-4741. Thank you for your cooperation with this matter.

Sincerely,



Elijah E. Cummings
Ranking Member

cc: The Honorable Jason Chaffetz, Chairman