



February 24, 2009

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable John Boehner
Republican Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Leader Boehner:

On behalf of the 2,400 members of the Mortgage Bankers Association (MBA), we are writing to express our continued opposition to mortgage bankruptcy cram down legislation and its inclusion in H.R. 1106, the Helping Families Save Their Homes Act, a bill the House is scheduled to consider later this week.

Our primary goal should be to help keep more families in their homes and to unfreeze the credit markets. Unfortunately, cram down legislation fails on both marks. It will encourage more homeowners to opt for bankruptcy and it will inject new risk into the mortgage market, thus making it more difficult for borrowers to buy, sell, or refinance a home.

Furthermore, the cram down provisions contained in H.R. 1106 will undermine the Homeowner Affordability and Stability Plan unveiled by President Obama just last week, and runs counter to the moderate stance the President has taken on this difficult issue. In making his announcement, the President called on Congress to limit bankruptcy to only those loans made in recent years and only for families who have run out of other options. Unfortunately, H.R. 1106 ignores the President's more sensible approach and instead seeks to steer more homeowners directly into bankruptcy.

At a time when the federal government and financial community are singularly focused on getting the U.S. economy back on track, it seems contrary to all of our efforts to be considering legislation that will weaken the housing market. Instead, MBA urges Congress to consider alternative approaches and to allow the President's proposal to refinance troubled mortgages a chance to work.

Sincerely,

A handwritten signature in black ink that reads 'John A. Courson'.

John A. Courson
President and Chief Executive Officer

A handwritten signature in black ink that reads 'David G. Kittle'.

David G. Kittle, CMB
Chairman