

Congress of the United States
Washington, DC 20515

October 27, 2010

Mr. L. Steven Spears
Executive Director, California Housing Finance Agency
500 Capitol Mall, Ste. 1400
Sacramento, CA 95814

Dear Mr. Spears:

As you know, your agency will be the recipient of substantial federal assistance to help California communities hardest hit by the home foreclosure crisis. We are writing you regarding the upcoming start of your agency's Keep Your Home California Program and specifically to request a briefing from your agency about how exactly you intend to carry out this important program and ensure its success. We also are offering to work with you in any way that would help ensure this program is able to get off the ground successfully and provide real assistance to California homeowners.

As you know, existing programs designed to help homeowners have been plagued by problems including lender and servicer unwillingness to work constructively with borrowers to modify mortgages to achieve more affordable monthly payments. In fact, many of us recently wrote to Attorney General Eric Holder, Federal Reserve Chairman Ben Bernanke, and Comptroller of the Currency John Walsh asking that they investigate possible violations of the law by financial institutions in their mishandling of mortgages (letter attached).

It is, of course, critical that we avoid these sorts of problems as the Keep Your Home California Program begins operating. Indeed, your proposal for the program for funding through the first round of the Hardest Hit Fund grant program indicated that you could help nearly 40,000 California homeowners through principal reduction, bridge loans for unemployed homeowners, mortgage reinstatement assistance for delinquent homeowners, and transition assistance for struggling homeowners moving to new housing. Two subsequent rounds of funding should mean that the program can help an appreciably higher number of homeowners in California than that initial estimate.

Like you, we are fully dedicated to helping California homeowners get back on their feet. We simply cannot afford to miss this opportunity to help tens of thousands of Californians. Furthermore, it is critical that this program begin helping homeowners as expeditiously as possible, given that many of our constituents have been struggling for over two years through the ongoing difficulties in the job and housing markets. For this reason, we are asking you to schedule a meeting at your earliest convenience to brief our respective California staff on your plans to implement the Keep Your Home California Program and to ensure that it is not plagued by the same types of paperwork difficulties and lender and servicer intransigence that have hindered other efforts to resolve the foreclosure crisis.

Thank you in advance for your consideration of this request and for your work on behalf of California homeowners.

Sincerely,

Loretta Sanchez

Jay McHugh

Jim A

George Miller

Doris O. Matsui

Zoe Lofgren

Pete Stark

Anna Escobedo Cabral

Mike Thompson

Jackie Speier

Lois Capps

Harvey Milk

Dianne Feinstein

Linda J. Sanchez

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Lyynn Woolsey

Jane Harman

Luelle Koybal-Allard

~~John M. Mendi~~ Bob Flier

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Laura Richardson

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