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## ISSUE UPDATE / ACTION ALERT

**DATE:** March 6, 2009  
**TO:** Concerned Parties  
**FROM:** Hilary O. Shelton, Director, Washington Bureau



### NAACP-SUPPORTED LEGISLATION TO HELP HOMEOWNERS FACING FORECLOSURE SAVE THEIR HOMES PASSES U.S. HOUSE

LEGISLATION ALLOWING JUDGES TO REQUIRE LENDERS TO ENTER INTO SUSTAINABLE MORTGAGE RESTRUCTURING NEGOTIATIONS HEAD TO THE U.S. SENATE

#### THE ISSUE

In the United States today one home is foreclosed upon every thirteen seconds. Home foreclosures have hit the African American community especially hard: for decades predatory, sub-prime loans (which have led to many of the foreclosures) were targeted at African Americans and other racial and ethnic minorities. In 2006 and 2007, at least half of all the home loans sold to African-Americans and at least 40% of all the home loans that Latinos received were subprime. These racially disproportionate foreclosure patterns affect not only homeowners and their families, but our communities as well. Communities of color will lose an estimated \$213 billion of wealth as the result of foreclosures due to abusive subprime lending. For this reason predatory lending and home foreclosures have been and continue to be a major civil rights issue in America today.

We clearly need a multi-pronged approach to solving our Nation's foreclosure crisis and getting many of these homeowners into sustainable, long-term mortgages that accurately reflect the true market price of the home, and the US House of Representatives took a big step today by passing legislation to help homeowners in the most dire of predicaments. Currently, if an individual files for bankruptcy, a judge cannot require a financial institution which is foreclosing on that person's home to renegotiate the loan to attempt to make it more reasonable and sustainable so that the person, and their family, can stay in their home. The subprime lenders who created this foreclosure crisis are able to seek relief through bankruptcy as well as investors, but homeowners trying to save their primary residence cannot.

By a margin of 234 to 191 the US House of Representatives yesterday passed H.R. 1106, the ***Helping Families Save Their Homes in Bankruptcy Act of 2009***. Included in this bill is a provision to help close the loophole and allow impartial judges to require lenders to enter into loan modification negotiations with a person facing bankruptcy. Court supervised loan modifications are a major solution to help families avoid foreclosure while still paying a market-rate mortgage for their home. It is estimated that if enacted this legislation could reduce coming foreclosures by 20% -- amounting to 1.8 million homes at no additional cost to taxpayers or investors.

Many foreclosures today could be avoided, although this is not happening because we are currently relying on lenders to voluntarily enter into modification negotiations. As a result, only 3.5 percent of delinquent subprime loans received modifications in August 2008 – and in many cases, these “modifications” actually *increased* the borrower's monthly payments. Clearly, current voluntary efforts to avoid foreclosures are insufficient, and we need to give judges who are dealing with homeowners facing foreclosure more power. Many of the impending foreclosures are unnecessary because the homeowner could afford to pay a market rate mortgage, for the full current value of the house – an outcome that is far preferable to foreclosure for homeowner and mortgage lender alike. All the lender would have to do is to modify the loan to make it economically rational, and sustainable. H.R. 1106, and the companion bill in the Senate, S. 61, would result in more mortgage modifications and fewer foreclosures, and could be a key tool in stemming the foreclosure crisis.

**We must now urge the Senate to pass H.R. 1160 / S. 61 as soon as possible, as President Obama has already indicated he will sign it into law.**

**SEE HOW EACH REPRESENTATIVE VOTED ON PAGES 4 -6**

## **THE ACTION WE NEED YOU TO TAKE:**

Contact ***both*** your Senators **and them TO SUPPORT H.R. 1106 / S. 61, THE *HELPING FAMILIES SAVE THEIR HOMES IN BANKRUPTCY ACT OF 2009***. To contact your Senators, you may:

✓ **Make a Phone Call:**

Call your Senators in Washington by dialing the Capitol Switchboard and asking to be transferred to their offices. The switchboard phone number is **(202) 224-3121** (see message section, below).

✓ **Write a Letter**

To write a letter to your Senators, send them to:  
The Honorable (name of Senator)  
United States Senate  
Washington, D.C. 20510

**A SAMPLE  
LETTER IS  
ATTACHED**

✓ **Send a Fax**

If you would like to send a fax, call your Senators' offices (through the Capitol switchboard) and ask for their fax numbers (you can use either the attached sample letter or the message box, below).

✓ **Send an E-Mail**

To send an e-mail to your Senators, go to [www.senate.gov](http://www.senate.gov); click on "*Find Your Senators*". Look up your Senators by state; go to their web sites for e-mail addresses.

**Remember to contact BOTH your Senators!!!!**

## **THE MESSAGE**

- In the United States today one home is foreclosed upon every thirteen seconds. Because for decades predatory, sub-prime loans (which have led to many of the foreclosures) were targeted at African Americans and other racial and ethnic minorities, predatory lending and home foreclosures have been and continue to be a major civil rights issue in America today.
- We clearly need a multi-pronged approach to solving our Nation's foreclosure crisis and getting many of these homeowners into sustainable, long-term mortgages that accurately reflect the true market price of the home.
- One way to help homeowners, at no cost to U.S. taxpayers, is to enact a minor reform of our nation's bankruptcy laws and allow impartial judges to require lenders to enter into court supervised loan modification negotiations with homeowners. Court supervised loan modifications are a major solution to help families avoid foreclosure while still paying a market-rate mortgage for their home.
- It is estimated that if enacted this legislation could reduce coming foreclosures by 20% -- amounting to 1.8 million homes at no additional cost to taxpayers or investors.

**THANK YOU FOR YOUR ATTENTION TO THIS IMPORTANT MATTER!!!**

**If you have any questions, call Hilary Shelton at the Washington Bureau at (202) 463-2940.**

**MEMBERSHIP IS POWER! JOIN THE NAACP TODAY.**

*To become an NAACP member or to sign up for e-mail legislative and press updates, visit [www.naacp.org](http://www.naacp.org)*

(date)

The Honorable \_\_\_\_\_  
United States Senate  
Washington, D.C. 20510

## Sample Letter

### RE: **STRONG SUPPORT FOR H.R. 1106 / S. 61, THE *HELPING FAMILIES SAVE THEIR HOMES IN BANKRUPTCY ACT OF 2009***

Dear Senator \_\_\_\_\_;

As your constituent, I am writing to express my strong support for H.R. 1106 / S. 61, the *Helping Families Save Their Homes in Bankruptcy Act of 2009*, and I hope that you will do all you can to see that it is brought before the Senate for consideration sooner rather than later. It is a key step in helping to stem the foreclosure crisis that is currently gripping our nation and threatening to further ruin our economy.

In the United States today one home is foreclosed upon every thirteen seconds. Foreclosures ruin lives, families and communities and this number is much too high. We clearly need a multi-pronged approach to solving our Nation's foreclosure crisis and getting many of these homeowners into sustainable, long-term mortgages that accurately reflect the true market price of the home.

One way to help homeowners, at no cost to U.S. taxpayers, is to enact a minor reform of our nation's bankruptcy laws and allow impartial judges to require lenders to enter into court supervised loan modification negotiations with homeowners. Court supervised loan modifications are a major solution to help families avoid foreclosure while still paying a market-rate mortgage for their home. H.R. 1106 / S. 61, the ***Helping Families Save Their Homes in Bankruptcy Act of 2009*** would allow impartial judges to require lenders to enter into loan modification negotiations with a person facing bankruptcy. Court supervised loan modifications are a major solution to help families avoid foreclosure while still paying a market-rate mortgage for their home. It is estimated that if enacted this legislation could reduce coming foreclosures by 20% -- amounting to 1.8 million homes at no additional cost to taxpayers or investors.

I hope that you agree with me that H.R. 1106 / S. 61 is a necessary step to help homeowners; allowing lenders to voluntarily enter into loan modification negotiations are clearly not working. Please support H.R. 1106 / S. 61, as it has already passed the House and ensure that it is considered by the full Senate very soon. I look forward to hearing from you in the very near future so you can let me know what you intend to do and what I can do to help abate the foreclosure crisis in America today.

Sincerely,

(sign and print your name and  
remember to include your address)

**Remember to contact  
BOTH your Senators**

**H.R. 1106, the *Helping Families Save Their Homes in Bankruptcy Act of 2009* / Final Passage / Roll Call vote #104**

Final Passage of legislation which will allow judges to require lenders to enter into mortgage modification negotiations if a homeowner is facing bankruptcy and, as a result, foreclosure.

The legislation passed on March 5, 2009 by a margin of 234 yeas to 191 nays.

**THE NAACP SUPPORTED THE LEGISLATION.****ALABAMA**

Bonner ▽  
Bright ▽  
Rogers, Mike ▽  
Aderholt ▽  
Griffith ▽  
Bachus ▽  
Davis, Artur ▲

**ALASKA**

Young, Don ▽

**ARIZONA**

Kirkpatrick ▲  
Franks, Trent ▽  
Shadegg ▽  
Pastor ▲  
Mitchell ▲  
Flake ▽  
Grijalva ▲  
Giffords ▲

**ARKANSAS**

Berry ▽  
Snyder ▲  
Boozman ▽  
Ross ▲

**CALIFORNIA**

Thompson, Mike ▲  
Herger ▽  
Lungren ▽  
McClintock ▽  
Matsui ▲  
Woolsey ▲  
Miller, George ▲  
Pelosi (Speaker) ▲  
Lee, Barbara ▲  
Tauscher ▲  
McNerney ▲  
Speier ▲  
Stark ?  
Eshoo ▲  
Honda ▲  
Lofgren ▲  
Farr ▲  
Cardoza ▲  
Radanovich ▽  
Costa ▲  
Nunes ▽  
McCarthy, Kevin ▽  
Capps ▲  
Gallegly ▽

McKeon ▽

Dreier ▽  
Sherman ▲  
Berman ▲  
Schiff ▲  
Waxman ▲  
Becerra ▲  
Watson ▲  
Roybal-Allard ▲  
Waters ▲  
Harman ▲  
Richardson ▲  
Napolitano ▲  
Sánchez, Linda ▲  
Royce ▽  
Lewis, Jerry ▽  
Miller, Gary ?  
Baca ▲  
Calvert ▽  
Bono Mack ▽  
Rohrabacher ▽  
Sanchez, Loretta ▲  
Campbell ▽  
Issa ▽  
Bilbray ▽  
Filner ▲  
Hunter ▽  
Davis, Susan ▲

**COLORADO**

DeGette ▲  
Polis ▲  
Salazar, John ▲  
Markey, Betsy ▽  
Lamborn ▽  
Coffman ?  
Perlmutter ▲

**CONNECTICUT**

Larson, John ▲  
Courtney ▲  
DeLauro ▲  
Himes ▲  
Murphy, Christopher ▲

**DELAWARE**

Castle ▲

**FLORIDA**

Miller, Jeff ▽  
Boyd ▲  
Brown, Corrine ▲  
Crenshaw ▽  
Brown-Waite ▽  
Stearns ▽  
Mica ▽  
Grayson ▲  
Bilirakis ▽  
Young, Bill C.W. ▽  
Castor ▲  
Putnam ▽  
Buchanan ▽  
Mack ▽  
Posey ▽  
Rooney ▽  
Meek, Kendrick ▲  
Ros-Lehtinen ▲  
Wexler ▲  
Wasserman-Schultz ▲  
Diaz-Balart, Lincoln ▲  
Klein, Ron ▲  
Hastings, Alcee ▲  
Kosmas ▲  
Diaz-Balart, Mario ▲

**GEORGIA**

Kingston ▽  
Bishop, Sanford ▲  
Westmoreland ▽  
Johnson, Hank ▲  
Lewis, John ▲  
Price, Tom ▽  
Linder ▽  
Marshall ▲  
Deal ▽  
Broun ▽  
Gingrey ▽  
Barrow ▲  
Scott, David ▲  
**HAWAII**  
Abercrombie ▲  
Hinoro ▲  
**IDAHO**  
Minnick ▲  
Simpson ▽

**ILLINOIS**

Rush ▲  
Jackson ▲  
Lipinski ▲  
Gutierrez ▲  
Roskam ▽  
Davis, Danny ▲  
Bean ▲  
Schakowsky ▲  
Kirk ▽  
Halvorson ▲  
Costello ▲  
Biggert ▽  
Foster ▲  
Johnson, Timothy ▽  
Manzullo ▽  
Hare ▲  
Schock ▽  
Shimkus ▽  
**INDIANA**  
Visclosky ▲  
Donnelly ▲  
Souder ▽  
Buyer ▽  
Burton ▽  
Pence ▽  
Carson, André ▲  
Ellsworth ▽  
Hill ▽  
**IOWA**  
Braley ▲  
Loeb sack ▲  
Boswell ▲  
Latham ▽  
King, Steve ▽

**VOTE KEY**

▽ = Voted against the NAACP position and against the bill

▲ = Voted in support of the NAACP position and in support of the bill

? = Did not Vote

**KANSAS**

Moran, Jerry ▽  
 Jenkins ▽  
 Moore, Dennis ▲  
 Tiaht ▽

**KENTUCKY**

Whitfield ▽  
 Guthrie ▽  
 Yarmuth ▲  
 Davis, Geoff ▽  
 Rogers, Harold ▽  
 Chandler ▲

**LOUISIANA**

Scalise ▽  
 Cao ?  
 Melancon ?  
 Fleming ▽  
 Alexander ▽  
 Cassidy ▽  
 Boustany ▽

**MAINE**

Pingree ▲  
 Michaud ▲

**MARYLAND**

Kratovil ▽  
 Ruppertsberger ▲  
 Sarbanes ▲  
 Edwards ▲  
 Hoyer ▲  
 Bartlett ▽  
 Cummings ▲  
 Van Hollen ▲

**MASSACHUSETTS**

Olver ▲  
 Neal ▲  
 McGovern ▲  
 Frank, Barney ▲  
 Tsongas ▲  
 Tierney ▲  
 Markey, Edward ▲  
 Capuano ▲  
 Lynch ▲  
 Delahunt ▲

**MICHIGAN**

Stupak ▽  
 Hoekstra ▽  
 Ehlers ?  
 Camp ▽  
 Kildee ▲  
 Upton ▽  
 Schauer ▲  
 Rogers, Mike ▽  
 Peters ▲  
 Miller, Candice ▽

McCotter ▽  
 Levin, Sander ▲  
 Kilpatrick ▲  
 Conyers ▲  
 Dingell ▲

**MINNESOTA**

Walz ▲  
 Kline, John ▽  
 Paulsen ▽  
 McCollum ▲  
 Ellison ▲  
 Bachmann ▽  
 Peterson, Collin ▲  
 Oberstar ▲

**MISSISSIPPI**

Childres ▽  
 Thompson, Bennie ▲  
 Harper ▽  
 Taylor ▽

**MISSOURI**

Clay ▲  
 Akin ▽  
 Carnahan ▲  
 Skelton ▲  
 Cleaver ▲  
 Graves ▽  
 Blunt ▽  
 Emerson ▽  
 Luetkemeyer ▽

**MONTANA**

Rehberg ▽

**NEBRASKA**

Fortenberry ▽  
 Terry ▽  
 Smith, Adrian ▽

**NEVADA**

Berkley ▲  
 Heller ▽

Titus ▲

**NEW HAMPSHIRE**

Shea-Porter ▲  
 Hodes ▲

**NEW JERSEY**

Andrews ▲  
 LoBiondo ▽  
 Adler ▲  
 Smith, Chris ▽  
 Garrett ▽  
 Pallone ▲  
 Lance ▽  
 Pascrell ▲

Rothman ▲  
 Payne ▲  
 Frelinghuysen ▽  
 Holt ▲  
 Sires ▲

**NEW MEXICO**

Heinrich ▲  
 Teague ▽  
 Luján ▲

**NEW YORK**

Bishop, Tim ▲  
 Israel ▲  
 King, Peter ▽  
 McCarthy, Carolyn ▲  
 Ackerman ▲  
 Meeks, Gregory ▲  
 Crowley ▲  
 Nadler ▲  
 Weiner ▲  
 Towns ▲

Clarke ▲

Velázquez ▲

McMahon ▲

Maloney ▲

Rangel ▲

Serrano ▲

Engel ▲

Lowey ▲

Hall, John ▲

Tonko ▲

Hinchey ▲

McHugh ▲

Arcuri ▽

Maffei ▲

Lee, Christopher ▽

Higgins ▲

Slaughter ▲

Massa ▽

**NORTH CAROLINA**

Butterfield ▲

Etheridge ▲

Jones, Walter ▲

Price, David ▲

Foxx ▽

Coble ▽

McIntyre ▲

Kissell ▽

Myrick ▽

McHenry ▽

Shuler ▲

Watt ▲

Miller, Brad ▲

**NORTH DAKOTA**

Pomeroy ▲

**OHIO**

Driehaus ▲

Schmidt ▽

Turner ▲

Jordan ▽

Latta ▽

Wilson, Charles ▲

Austria ▽

Boehner ▽

Kaptur ▲

Kucinich ▲

Fudge ▲

Tiberi ▽

Sutton ▲

LaTourette ▽

Kilroy ▲

Bocchieri ▲

Ryan, Timothy ▲

Space ▲

**OKLAHOMA**

Sullivan ▽

Boren ▽

Lucas ▽

Cole ▽

Fallin ▽

**OREGON**

Wu ▲

Walden ▽

Blumenauer ▲

DeFazio ▲

Schrader ▲

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**PENNSYLVANIA**

Brady, Robert ▲  
 Fattah ▲  
 Dahlkemper ▼  
 Altmire ▲  
 Thompson, Glenn ▼  
 Gerlach ▼  
 Sestak ▲  
 Murphy, Patrick ▲  
 Shuster ▼  
 Carney ▼  
 Kanjorski ▲  
 Murtha ▲  
 Schwartz ▲  
 Doyle ▲  
 Dent ▼  
 Pitts ▼  
 Holden ▼  
 Murphy, Timothy ▼  
 Platts ▼

**RHODE ISLAND**

Kennedy ▲  
 Langevin ▲

**SOUTH CAROLINA**

Brown, Henry ▼  
 Wilson, Joe ▼  
 Barrett ▼  
 Inglis ▼  
 Spratt ▲  
 Clyburn ▲

**SOUTH DAKOTA**

Herseth-Sandlin ▲

**TENNESSEE**

Roe ▼  
 Duncan ▼  
 Wamp ▼  
 Davis, Lincoln ▼  
 Cooper ▲  
 Gordon ▼  
 Blackburn ▼  
 Tanner ▲  
 Cohen ▲

**TEXAS**

Gohmert ▼  
 Poe ▼  
 Johnson, Sam ▼  
 Hall, Ralph ▼  
 Hensarling ▼  
 Barton ▼  
 Culberson ▼  
 Brady, Kevin ▼  
 Green, Al ▲  
 McCaul ▼  
 Conaway ▼  
 Granger ▼  
 Thornberry ▼  
 Paul ▼  
 Hinojosa ▲  
 Reyes ▲  
 Edwards ▼  
 Jackson-Lee ▲  
 Neugebauer ▼  
 Gonzalez ▲  
 Smith, Lamar ▼  
 Olson ▼  
 Rodriguez ▲  
 Marchant ▼  
 Doggett ▲  
 Burgess ▼  
 Ortiz ▲  
 Cuellar ▲  
 Green, Gene ▲  
 Johnson, Eddie  
 Bernice ▲  
 Carter ▼  
 Sessions ▼  
**UTAH**  
 Bishop, Rob ▼  
 Matheson ▼  
 Chaffetz ▼  
**VERMONT**  
 Welch ▲  
**VIRGINIA**  
 Wittman ▼  
 Nye ▲  
 Scott, Robert ▲  
 Forbes ▼  
 Perriello ?  
 Goodlatte ▼  
 Cantor ▼  
 Moran, James P. ▲  
 Boucher ▼  
 Wolf ▼  
 Connolly ▲

**WASHINGTON**

Inslee ▲  
 Larsen, Rick ▲  
 Baird ▲  
 Hastings, Doc ▼  
 McMorris  
 Rodgers ▼  
 Dicks ▲  
 McDermott ▲  
 Reichert ▼  
 Smith, Adam ▲

**WEST VIRGINIA**

Mollohan ▲  
 Capito ▼  
 Rahall ▲

**WISCONSIN**

Ryan, Paul ▼  
 Baldwin ▲  
 Kind ▼  
 Moore, Gwen ▲  
 Sensenbrenner ▼  
 Petri ▼  
 Obey ▲  
 Kagen ▲

**WYOMING**

Lummis ▼

**VOTE KEY**

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 the NAACP position  
 and against the bill

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 of the NAACP position  
 and in support of the  
 bill

? = Did not Vote