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Congress of the United States
House of Representatives
Washington, DC 20515-3703

October 6, 2010

The Honorable Timothy F. Geithner
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Geithner:

There have been numerous news reports across the country documenting a variety of abuses of affidavit requirements with regard to mortgage foreclosure practices. In response, banks—and in certain circumstances state Governors or Attorneys General—have suspended foreclosure proceedings across the country. Most of these suspensions to date have occurred in states with judicial foreclosure proceedings. While Oregon is a non-judicial foreclosure state, parties foreclosing on a mortgage must still file documents attesting to the loans in default. It is highly likely that filings made by banks in Oregon suffer the same flaws, such as the signing of affidavits and other legal documents without confirming the accuracy of the information alleged in those documents.

I urge you to direct the offices under your control with supervisory authority over the banking system to review banking practices with regard to foreclosure practices in Oregon, and ensure that the foreclosure process is being handled appropriately at all levels. Many of these institutions accepted support under the Troubled Asset Relief Program, and are bound by the requirements of the Home Affordable Modification Program (HAMP).

Among other requirements, HAMP requires loan servicers to suspend foreclosure actions while a modification agreement is pending. However, it is clear that many of these institutions are processing eligible applicants extremely slowly. According to the August 2010 Servicer Performance Report, there are an estimated 1,334,548 eligible delinquent borrowers. It is my hope that Treasury continues emphasizing the need for financial institutions to move as many of these borrowers into modification agreements as quickly as possible.

Thank you for your attention.

Sincerely,

A handwritten signature in black ink that reads "Earl Blumenauer".

Earl Blumenauer
Member of Congress