



1007 7th Street
4th Floor
Sacramento, CA 95814
916.442.3838
Fax: 916.442.0976

3055 Wilshire Blvd.
Suite 1050
Los Angeles, CA 90010
213.368.7400
Fax: 213.381.7348

7677 Oakport Street
Suite 725
Oakland, CA 94621
510.568.2500
Fax: 510.568.3652

www.seiuca.org

May 7, 2012

Senator Noreen Evans
Co-Chair, Joint Conference Committee
State Capitol, Room 4032
Sacramento, CA 95814

Assemblyman Mike Eng, Co-Chair
Joint Conference Committee
State Capitol, Room 4016
Sacramento, CA 95814

RE: Homeowner Bill of Rights – SUPPORT

Dear Senator Evans and Assemblyman Eng:

The California State Council of the Service Employees International Union (SEIU) strongly supports the Attorney General's Homeowner Bill of Rights legislative package.

Like millions of middle-class families in California, our members continue to simultaneously express frustration with the practices of mortgage lenders regarding the loan modification process and desperation in their struggle to keep their homes.

Close to two million California families have already lost their homes while millions more are underwater, owing more to lenders than their homes are worth. The foreclosure free-fall has reduced the values of homes and eroded any sense of security that those homes once represented. This has devastated thousands of SEIU members – workers, taxpayers and families, who have seen their incomes severely reduced due to significant layoffs, furloughs and reductions in working hours as a result of ongoing fiscal constraints at the state and local government levels.

The subprime lending crisis caused a global economic downturn. While California continues to struggle to emerge from the recession, working families are burdened by the effects of mass foreclosures. This has had an exponential downward-spiral effect on employment and the budgets of cities, counties, and the state where a significant source of revenue, i.e., property taxes, has been eroded.

There is little doubt that it was Wall Street's demand for subprime mortgages that caused a wave of predatory lending on families across the country and to date, there has never been real accountability for the magnitude of this corporate malfeasance. These bills will prohibit and penalize the most egregious of them: robo-signing, foreclosures based on fraudulent documentation, and dual tracking – foreclosing on a mortgage loan while a family is in the midst of trying to modify that loan.

Because banks and servicers must have strong incentives to comply with the law, good rules without enforcement mechanisms will not protect California families from foreclosure. As such, SEIU contends that the package must include: 1) *Strong substantive protections to provide borrowers with fair consideration of alternatives to foreclosure.* At their core, this legislative package is designed to provide borrowers with a fair process to be considered for alternatives to foreclosure. 2) *Effective enforcement: A clear and "meaningful private right of action" to give borrowers their day in*

court, without exception.

It is important to note that this package will codify important provisions of the multi-state settlement, and confer certain rights and obligations upon both borrowers and lenders towards ensuring "fairness" in the lending and foreclosures process so that families are given a good faith opportunity to keep their homes.

Californians deserve to be protected from unfair servicing practices that lead to unnecessary foreclosures, and to have a meaningful opportunity to keep their homes. Furthermore, these legislative proposals will also serve as a catalyst toward helping the state overcome its ongoing fiscal challenges.

For these reasons, we respectfully urge your "AYE" vote when this legislative package comes before the Joint Conference Committee.

Sincerely,



Michael A. Bolden
Government Relations Advocate

cc: Honorable Members of the Joint Conference Committee
Honorable Mark Leno
Honorable Jerry Hill
Committee Consultants