



**FOR IMMEDIATE RELEASE**  
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Contact: Jesse Van Tol (202) 464-2709  
[jvantol@ncrc.org](mailto:jvantol@ncrc.org)

## **House Oversight and Government Reform Committee Looks at Making Home Affordable Shortfalls**

### **Survey of Loan Modifications Reveals Troubling Trends**

Washington, DC – Today the National Community Reinvestment Coalition will testify before the House Oversight and Government Reform Committee, which has opened an investigation into Making Home Affordable, the federal foreclosure prevention program. As part of the Committee’s investigation, NCRC released a survey of homeowner experiences in the loan modification process, conducted by over 29 housing counseling organizations affiliated with the organization.

“We’ve surveyed housing counselors from the front lines of the foreclosure crisis, and they tell us that the battle is being lost.” said John Taylor, president & CEO of the National Community Reinvestment Coalition. “While this administration has been more proactive than the last, Making Home Affordable is simply failing to make enough of a difference relative to the size of the problem. It’s not for lack of good ideas, including more aggressive principal reductions that this crisis has been allowed to continue mostly unabated. The end result, if we don’t get ahead of this problem now, is the ongoing loss of wealth from America’s communities.”

The HAMP Mortgage Modification survey released by NCRC provides alarming insight into the experience of homeowners going through the federal Home Affordable Modification Program (HAMP). The survey was administered to distressed homeowners seeking assistance from NCRC’s Housing Counseling Network. The survey documents performance and programmatic issues, issues of fairness and equity, and pragmatic recommendations to improve upon the HAMP program.

NCRC’s HAMP Modification Survey is one of the first concerted efforts to document the experiences of homeowners throughout the modification process. John Taylor will present the survey on behalf of NCRC during testimony before the House Oversight and Government Reform Committee on March 25<sup>th</sup>. The survey reveals a number of troubling trends, including possible race and age disparities in quality of treatment. Among survey respondents, some key trends include:

- Loan servicers foreclose on delinquent black or African American borrowers more quickly than White or Hispanic borrowers. Additionally, White HAMP eligible borrowers are almost 50% more likely to receive a modification than African-American or Latino borrowers.
- The majority of loan modifications involve an interest rate reduction, while principal reductions were scarce.

- Homeowners with foreclosure pending were less likely to receive a modification than those current on their payments. Half of the delinquent survey respondents did not receive a modification, compared to 25% of those borrowers who were current on their mortgage.

The full survey can be found at [www.ncrc.org](http://www.ncrc.org).

#### About the National Community Reinvestment Coalition

The National Community Reinvestment Coalition is an association of more than 600 community-based organizations that promote access to basic banking services, including credit and savings, to create and sustain affordable housing, job development and vibrant communities for America's working families.

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