

NATIONAL
COMMUNITY
REINVESTMENT
COALITION



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Washington, DC — In reaction to the news that Bank of America would launch a principal reduction program, John Taylor, president and CEO of the National Community Reinvestment Coalition, today made this statement:

“Bank of America is to be commended for launching a program to reduce principal balances on loans that are underwater. Principal reduction is an important tool in making loans sustainable for many borrowers. The rest of the industry should follow suit. And federal policy should reflect the growing consensus that principal reductions are required to stem the foreclosure crisis, not more half measures that push the problem down the road. For example, while the Home Affordable Modification Program (HAMP) allows for principal reductions, the program has been hamstrung by its lack of an explicit requirement that lenders and servicers do so. Lenders and servicers must be compelled to take more aggressive actions to prevent foreclosure. And the federal government should take action to exercise its authority to mandate such reductions on loans held by Fannie Mae and Freddie Mac.”

John Taylor will testify before the House Oversight and Government Reform committee on the HAMP and Home Affordable Refinance Program (HARP) tomorrow.

About the National Community Reinvestment Coalition (NCRC)

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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