

# THE FINANCIAL SERVICES ROUNDTABLE



February 24, 2009

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
The Capitol  
Washington, D.C. 20515

Dear Speaker Pelosi:

As the House plans to take up the "Helping Families Save Their Homes Act of 2009" The Financial Services Roundtable and its Housing Policy Council urge you to strip out the highly controversial bankruptcy mortgage cram-down provision. The goal of any housing bill should be to effectively help at-risk homeowners, strengthen the economy and unfreeze the credit markets. If enacted as drafted, this cram-down legislation will frustrate all these important goals.

Overly broad legislation to cram-down mortgages will not help most at-risk homeowners nor stimulate the housing market; it will actually put a housing recovery more at risk. It will encourage homeowners to stop making mortgage payments and file for bankruptcy, rather than seek help from their mortgage servicer. This legislation will inject more risk into the housing and mortgage markets at a time when everyone is working hard to strengthen the housing market. Changing bankruptcy law to cram down mortgages on primary residences will result in higher borrowing costs to purchase a home for all consumers.

All of these negative results will come at a time when the Congress is working to strengthen the economy and stabilize the housing market. We urge the Congress to remove this bankruptcy provision from the housing legislation and focus on more productive alternatives such as the President's proposal to refinance and modify mortgages for homeowners who need help to stay in their homes.

Please let me know if we can be of any further assistance in this or any other matter.

Steve Bartlett  
President & CEO  
The Financial Services Roundtable

Best regards,

John H. Dalton  
President  
Housing Policy Council  
The Financial Services Roundtable