



O C W E N

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The Honorable Dennis Kucinich
Chairman of the Domestic Policy Subcommittee
Oversight and Government Reform Committee
2445 Rayburn House Building
Washington DC 20515

Re: Federal Funding for Foreclosure Prevention Counseling

Dear Chairman Kucinich:

I write on behalf of Ocwen Loan Servicing, LLC ("Ocwen") in support of federal funding for foreclosure prevention counseling as requested by Mr. Mark Siefert, Executive Director of Empowering & Strengthening Ohio's People ("ESOP"), in his testimony before the Domestic Policy Subcommittee of the Oversight and Government Reform Committee on December 7, 2009 in Cleveland, Ohio.

Ocwen has been widely recognized in government, industry and community advocacy circles as a leader in foreclosure prevention through loan modifications. Even before the federal Home Affordable Modification Program ("HAMP"), Ocwen was able to save over 90,000 American families from foreclosure through our own loss mitigation program. We were an early supporter of HAMP and are leading the industry with the highest trial-to-permanent modification conversion rates under the program. See Statement of Congressman Ron Klein, Hearing of the House Financial Services Committee, The Private Sector and Government Response to the Mortgage Foreclosure Crisis, December 8, 2009 and remarks by Professor Alan White, "HAMP Homeowners Stuck in Limbo" posted on The Public Citizen website, December 10, 2009 (copies attached).

One of the keys to our superior loan modification performance is our proprietary technology platform. Our technology is scalable to meet the unprecedented volumes of delinquencies and incorporates behavioral science research to make for more effective communication with distressed homeowners toward lasting resolutions. We have invested over \$150 million in R&D to build our platform and are in discussions with public and private sector entities to deploy it on a wider scale to cure more delinquent loans and keep more homeowners in their homes.

Another equally important component to our and any successful foreclosure prevention program is local homeowner outreach and counseling – the kind provided by effective, well-run, HUD-approved non-profit organizations such as ESOP. For over five years, Ocwen has partnered with ESOP in various homeownership preservation initiatives, along with many similarly outstanding community groups across the country, such as the National Training and Information Center, HomeFreeUSA, the National Council of LaRaza, St. Ambrose Housing Aid Center, the National Fair Housing Alliance, the National Association of Neighborhoods, Neighborhood Housing Services, Neighborworks America and others. Additionally, Ocwen participates in Ohio’s Save the Dream outreach as well as a number of other state-sponsored outreach efforts.

Grass-roots counseling agencies like ESOP play an important intermediary role in establishing communication links with distressed borrowers, many of whom are naturally fearful and suspicious of the system. Housing counselors allay borrower fear, show them how to regain control over their finances and help them through the technicalities of the loan modification application process. Specifically with regard to HAMP, the single biggest obstacle to servicers converting trial modifications to permanent solutions is not being able to obtain the requisite documentation from homeowners. More on-the-ground housing counselors would greatly rectify this problem.

Adequate funding is obviously needed to support such an effort. Approximately \$175 billion of previously allocated TARP money is expected to be returned to federal coffers. Redeploying even just a small fraction of those recaptured funds to support non-profit counseling groups would go a long way toward abating the foreclosure crisis and making HAMP a success.

We urge the Domestic Policy Subcommittee’s support in providing federal assistance to support non-profit housing counseling organizations such as ESOP during this difficult period.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "RON F", with a long horizontal flourish extending to the right.

Ronald M. Faris