



Armond Budish
Speaker

February 24, 2010

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama:

Ohio homeowners are struggling. Last year, we saw over 89,000 foreclosures in the state—the 14th straight record-breaking year of foreclosures for Ohio. New data released by the Mortgage Bankers Association just last week showed more than one in seven homeowners in the state are either in foreclosure or at least 30 days past due on their payments. The mortgage crisis shows no signs of letting up in our state.

Federal efforts to help homeowners over the past year have proven insufficient. While the Homes Affordable Modification Program (HAMP) has helped many homeowners, its impact was much less than expected. Ohio ranks 48th in the nation in the percentage of seriously delinquent loans that have been modified (both temporary and permanent modifications) under HAMP program.

The one proven strategy that helps homeowners in this crisis—foreclosure prevention counseling—has seen its federal funding drop from \$180 million to \$65 million at a time when federal help is needed most. This month, the Ohio Housing Finance Agency will only have \$1.3 million of federal funds to distribute to agencies, down from \$4.4 million in 2009.

On behalf of the Ohio House of Representatives Democratic Caucus, it is with great trepidation we write to you regarding your recent proposal to funnel more than \$1.5 Billion of TARP money to only five state Housing Finance Agencies. While we can certainly sympathize with these states and the crises they are in (Ohio ranked #1 or #2 in foreclosures for several years during the Bush Administration), leaving Ohio and other high foreclosure states with no further federal assistance is a mistake.

Five states receiving \$300 million each on average is not a nationwide effort to stem foreclosures. Moreover, this concentrated plan only gives lenders further incentive to focus their

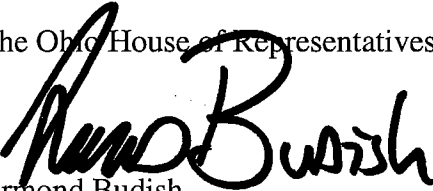
Letter of Support
February 24, 2010
Page 2

efforts on those states where they saw the largest drops in property values from the burst of the housing bubble, leaving others behind.

We strongly ask that the federal government reconsider this program for a more broad-based effort to address the continuing mortgage crisis. Including more states in this new initiative and providing additional funding to housing counseling agencies are both good places to start. The current plan, however, is unworkable for the people of Ohio.

Sincerely,

The Ohio House of Representatives Democratic Caucus



Armond Budish
Speaker of the House



Mike Foley
Chairman, Housing and Urban Revitalization Committee



Peter Ujvagi
Vice-Chairman, Housing and Urban Revitalization Committee

cc:

U.S. Secretary of the Treasury Timothy Geithner
U.S. Secretary of Housing and Urban Development Shaun Donovan
Senator Sherrod Brown
Governor Ted Strickland