



CITY OF
PORTLAND, OREGON

Sam Adams, Mayor
Amanda Fritz, Commissioner
Nick Fish, Commissioner
Dan Saltzman, Commissioner
Randy Leonard, Commissioner

February 21, 2012

Senator Peter Courtney, President
Senator Diane Rosenbaum, Majority Leader
Senator Ted Ferrioli, Republican Leader
Representative Bruce Hanna, Co-Speaker
Representative Arnie Roblan, Co-Speaker
Representative Tina Kotek, Democratic Leader
Representative Kevin Cameron, Republican Leader

RE: Foreclosure Settlement

Dear Senators Courtney, Rosenbaum, Ferrioli, and Representatives Hanna, Roblan, Kotek and Cameron:

On behalf of the City of Portland, we want to express our support for using resources coming to the state as part of the Attorney General's foreclosure settlement intended to benefit all homeowners who are at risk of foreclosure and underwater on their home mortgages.

The settlement's purpose was not to provide resources to states to plug budget holes, but to provide relief to people who have lost their homes and to level the playing field in order for homeowners to make reasoned and timely decisions. We do, however, believe that this settlement doesn't go far enough. We need to simultaneously address the underlying policy by fixing the dual-track problem and requiring large lenders to offer mediation to homeowners prior to foreclosure.

The resources coming to the state offer us an opportunity to benefit all homeowners at risk and underwater by coordinating information and referral and by enhancing the ability of community partners to respond to the needs of homeowners over the next two to three years. By investing wisely, we can leverage the many sources of assistance available to homeowners through an array of federal programs, including the recent settlement, and maximize the dollars that come in to benefit Oregon homeowners.

With one in eleven Oregon homeowners either in foreclosure or more than 30 days in default on their mortgage, we believe it is critical to use these resources to mitigate further suffering, stress, and uncertainty. Oregon's share of the settlement should be directed to reaching homeowners who are eligible for financial relief, establishing a statewide mediation program, monitoring compliance with the settlement and ensuring access to clear, prompt information that homeowners can rely on to make intelligent decisions about their foreclosure avoidance options.

The foreclosure crisis played a key role in the economic downturn in recent years. Likewise, by directing these resources to programs that squarely address systematic shortfalls which led to the foreclosure crisis, you will not only provide needed relief to distressed Oregonians, but also establish critical protections to prevent another foreclosure crisis in the future.

Sincerely,

Sam Adams
Mayor

Amanda Fritz
Commissioner

Nick Fish
Commissioner

Dan Saltzman
Commissioner

Randy Leonard
Commissioner