<u>Testimony of Julia Gordon</u>
Center for Responsible Lending

Before the U.S. House of Representatives
Committee on Financial Services
Subcommittee on Housing and Community Opportunity

"H.R. 5679: The Foreclosure Prevention and Sound Mortgage Servicing Act of 2008"

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Chairwoman Waters, Ranking Member Capito, and members of the subcommittee, thank you for holding this hearing on the Foreclosure Prevention and Sound Mortgage Servicing Act of 2008. We applaud the subcommittee for focusing on tools that can encourage economically rational behavior in the servicing of mortgage loans and help avoid those foreclosures that can and should be avoided. We hope that the Foreclosure Prevention and Sound Mortgage Servicing Act will be included in the Chairman's housing package.

The U.S. economy faces significant challenges today, as 20,000 foreclosures on subprime mortgages take place every single week.[1] The negative spillover effects from these foreclosures are substantial: property values are dropping by billions of dollars, crime is up in high-foreclosure communities, cities are losing their tax bases, and millions of Americans who depend on a robust housing market are losing jobs and income. As foreclosures accelerate during the next two years, these economic effects will be felt even more strongly.

This crisis is only getting worse. Yet efforts to encourage lenders and servicers to modify unsustainable loans on a voluntary basis simply are not working. It is too late to stop a severe downturn driven by reckless lending, but it is not too late to minimize the massive damage ahead. In these comments, I will discuss the following points:

- We face a severe foreclosure crisis with substantial negative effects on whole communities and the broader economy.

- Voluntary loan modifications cannot adequately address the problem. The common presence of "piggy back" second mortgages makes it virtually impossible for servicers to modify loans even when they want to, and perverse financial incentives and fear of investor lawsuits often dissuade servicers from pursuing meaningful modifications at all. It is clear that legislation requiring better and more consistent servicing standards and practices is needed to avert the massive foreclosure crisis now underway.

- Loan servicing is not an industry subject to typical economic incentives because homeowners have no choice about who their servicer is. If the servicer does not provide them with the help they need, homeowners are not able to shop for a better servicer. Instead, servicers are driven more by the interests of the investors who now stand in the shoes of the original lender, and who receive the benefits of payments received by the servicer. But even here economic incentives often put the interests of the servicer in conflict with the interests of the investors. Given the complicated nature of the relationship between borrower, servicer, and investor, and in the absence of normal market forces, it is crucial for the government to ensure that servicers are treating their customers fairly and appropriately and providing transparency throughout the process.

- The Foreclosure Prevention and Sound Mortgage Servicing Act of 2008 establishes a sound framework for requiring mortgage servicers to evaluate a homeowner's situation and provide appropriate loss mitigation. Employing such an approach saves the home for the family, helps keep communities thriving, and saves investors money.

- The Act also contains provisions that will improve communication between homeowners and their servicers; assist in crucial data collection and reporting; and strengthen the Real Estate Settlement Procedures Act.

Self-Help and Center for Responsible Lending

I am Policy Counsel at the Center For Responsible Lending (CRL), (www.responsiblelending.org), a not-for-profit, non-partisan research and policy organization dedicated to protecting homeownership and family wealth by working to eliminate abusive financial practices. CRL is an affiliate of Self-Help (www.self-help.org), which consists of a credit union and a non-profit loan fund.

For the past 28 years, Self-Help has focused on creating ownership opportunities for low-wealth families, primarily through financing home loans to low-income and minority families who otherwise might not have been able to get home loans. In other words, we work to provide fair and sensible loans to the people most frequently targeted for predatory and abusive subprime mortgages. Self-Help has provided over $5 billion of financing to 55,000 low-wealth families, small businesses and nonprofit organizations in North Carolina and across America.

In addition to making direct loans, Self-Help encourages sustainable loans to borrowers with blemished credit through a secondary market operation. Self-Help buys these loans from banks, holds on to the credit risk, and resells them to Fannie Mae. Self-Help has used the secondary market to provide $4.5 billion of financing to 50,000 families across the country, loans that have performed well and increased these families' wealth.

Self-Help makes loans specifically to families and business with little borrowing experience and few external support resources. While our loans have had somewhat higher delinquency rates than the prime market, we have had extremely few loans end up in foreclosure. It has been our experience that while borrowers may fall behind temporarily on mortgage payments, they will make every effort to catch up and hold on to their home. By working closely with every delinquent customer and by providing loss mitigation services aimed at keeping homeowners in their homes, Self-Help has successfully minimized foreclosures and has kept our loan losses to less than one percent per year.

I. We face a severe foreclosure crisis that will grow even worse without significant government action.

Just one year ago, some in the mortgage industry claimed that the number of coming foreclosures would be too small to have a significant impact on the economy overall.[2] No one makes that claim today. As foreclosures reach an all-time high and are projected to grow higher,[3] the "worst case is not a recession but a housing depression."[4] Projections by Fitch Ratings indicate that 43% of recent subprime loans will be lost to foreclosure,[5] and at least two million American families are expected to lose their homes to foreclosures initiated over the next two years.[6]

As we show in our recent report on the "spillover" effect of subprime foreclosures, the negative effects of foreclosures are not confined to the families who lose their homes. Forty million of their neighbors will see their property values decline as a result by over $200 billion.[7] Federal Reserve Chairman Ben Bernanke recently noted

> At the level of the individual community, increases in foreclosed-upon and vacant properties tend to reduce house prices in the local area, affecting other homeowners and municipal tax bases. At the national level, the rise in expected foreclosures could add significantly to the inventory of vacant unsold homes—already at more than 2 million units at the end of 2007—putting further pressure on house prices and housing construction.[8]

This housing crisis has rippled throughout the global economy, causing worldwide alarm. According to the IMF, direct economic losses stemming from this crisis will likely top $500 billion, and consequential costs will total close to a trillion dollars.[9]

Sadly, many of the families losing their homes to foreclosure today might not have found themselves in this position if they had been given the type of loan that they actually qualified for. The Wall Street Journal found that of the subprime loans originated in 2006 that were packaged into securities and sold to investors, 61% "went to people with credit scores high enough to often qualify for conventional [i.e., prime] loans with far better terms."[10] Even those borrowers who did not qualify for prime loans could have received sustainable, thirty-year, fixed-rate loans for -- at most -- 50 to 80 basis points above the "teaser rate" on the unsustainable exploding ARM loans they were given.[11]

Wall Street's appetite for risky loans incentivized mortgage brokers and lenders to aggressively market these highly risky ARM loans instead of the sustainable loans for which borrowers qualified. As Alan Greenspan told Newsweek,

> The big demand was not so much on the part of the borrowers as it was on the part of the suppliers who were giving loans which really most people couldn't afford. We created something which was unsustainable. And it eventually broke. If it weren't for securitization, the subprime loan market would have been very significantly less than it is in size.[12]

Market participants readily admit that they were motivated by the increased profits offered by Wall Street in return for risky loans. After filing for bankruptcy, the CEO of one mortgage lender explained it this way to the New York Times, "The market is paying me to do a no-income-verification loan more than it is paying me to do the full documentation loans," he said. "What would you do?"[13] Even the chief economist of the Mortgage Bankers Association, when asked why lenders made so many loans that they knew were unsustainable, replied, "Because investors continued to buy the loans."[14]

Currently, 30% of families holding recent subprime mortgages now owe more on their mortgage than their home is worth.[15] These families are at an increased risk of foreclosure because "negative equity" precludes the homeowner from selling, refinancing or getting a home equity loan or other mechanism for weathering short-term financial difficulty.[16] Regulators and economists are increasingly cautioning that loan balances must be reduced to avoid unnecessary foreclosures that will further damage the economy.[17]

For the sake of the economy as a whole, as well as individual families and their communities, it is essential that strong measures be implemented to avoid unnecessary foreclosures. Requiring servicers to engage in appropriate loss mitigation efforts is one such measure.

II. Voluntary loan modifications are not sufficient to prevent the foreclosure crisis from continuing to escalate.

To date, Congress and the regulatory agencies have relied largely on voluntary efforts by servicers to reduce the number of foreclosures. Yet despite the support for servicer loss mitigation efforts from President Bush,[18] all of the federal banking agencies and the Conference of State Banking Supervisors,[19] voluntary efforts by lenders, servicers and investors continue to be insufficient to stem the tide of foreclosures. According to a recent report by the State Foreclosure Prevention Working Group, a collection of state Attorneys General and Bank Commissioners, only 24% of seriously delinquent borrowers were working with professionals in any type of loss mitigation activity that could lead to preventing a foreclosure.[20]

Efforts of the Hope Now Alliance also continue to fall short.[21] Despite increases in reported loss mitigation, a close look at the Hope Now data reveals that the current crisis in the housing market dwarfs the servicing industry's response. Foreclosures still outnumber loan modifications three-to-one, and the numbers of delinquencies and foreclosure starts continue to rise precipitously. Most important, the majority of the loss mitigation activity being undertaken is not likely to lead to continued homeownership. As recently acknowledged by the vice chair of Washington Mutual, who helps run the program, many of the homeowners who have sought Hope Now assistance "will not receive long-term relief and could ultimately face higher total costs."[22]

In particular, loan modifications thus far have not successfully reached the approximately 30% of recent subprime loans that are underwater—that is, borrowers owe more than the house is worth. Chairman Bernanke noted that loan modifications involving "reductions of principal balance have been quite rare."[23]

It has become clear that there are a number of reasons for this lack of loss mitigation activity. One reason is that the way servicers are compensated by lenders pushes toward foreclosure. As reported in Inside B&C Lending, "Servicers are generally dis-incented to do loan modifications because they don't get paid for them but they do get paid for foreclosures." In fact, "it costs servicers between $750 and $1,000 to complete a loan modification."[24] So, even when a loan modification would better serve investors and homeowners, some loan servicers have an economic incentive to proceed as quickly as possible to foreclosure.

But even those servicers who want to do loss mitigation face significant obstacles. One such obstacle is the fear of investor lawsuits, because modifying loans typically affects various tranches of securities differently. This problem raises the specter of investor lawsuits in which one or more tranches claim that the servicer could have structured the modification differently to provide a greater return to a particular tranche.

Another is the existence of "piggyback" mortgages (second liens) on many homes. When there is a second mortgage, the holder of the first mortgage has no incentive to provide modifications that would free up borrower resources to make payments on the second mortgage. At the same time, the holder of the second mortgage has no incentive to support an effective modification, which would likely cause it to face a 100% loss; rather, the holder of the second is better off waiting to see if a borrower can make a few payments before foreclosure. A third to a half of 2006 subprime borrowers took out piggyback second mortgages on their home at the same time as they took out their first mortgage.[25]

There is an emerging consensus that half-measures in the private sector are not working. FDIC Chairman Sheila Bair recently said that the current economic situation calls for a stronger government response, since voluntary loan modifications are not sufficient.[26] The necessity of government action also is gaining recognition among Wall Street leaders. Just last week, a senior economic advisor at UBS Investment Bank stated that, "when markets fail, lenders and borrowers need some sort of regulatory and legislative framework within which to manage problems, rather than be forced to act in the chaos of the moment."[27] Moreover, as former Federal Reserve Board Vice Chairman Alan

Blinder recently noted, the fact that most of the mortgages at issue have been securitized and sold to investors across the globe "bolsters the case for government intervention rather than undermining it. After all, how do you renegotiate terms of a mortgage when the borrower and the lender don't even know each other's names?"[28]

III. The Foreclosure Prevention and Sound Mortgage Servicing Act of 2008 will help prevent foreclosures and will improve communication between servicers and their customers.

By requiring loan servicers to engage in loss mitigation prior to foreclosure, this legislation will assist homeowners, lenders, investors, and communities. First, the bill recognizes the importance of keeping homeowners in their homes. By establishing a priority system that places continued homeownership as the highest priority, this bill aims to support the type of loss mitigation that will not only aid homeowners themselves, but will also provide crucial support to the housing values and tax base of surrounding homes and neighborhoods.

Second, and equally important, the legislation requires that any agreement reached through loss mitigation be affordable by the homeowner. We think careful consideration of the borrower's income as well as any expenses, including debt and residual income left over for other living expenses, is critical in determining the affordability of any solution intended to keep homeowners in their home.

We are also supportive of the bill's efforts to require that servicers provide advance notice by telephone and in writing to homeowners with ARMs of upcoming payment increases; refer homeowners who are late on their mortgage payments to HUD-certified housing counselors; and respond to homeowner inquiries and requests for information in a timely way, providing payment histories, loan documents, and loss mitigation documents as requested.

Another important aspect of this legislation is its requirement that servicers report various loss mitigation efforts disaggregated by activity and geographical designation. This simple and important requirement will ensure that policymakers and stakeholders have an accurate understanding of the kinds of loss mitigation being provided, so that policy responses can be appropriately tailored to address current needs.

Finally, the bill provides a long overdue update to the Real Estate Settlement Procedures Act by allowing damages actions for individual violations and increasing maximum damages recovery amounts. This change will significantly enhance enforcement of the law's provisions as RESPA does not currently provide for a private right of action by the borrower but can only be enforced through supervision or other regulatory enforcement efforts.

IV. It is crucial that the Foreclosure Prevention and Sound Mortgage Servicing Act apply to existing loans.

The Foreclosure Prevention and Sound Mortgage Servicing Act must be made applicable to existing loans so that it can help address the current foreclosure crisis. Applying the bill to existing loans is fair to investors and servicers. Requiring servicers to pursue economically rational loan modifications before proceeding to foreclosure provides servicers with a mechanism for maximizing returns to the investors as a whole, while reducing the harm to the family and the community. Indeed, many of the bill's requirements – that the servicers contact borrowers, provide direct access to loss mitigation personnel, and refer delinquent borrowers to HUD-certified housing counselors – are measures that industry representatives have committed to undertake and claim to be doing now.

Requiring servicers to report on their activities will enable policymakers to assess the extent to which these steps are occurring, so that they can properly evaluate the progress and effectiveness of solutions to date. The scale of the current crisis puts beyond question the need for an effective Congressional response. The Foreclosure Prevention and Sound Mortgage Servicing Act could take immediate effect to break the negative downward spiral in the housing sector of the economy.

V. Court-supervised loan modifications are a necessary complement to the proposed legislation.

Even with the passage of the Foreclosure Prevention and Sound Mortgage Servicing Act, a significant proportion of troubled homeowners will be forced into foreclosure because the loan servicer cannot modify the loan due to a conflict between multiple lienholders or other constraints. In those cases, the failure to modify will be to the clear detriment of investors as a whole. It is critical, as a last alternative to foreclosure, to permit a bankruptcy court to adjust the mortgage if the borrower can afford a market rate loan.

Currently, bankruptcy courts can modify any type of loan, including mortgages on yachts and vacation homes, with the exception of one type: primary residences. Removing this exclusion would help homeowners (not speculators) who are committed to staying in their homes, without bailing out investors and without costing taxpayers a dime. The Emergency Home Ownership and Mortgage Equity Protection Act (HR3609) provides a narrow, time-limited mechanism for enabling court-supervised loan modifications to break the deadlock that is forcing into foreclosure families who can afford a market rate loan.[29] The bill has been marked up in both Chambers, and is an important part of any effective solution to the foreclosure crisis.

We believe that the court-supervised loan modifications bill is a necessary complement to the Foreclosure Prevention and Sound Mortgage Servicing Act because it provides an important backstop for families who cannot get a sustainable loan modification due to piggyback loans or for whatever other reason. Moreover, as loans get modified through the bankruptcy process, these modifications will effectively create a "template" for modification that will ease the process of loss mitigation for servicers, as all parties involved will have a better idea of how the courts would handle a particular situation.[30]

Together, the Foreclosure Prevention and Sound Mortgage Servicing Act and the Emergency Home Ownership and Mortgage Equity Protection Act will help stem the tide of coming foreclosures and provide urgently needed relief to struggling homeowners, the communities they live in, and the economy as a whole.

Conclusion

Effective government action is urgently needed to avoid a flood of needless foreclosures that will devastate families, destroy communities, and do further damage to the economy as a whole. We believe that the Foreclosure Prevention and Sound Mortgage Servicing Act of 2008 is a narrowly tailored proposal that will provide an effective tool for stabilizing the economy and speeding recovery. We applaud the Committee for focusing on the need to break the cycle of spiraling losses in the housing and mortgage markets.

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[1] *See* Written Testimony of Mark Zandi, Moody's Economy.com before House Subcommittee on Commercial and Administrative Law (January 28, 2008), available at: http://judiciary.house.gov/media/pdfs/Zandi080129.pdf; *See also* Center for Responsible Lending , Subprime Spillover, (Rev. Jan. 18, 2008), http://www.responsiblelending.org/issues/mortgage/research/subprime-spillover.html

[2] *See, e.g.*, Statement of John M. Robbins, CMB, Chairman, Mortgage Bankers Association at the National Press Club's Newsmakers Lunch – Washington, DC (May 22, 2007) (Speaking of predicted foreclosures, Mr. Robbins stated: "As we can clearly see, this is not a macro-economic event. No seismic financial occurrence is about to overwhelm the U.S. economy."); Julia A. Seymour, "Subprime Reporting , Networks blame lenders, not borrowers for foreclosure 'epidemic,'" Business & Media Institute (Mar. 28, 2007) ("[T]here are experts who say the subprime 'meltdown' is not the catastrophe reporters and legislators are making it out to be. 'We don't believe it will spill over into the prime market or the U.S. economy,' said [Laura] Armstrong [Vice President, Public Affairs] of the Mortgage Bankers Association.").

[3] Renae Merle, Home Foreclosures Hit Record High, Washington Post, March 6, 2008.

[4] David M. Herszenhorn and Vikas Bajaj, "Tricky Task of Offering Aid to Homeowners," The New York Times (Apr. 6, 2008) (quoting Susan M. Wachter, a real estate finance professor at the Wharton School of the University of Pennsylvania. According to Professor Wachter, "In the market that we have in front of us, prices decline and supply increases, driving prices down further.").

[5] Fitch Ratings estimates total losses of 25.8% of original balance in Q4 2006 loans placed in MBS they rated, and that loss severity will be at 60%, which means that 43% of the loans are projected to be lost to foreclosure (25.8/60); lack of home price appreciation said to increase defaults. Glenn Costello, Update on U.S. RMBS: Performance, Expectations, Criteria, Fitch Ratings, p. 17-18 (not dated, distributed week of February 25, 2008). According to Michael Bykhovsky, president of Applied Analytics, an estimated 40% of outstanding subprime mortgage loans could go into default over the next three years; the dire outlook due to declining home values (press briefing at the Mortgage Bankers Association's National Mortgage Servicing Conference, February 27, 2008).

[6] *See* Written Testimony of Mark Zandi, Moody's Economy.com before House Subcommittee on Commercial and Administrative Law (January 28, 2008), available at: http://judiciary.house.gov/media/pdfs/Zandi080129.pdf; *See also* Center for Responsible Lending , Subprime Spillover, (Rev. Jan. 18, 2008), http://www.responsiblelending.org/issues/mortgage/research/subprime-spillover.html

[7] *See* Center for Responsible Lending, Subprime Spillover, (Rev. Jan. 18, 2008), http://www.responsiblelending.org/issues/mortgage/research/subprime-spillover.html

[8] Statement of Federal Reserve Chairman Ben Bernanke on March 4, 2008, reprinted by Bloomberg.com and available at http://www.bloomberg.com/apps/news?pid=newsarchive&sid=apeU.0IaETdM ("Bernanke statement")

[9] Christopher Swann, *IMF Says Financial Losses May Swell to $945 Billion*, April 8, 2008, *available at* http://www.bloomberg.com/apps/news?pid=email_en&refer=home&sid=aK1zAj5FZ9Io.

[10] Rick Brooks and Ruth Simon, Subprime Debacle Traps Even Very Credit-Worthy As Housing Boomed, Industry Pushed Loans To a Broader Market, The Wall Street Journal at A1 (Dec. 3, 2007).

[11] January 25, 2007 letter from CFAL to Ben S. Bernanke, Sheila C. Bair, John C. Dugan, John M. Reich, JoAnn Johnson, and Neil Milner, at 3.

[12] "The Oracle Reveals All," *Newsweek* (Sept. 24, 2007) pp. 32, 33.

[13] Vikas Bajaj and Christine Haughney, Tremors At the Door -- More People with Weak Credit Are Defaulting on Mortgages," The New York Times (Fri. Jan. 26, 2007) C1, C4.

[14] "Subprime Loans Defaulting Even Before Resets," CNNMoney.com, February 20, 2008.

[15] Edmund Andrews, Relief for Homeowners is Given to a Relative Few, New York Times (March 4, 2008) (loans originated in 2005 and 2006).

[16] Kristopher Gerardi, Adam Hale Shapiro & Paul S. Willen, Subprime Outcomes: Risky Mortgages, Homeownership Experiences, and Foreclosures, Federal Reserve Bank of Boston Working Papers, No 07-15 (Dec. 3, 2007) at 3-4 (this otherwise good article misses the fact that certain loans themselves can create the cash flow shortfall that cause underwater loans to fail, when they are structured with initial low payments that are scheduled to rise, such as subprime 2/28 hybrid ARMs, and that certain loan terms have been statistically demonstrated to increase foreclosures, such as prepayment penalties).

[17] Federal Reserve Chairman Ben Bernanke recently said, "When the mortgage is 'underwater,' a reduction in [loan] principal may increase the expected payoff by reducing the risk of default and foreclosure." "Preventable foreclosures" could be reduced, he said, by enabling loan servicers to "accept a principal writedown by an amount at least sufficient to allow the borrower to refinance into a new loan from another source." This would "remove the downside risk to investors of additional writedowns or a re-default." See Bernanke statement.; see also, Edmund L. Andrews, Fed Chief Urges Breaks for Some Home Borrowers, The New York Times (Mar. 4, 2008); John Brinsley, Bernanke Call for Mortgage Forgiveness Puts Pressure on Paulson, Bloomberg.com (Mar. 5, 2008).; Phil Izzo, Housing Market Has Further to Fall, The Wall Street Journal (Mar. 13, 2008) ("Last week, Federal Reserve Chairman Ben Bernanke suggested that lenders could aid struggling homeowners by reducing their principal — the sum of money they borrowed — to lessen the likelihood of foreclosure. Some 71% of respondents [i.e., economists surveyed by the NYT] agreed with the suggestion.")

[18] White House press release, August 31, 2007. See also the Interagency Statement on Loss Mitigation Strategies for Servicers of Residential Mortgages, http://www.federalreserve.gov/newsevents/press/bcreg/20070904a.htm (Encouraging lenders to address subprime hybrid ARM resets by pursuing "appropriate loss mitigation strategies designed to preserve homeownership. . . . Appropriate loss mitigation strategies may include, for example, loan modifications, deferral of payments, or a reduction of principal.")

[19] Statement on Loss Mitigation Strategies for Servicers of Residential Mortgages http://www.federalreserve.gov/boarddocs/srletters/2007/SR0716.htm.

[20] Analysis of Subprime Servicing Performance, Data Report No. 1, February 2008.

[21] All statistics in this paragraph are based on data through February 2008 released by HOPE NOW. http://www.hopenow.com/media/press_releases/pdf/February_Data.pdf

[22] David Cho and Renae Merle, Merits of New Mortgage Aid Are Debate – Critics Say Treasury Plan Won't Bring Long-Term Relief, The Washington Post (Mar. 4, 2008) (citing remarks of Bill Longbrake, senior policy adviser for the Financial Services Roundtable and vice chair of Washington Mutual).

[23] Bernanke statement (see Note 8).

[24] Inside Mortgage Finance Reprints, Subprime Debt Outstanding Falls, Servicers Pushed on Loan Mods (Nov. 16, 2007) (Quoting Karen Weaver, a managing director and global head of securitization research at Deutsche Bank Securities).

[25] Credit Suisse, Mortgage Liquidity du Jour: Underestimated No More, March 12, 2007, p. 5; see also Bernanke Statement ("data collected under the Home Mortgage Disclosure Act suggest that nearly 40 percent of higher-priced home-purchase loans in 2006 involved a second mortgage (or 'piggyback') loan.").

[26] FDIC Chairwoman Sheila Bair (stating ""We've got a real problem. And I do think we need to have more activist approaches. And I think it will be something we need to be honest with the American public about. We do need more intervention. It probably will cost some money."), Real Time Economics, The Wall St. Journal (April 7, 2008) available at: http://blogs.wsj.com/economics/2008/04/07/fdic-chairwoman-calls-for-activism/?mod=google_newsThe

[27] George Magnus, "Large-scale action is needed to tackle the credit crisis," Financial Times (Apr. 8, 2008).

[28] Alan S. Blinder, "From the New Deal, a Way Out of a Mess," The New York Times (Feb. 24, 2008).

[29] CRL Issue Brief, Solution to Housing Crisis Requires Adjusting Loans to Fair Market Value through Court-Supervised Modifications (Apr. 1, 2008), available at http://www.responsiblelending.org/pdfs/senate-bankruptcy-support-brief-feb27.pdf; see also http://www.responsiblelending.org/pdfs/senate-bankruptcy-support-brief-feb27.pdf.

[30] Testimony of Richard Levin, Partner, Cravath, Swaine & Moore LLP, on behalf of the National Bankruptcy Conference, before the House Judiciary Committee, Subcommittee on Commercial and Administrative Law, "Straightening Out the Mortgage Mess: How Can WE Protect Homeownership and Provide Relief to Consumers in Financial Distress," (Oct. 30, 2007), available at http://judiciary.house.gov/media/pdfs/Levin071030.pdf, at 5.