



December 11, 2014

Mr. Ben Rosenfield, Controller  
Office of the Controller  
City Hall, Room 316  
1 Dr. Carlton B. Goodlett Pl.  
San Francisco, CA 94102

RE: Resolution No. 398-14, "Studying a Homeownership Stabilization Authority and Other Approaches to Assist Homeowners with Troubled Mortgages"

Dear Mr. Rosenfield,

The California Mortgage Bankers Association (CMBA) and the Mortgage Bankers Association (MBA),<sup>1</sup> the trade associations representing the real estate finance industry at the national and California levels, understand that the San Francisco Board of Supervisors directed you through Resolution No. 398-14 to "study a potential joint exercise of powers agreement with the City of Richmond," which could be utilized by San Francisco to engage in mortgage seizures through eminent domain. Additionally, we understand you have been directed to "report on other possible approaches [to] help homeowners" with troubled mortgages.

Recent news reports suggest that you have not heard from investors or banks about their position on this eminent domain proposal at large.<sup>2</sup> The intention of this letter is to ensure you are aware of our position previously articulated before the Board. In June 2014, we jointly submitted a letter to the Board, expressing our grave concerns with the eminent domain proposal and explaining why its adoption would profoundly harm local homeowners and the broader San Francisco community. And in October, CMBA's Chairman Chris George, President and CEO of CMG Financial — a privately held mortgage bank headquartered in San Ramon, California — wrote a letter echoing these concerns which was published in the *San Francisco Examiner*.<sup>3</sup>

Moreover, in the time following these letters the U.S. Department of Housing and Urban Development and the U.S. Department of the Treasury have announced new expansions<sup>4</sup> of homeowner support under the Making Home Affordable (MHA) programs, which are a "critical part of the Obama Administration's broad strategy to

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<sup>1</sup> The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the Nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,200 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's website: [www.mba.org](http://www.mba.org).

<sup>2</sup> Alison Vekshin, "San Francisco Debates Eminent Domain for Mortgages: Muni Credit" (December 8, 2014), available at <http://www.bloomberg.com/news/2014-12-08/san-francisco-debates-eminant-domain-for-mortgages-muni-credit.html>.

<sup>3</sup> <http://www.sfoxaminer.com/sanfrancisco/mortgage-seizure-idea-a-solution-in-search-of-a-problem/Content?oid=2908306>.

<sup>4</sup> HUD Press Release, "HUD and Treasury Announce Enhancements to Housing Program," available at [http://portal.hud.gov/hudportal/HUD?src=/press/press\\_releases\\_media\\_advisories/2014/HUDNo\\_14-150](http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2014/HUDNo_14-150).

help homeowners avoid foreclosure, stabilize the country's housing market, and improve the nation's economy.”<sup>5</sup> In fact, under the MHA’s Home Affordable Modification Program 1,364,674 homeowners have received loan modifications since 2007.<sup>6</sup> This robust assistance is on top of the loan modifications, homeowner counseling, and other borrower outreach being provided to homeowners by the real estate finance industry.<sup>7</sup> When reviewing industry efforts since 2007, approximately 5.65 million homeowners have received a proprietary loan modification — bringing the total helped by government and industry to over seven million as of June 2014.<sup>8</sup> These initiatives are working diligently to assist homeowners with troubled mortgages.

We have included with this communication the letters noted above, to ensure that your Office is aware of our position during the study’s production. Additionally, as you review the overall economic market conditions for San Francisco consumers, we encourage you or your staff to consider our robust data and research experts at your service.

Sincerely,



Susan Milazzo  
Executive Director,  
California Mortgage Bankers Association



Pete Mills  
Senior Vice President, Residential Policy and  
Member Services,  
Mortgage Bankers Association

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<sup>5</sup> See <http://www.makinghomeaffordable.gov/programs/Pages/default.aspx>.

<sup>6</sup> HOPE Now, “Loan Mods for Homeowners Eclipse Seven Million Mark,” available at [http://www.hopenow.com/press\\_release/files/April\\_2014\\_Data\\_FINAL.pdf](http://www.hopenow.com/press_release/files/April_2014_Data_FINAL.pdf).

<sup>7</sup> See <http://www.hopenow.com/index.php>.

<sup>8</sup> HOPE Now, “Loan Mods for Homeowners Eclipse Seven Million Mark,” available at [http://www.hopenow.com/press\\_release/files/April\\_2014\\_Data\\_FINAL.pdf](http://www.hopenow.com/press_release/files/April_2014_Data_FINAL.pdf).