

March 13, 2008

Dear Friends:

As the Representative of the 47th Congressional District, I understand the strain the current mortgage crisis has put on families and on our local economy. The First American Loan Performance home price index reports that homes in Orange County have declined in value by 15.43% this past year. While home values have declined nationally, the decline in value has been exacerbated by the high rates of foreclosure in the county.

In Santa Ana, half of all homes for sale are on the market because the previous owner was foreclosed upon. The oversized supply of homes means that many will remain vacant for months before a new homebuyer moves in imposing a great cost on the surrounding community.

In addition to sponsoring continuing community forums to assist homeowners facing or in the foreclosure process, I have supported the formation of the Orange County Home Ownership Preservation Collaborative. The Collaborative has been established as a localized effort to address the critical challenge of educating borrowers and policymakers on foreclosure prevention solutions. Together we have provided valuable information on adjustable rates and sub-prime loans to at-risk homeowners and coordinated direct counseling services.

I have supported two bills in the 110th Congress addressing the crisis. H.R. 3648, the Mortgage Forgiveness Debt Relief Act, takes the crucial step to restore fundamental fairness for homeowners in financial distress by revising language in the tax code that includes discharged home mortgage debt as taxable income. H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act of 2007, establishes loan origination standards through the licensing of mortgage loan originators, and the enhancement of consumer protections. It also takes appropriate steps to stop predatory lending practices.

Please be assured that I am well aware of this problem and will continue to provide at-risk homeowners with the necessary resources to save their homes from foreclosure and or better understand their mortgages.

Enclosed you will find resource information from NeighborWorks America, a national nonprofit organization created by Congress that provides counseling to families and individuals facing the threat of foreclosure.

I also welcome you to contact my office at (714) 621-0102 for further assistance and resources.

Very truly yours,

A handwritten signature in black ink that reads "Loretta Sanchez". The signature is written in a cursive, flowing style.

Loretta Sanchez
Member of Congress