

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-1407**

Financial Services Subcommittee on Capital Markets, Insurance, and Government  
Sponsored Enterprises  
Hearing "H.R. 5579, The Emergency Loan Modification Act of 2008"  
Opening Statement for Congressman André Carson  
April 15, 2008

Thank you, Chairman Kanjorski and Ranking Member Pryce for holding this important hearing today on ways to further mitigate foreclosures by clarifying servicers' responsibilities in managing loans in the secondary market. This bill is an important part of the Financial Services Committee's comprehensive effort to help homeowners keep their homes.

Given the complex mortgage environment, borrowers have had trouble negotiating the terms of their loan as many of them were securitized and the subsequent servicers were slow to react to borrower requests to modify their loans. There are over 7,300 homes in my district in the preforeclosure phase today and I believe the provisions in this bill would better enable these individuals to work out new terms and retain their homes.

This bill would ensure that servicers who proactively engage in loss mitigation are given a safe harbor from potential litigation. It is important that we recognize that preventing foreclosure in the borrowers' interest but also the servicers' and investors'. This bill is a responsible measure that will remove disincentives to working out these loans.

I look forward to your testimony today and the chance to work with my colleagues on this issue facing mortgage consumers.