



November 13, 2007

The Honorable Charles Gonzalez
U.S. House of Representatives
303 Cannon HOB
Washington, DC 20515-4320

Dear Mr. Gonzalez:

As you know, many Americans today are struggling to keep their homes. Foreclosures are a serious issue for families, for communities and for our economy. Leaders in both parties are working very hard to try to avoid preventable foreclosures. We are writing to ask for your help.

One of the most effective ways we can prevent unnecessary foreclosures is by reaching borrowers who need help early. Many borrowers mistakenly believe that their lender wants to repossess their house in foreclosure. Foreclosure is very costly for lenders, the vast majority of whom would rather find a way to help homeowners stay in their homes than foreclose. Yet according to most of the lenders with whom we have spoken, fifty percent of those who lose their home to foreclosure never asked their lender or a mortgage counselor for help. Borrowers are often fearful of foreclosure and unaware that their lender may be able to work out a solution – such as a loan modification or more affordable payment plan.

We would encourage you to tell your constituents how important it is to ask for help if they are struggling to make their payments. If borrowers do not want to call their lender, they may call an independent, non-profit counselor at 1-888-995-HOPE. Remaining silent as they fall behind on their payments is the worst possible approach.

In addition, a group of mortgage servicers, counselors and investors has formed a new private sector alliance, called HOPE NOW, to coordinate and intensify efforts to reach more homeowners and find affordable solutions. Next week, they will begin sending letters to at-risk borrowers whom lenders have been unable to reach. These letters will contain important information about where borrowers can find help. Please encourage your constituents to look out for the HOPE NOW letters, a copy of which is attached. If they receive one, they should open it to find out how to get help.

It is in everyone's interest to prevent as many unnecessary foreclosures as possible. Thank you for your help on this important topic.

Sincerely,

Henry M. Paulson, Jr.

Alphonso Jackson