## MAXINE WATERS MEMBER OF CONGRESS 35TH DISTRICT, CALIFORNIA CHIEF DEPUTY WHIP COMMITTEES: FINANCIAL SERVICES SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY CHAIRWOMAN JUDICIARY SUBCOMMITTEE ON CRIME, TERRORISM AND HOMELAND SECURITY SUBCOMMITTEE ON IMMIGRATION, BORDER SECURITY AND CLAIMS

## Congress of the United States House of Representatives Washington, DC 20515-0535

November 20, 2007

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## Dear Friend:

You are invited to attend a Congressional Hearing, "Foreclosure Prevention and Intervention: The Impact of Importance of Loss Mitigation Strategies in Keeping Families in Their Homes," being held by the Subcommittee on Housing and Community Opportunity of the Committee on Financial Services. The Hearing will be held at the California Science Center, 700 State Drive, Los Angeles, CA 90037, on Friday, November 30, 2007, starting at 10:00 a.m.

As Chairwoman of the Subcommittee, I am very interested in the current foreclosure crisis affecting our country, especially its impact on the state of California. In the third quarter of 2007, California had a foreclosure rate of one foreclosure filing for every 88 households—the second highest ranking among all states. A total of 148,147 foreclosure filings were reported in the state during this period, a 36 percent increase from the previous quarter and almost four times as many as the number reported this time a year ago. Five of the top 10 metro areas in foreclosure filings are in California.

Clearly, the proliferation of subprime loans, adjustable rate mortgages, no-doc loans, interest-only loans, and other exotic loan products have locked many California families into unsustainable loans they can no longer afford or will be unable to afford. In addition, housing prices in California, which for years seemed to only appreciate in value, have stalled. As a result, many California families are left with little or no equity in their homes and are now trapped as they are unable to refinance or sell their homes. These events have created a perfect storm for foreclosures and no end is in sight.

According to the Center for Responsible Lending, 22 percent of subprime loans written in California in 2005 and 2006 will enter foreclosure. A projected 179,798 families will lose their homes; nearly one-quarter of these families are in Los Angeles County. I am especially concerned that an estimated one in five subprime loans in my district will end in foreclosure. Because foreclosure affects neighborhoods, not just individuals, over 8 million homes in California will lose value as a result of these foreclosures. These homeowners will lose an average of \$8,502 in home value.

As such, I look forward to your attendance, and seeing you at the hearing. If you have any questions about the hearing, please contact Derrick Mims, <a href="mailto:derrick.mims@mail.house.gov">derrick.mims@mail.house.gov</a> or Blanca Jimenez, <a href="mailto:blanca.jimenez@mail.house.gov">blanca.jimenez@mail.house.gov</a> in my Los Angeles Office, 10124 South Broadway, Suite 1, Los Angeles, CA 90003; telephone (323) 757-8900; and facsimile (323) 757-9506.

Sincerely,

Maxine Waters
Member of Congress