

September 30, 2008

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Senator Reid and Senator McConnell:

The undersigned civil rights groups write to urge Congress to provide meaningful relief to distressed homeowners in your consideration of any economic recovery package. The initial failure to pass urgently needed relief provides an essential opportunity to add provisions that will ensure Americans of the safety and protection of their homes. Without the below provisions, our neighborhoods and communities will be forced to bear the burden of decisions made on Wall Street and to feel the economic pain with nowhere to turn.

There is no doubt that Congress must pass a recovery package. Any effort to stem the current troubles faced by Wall Street is incomplete without simultaneously addressing the growing challenges faced by working families.

To slow the effects of the current crisis on homeowners, the bipartisan recovery package must include:

- An aggressive and systematic approach to permit parties to modify the terms of loans as a prerequisite to loan purchase by federal agencies. In other words, the taxpayers should not be called upon to acquire a loan unless homeowners and borrowers are afforded relief.
- Restoring the authority of bankruptcy courts to modify loans as a last resort; and
- A mandatory moratorium on foreclosures for the limited period of time before the rescue plan takes effect.

Furthermore, this Congress must recognize that its work is not complete with the passage of a recovery package. We strongly urge that Congress hold field hearings to better understand the plight of homeowners nation-wide; invest in financial counseling programs for at-risk communities; and establish an oversight board for this recovery package that takes into account the perspective of minority communities.

While Congress must act quickly to stem the economic effects of this current financial crisis, it must also act intelligently to meet the needs of homeowners, the backbones of American communities. Action on the financial front must continue into the next Administration and protecting America's communities along the lines stated must be a priority and condition for the confirmation of the key economic leaders of the next Administration.

If you have any questions, please contact Sam Jammal, Mexican American Legal Defense & Educational Fund (MALDEF), at (202) 293-2828 or Graciela Aponte, National Council of La Raza, at (202) 776-1578. You have our full cooperation and assistance to resolve the present financial crisis in order to fully address the needs of all Americans.

Sincerely,

Asian American Justice Center (AAJC)
Leadership Conference on Civil Rights (LCCR)
League of United Latin American Citizens (LULAC)
Mexican American Legal Defense & Educational Fund (MALDEF)
National Association for the Advancement of Colored People (NAACP)
National Coalition for Asian Pacific American Community Development (National CAPACD)
National Council of La Raza (NCLR)
National Korean American Service & Education Consortium (NAKASEC)
National Urban League (NUL)
South East Asia Resource Action Center (SEARAC)

CC:

Senator Christopher Dodd (D-CT), Chair, Senate Banking Committee
Senator Richard Shelby (D-AL), Ranking Member, Senate Banking Committee