

Statement of Senator Tim Johnson
“Problems in Mortgage Servicing From Modification to Foreclosure”
Senate Banking Committee
December 1, 2010

Thank you for calling this hearing, Mr. Chairman. There have been many disturbing media reports about careless foreclosure practices. During our last hearing on this topic, the Attorney General from Iowa, Mr. Miller, stated that the regulators’ review of documents couldn’t have caught the robo-signing problems.

However, I am interested in learning about the steps that have been taken to ensure that taxpayers and homeowners get a fair shake in this process. I was particularly disturbed by reports of homeowners who were in the process of a modification being foreclosed upon. The perception that the system is stacked against the individual will further erode confidence in our housing markets and delay stability not just for housing but potentially for the economy as a whole.

I look forward to hearing from our witnesses about the steps they are taking to ensure that servicing, modification and foreclosure guidelines are being followed.