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Central Valley Rep. Jerry McNerney, a Democrat, says the White House is failing when it comes to solving the foreclosure crisis and effectively helping distressed homeowners.

“I am calling for the full support of the White House and Congress to help deserving Californians get the assistance they so desperately need,” says Mr. McNerney. “Our area continues to have some of the highest foreclosure rates in the country. What we are doing now simply isn’t enough.”

Mr. McNerney joined with other members of Congress from California in unveiling their own housing platform detailed in a letter to President Barack Obama.

The letter calls on the president to:

- Urge the Federal Housing Finance Agency to establish a plan to refinance mortgages owned or guaranteed by Fannie Mae and Freddie Mac.
- Push for a major principal reduction plan for underwater homeowners, such as modifications in coordination with Chapter 13 bankruptcy filings
- Institute a “Homeowner’s Bill Of Rights” that would apply to HAMP, FHFA, HUD, VA and private servicer modification programs and include the following:

- Make the process homeowner-friendly: Ensure a single point of contact; require servicers to review documents within a timely fashion and disclose information; and ban “advanced fees.”
- Eliminate needless obstacles to effective modifications: Allow for flexibility in the debt to income ratio; end the requirement that homeowners be delinquent in order to be eligible for a loan modification; end dual tracking; and require that servicers not report adverse credit information while trial or permanent modification is underway.
- Ensure accountability and establish an appeals process: Create an Office of Consumer Advocate; conduct random audits of modifications; and establish an independent appeals process for homeowners who believe their modification has been improperly rejected or handled in violation of program rules

The letter says the members of Congress believe that the financial institutions that are handling delinquent mortgages, mortgage modifications, and foreclosures are failing to act in good faith.

“We continue to hear from our constituents that servicers are uncooperative, misleading and even deliberately obstructive and we have not seen successful efforts from your Administration in response,” says the letter.

The members of Congress detail meetings they have had on the foreclosure crisis with luminaries such as the Secretary of Treasury, Secretary of Housing and Urban Development and others. They say there has been no action despite all the talk.

“Our current economic crisis began in the housing market. Until the housing market is stabilized, our economy will not be able to fully recover,” the letter says.

Joining Mr. McNerney in signing the letter are Central Valley Democrats Dennis Cardoza, Jim Costa, John Garamendi and Doris Matsui. Eighteen others also signed the letter.

