

Congress of the United States

Washington, DC 20510

June 5, 2013

The Honorable Richard Cordray
Director
Consumer Financial Protection Bureau
1500 Pennsylvania Avenue, NW
(Attn: 1801 L Street, NW)
Washington, DC 20220

The Honorable Edward DeMarco
Acting Director
Federal Housing Finance Agency
400 Seventh Street, SW
Washington, DC 20024

The Honorable Thomas J. Curry
Comptroller
Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 2-3
Washington, DC 20219

The Honorable Jacob J. Lew
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Shaun Donovan
Secretary
U.S. Department of Housing and Urban
Development
451 Seventh Street, SW
Washington, DC 20410

The Honorable Martin Gruenberg
Chairman
Federal Deposit Insurance Corporation
1776 F Street, NW
Washington, DC 20006

The Honorable Ben S. Bernanke
Chairman
Board of Governors, Federal Reserve
System
20th Street and Constitution Avenue, NW
Washington, DC 20551

The Honorable Eric K. Shinseki
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Director Cordray, Secretary Donovan, Acting Director DeMarco, Chairman Gruenberg, Comptroller Curry, Chairman Bernanke, Secretary Lew, and Secretary Shinseki:

As you are aware, homeowners over the age of fifty are currently entering foreclosure at a faster rate than any other age group in the country. We are writing regarding one segment of this population: individuals facing foreclosure after the death of a spouse. These surviving spouses, often women in their later years, can face unique circumstances that unfairly deprive them of opportunities to avoid foreclosure.

For example, surviving spouses whose names do not appear on their home's mortgage loan must assume the loan in order to remain in the home. However, banks usually require payments to be up-to-date in order for a survivor to assume the loan. If the survivor cannot afford the required

payments, banks will often refuse to negotiate loan modifications with them, treating them like strangers instead of partners to the deceased. As a result, survivors unable to make payments are left without options that would enable them to avoid foreclosure. These individuals, who also may be struggling with responsibility for medical bills, funeral costs, and other expenses while adjusting to a loss of income, are trapped without a means of preventing the loss of their homes.

Surviving spouses throughout the country have found themselves in this troubling situation, including in our states. One Connecticut woman was part way through the foreclosure mediation process when her husband died. Her husband was the only borrower on the loan, and after his death, the bank moved to terminate the mediation process because she was technically no longer eligible for mediation. She is now attempting to assume the loan, but there is no guarantee that she will be able to do so.

Another woman in California, in the wake of her husband's death, missed a single payment on a mortgage that had only been in his name. After complying with the loan servicer's six-month payment plan, the regular monthly payment increased by \$1,500.00 a month and the woman attempted to initiate a loan modification. So far the widow has not been able to obtain a loan modification or remove her deceased husband's name from the mortgage.

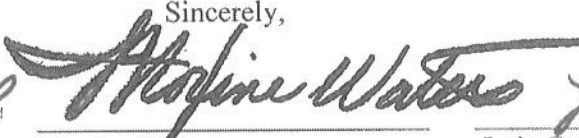
We are pleased that the Consumer Financial Protection Bureau specified in its mortgage servicing rules that servicers should facilitate communication with the successor of a deceased borrower. However, this is only a first step. We urge each of your agencies to use all powers at your disposal to ensure that financial institutions provide surviving spouses with full information about a loan, as well as help them to assume mortgages if they seek to, avoid foreclosure, and stay in their homes. In addition, as your agencies implement legal settlements with homeowners who were wrongfully foreclosed upon, we ask that you examine the eligibility of surviving spouses for the legal redress to which their late partners may have been entitled.

We request that you provide us with a written response describing any efforts that your agency has already made to address this issue and specifying the actions that you will be taking to provide relief to surviving spouses. We would be interested to learn if the current legal framework is sufficient, or if legislative changes would be necessary or helpful in assisting these individuals. We look forward to your prompt response.

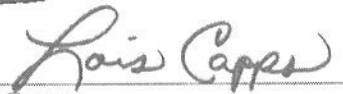
Sincerely,



Richard Blumenthal
United States Senate



Maxine Waters
Member of Congress



Lois Capps
Member of Congress