



Assembly California Legislature

February 9, 2012

Mr. Edward DeMarco, Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20024

Dear Mr. DeMarco:

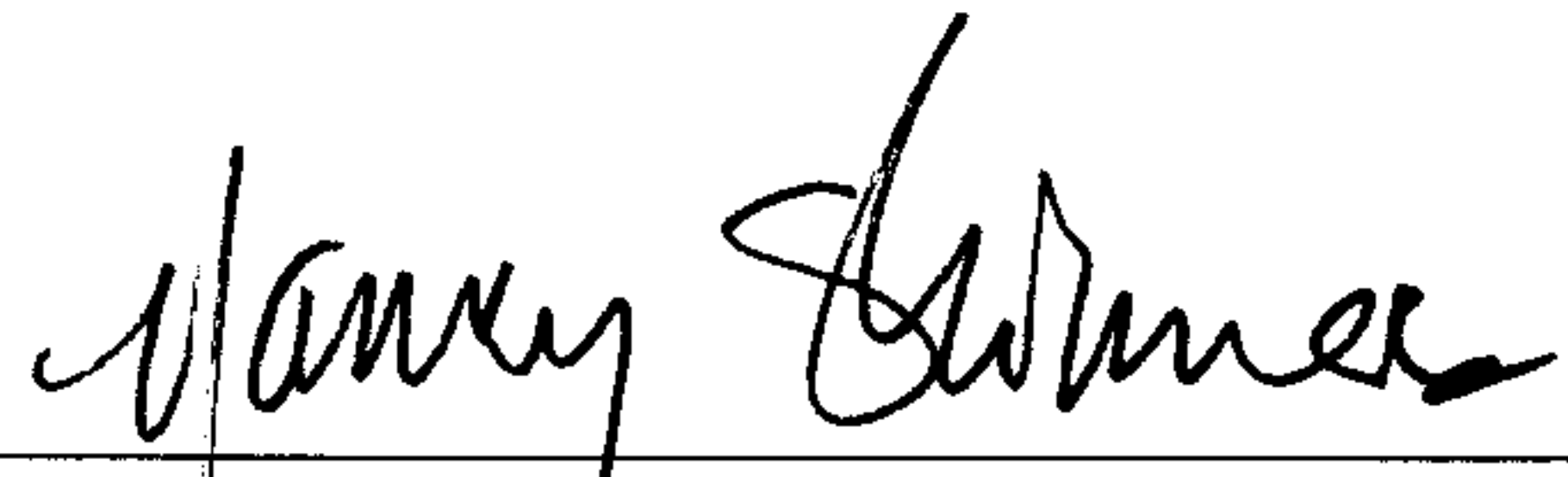
As members of the California State Assembly, we write on behalf of the more than one million California homeowners who are facing the imminent threat of foreclosure. As the federal regulator of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), the two companies that hold over 60% of California mortgages, we call on you to authorize Fannie Mae and Freddie Mac to offer principal reductions for home loans in crisis.

The inaction of Fannie Mae and Freddie Mac under your direction has serious ramifications. As long as the Federal Housing Finance Agency (FHFA) continues its firm stance against principal reductions, the majority of California homeowners have no meaningful hope of getting out from underwater. It is indefensible to ignore proven, reasonable solutions to saving homes. As representatives of the people of California, we find your refusal to implement widely accepted commonsense solutions, such as principal reductions, destructive and irresponsible.

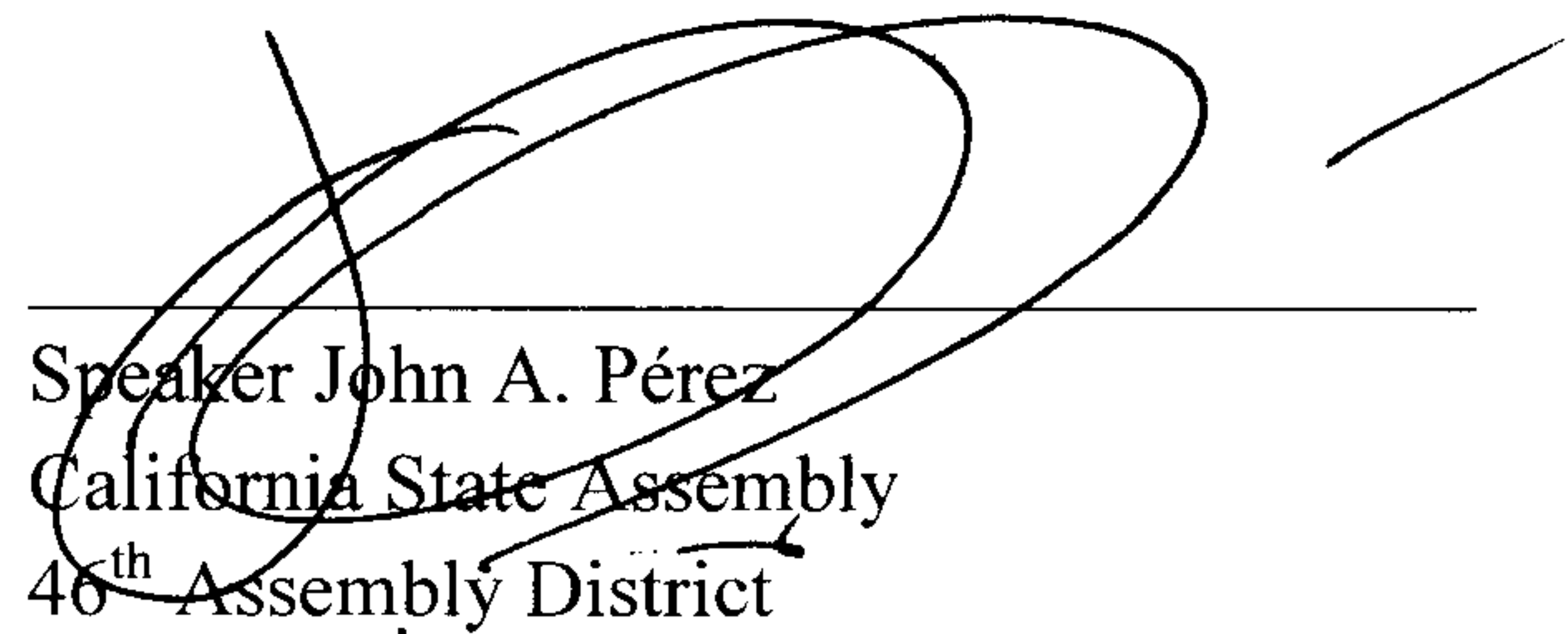
As you are aware, the mortgage crisis is wreaking havoc on California's housing stock, economy and communities in general. In the past four years, over 760,000 residential mortgages have been foreclosed upon in California. Many of these properties continue to stand vacant, serving as magnets for criminal activity, and adding to the blight of already distressed communities. The consequences of foreclosure are disastrous not only for the individual homeowner, but for the neighborhoods, local businesses, cities, counties, schools, and public safety of the impacted area.

California can no longer sit on the side lines while our communities are devastated by the inaction of FHFA. We join with Congressional Members on the House Financial Services Committee, our own Attorney General and the Attorney General of Massachusetts in our adamant request that you immediately allow principle write-downs.

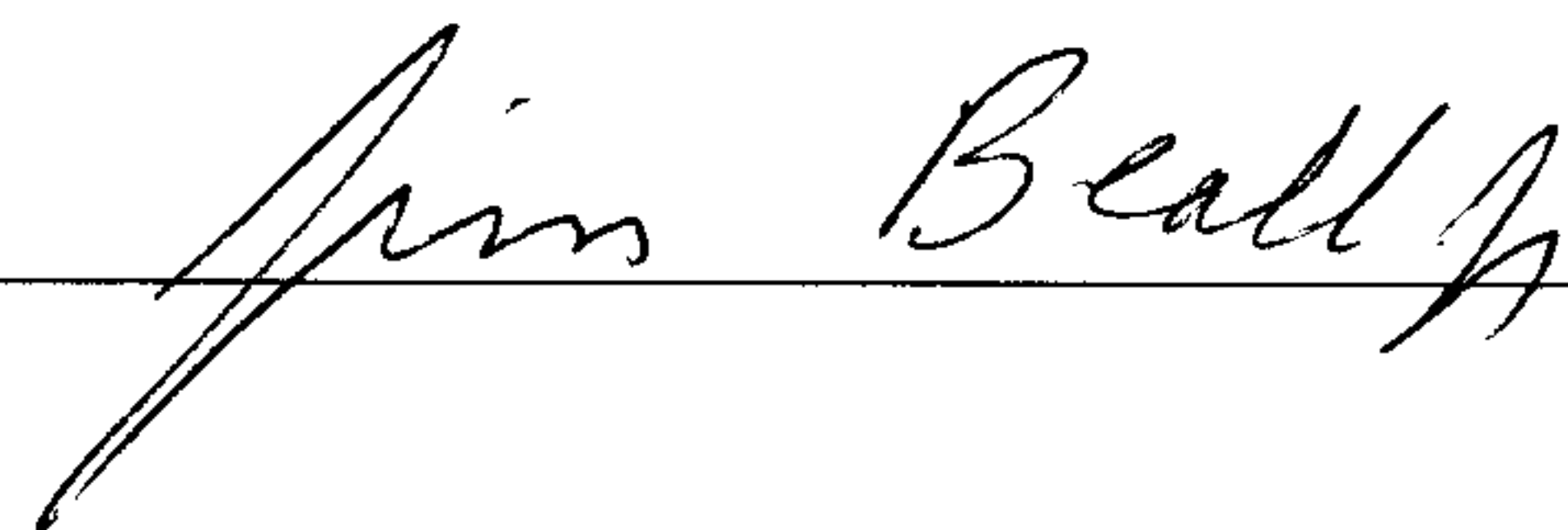
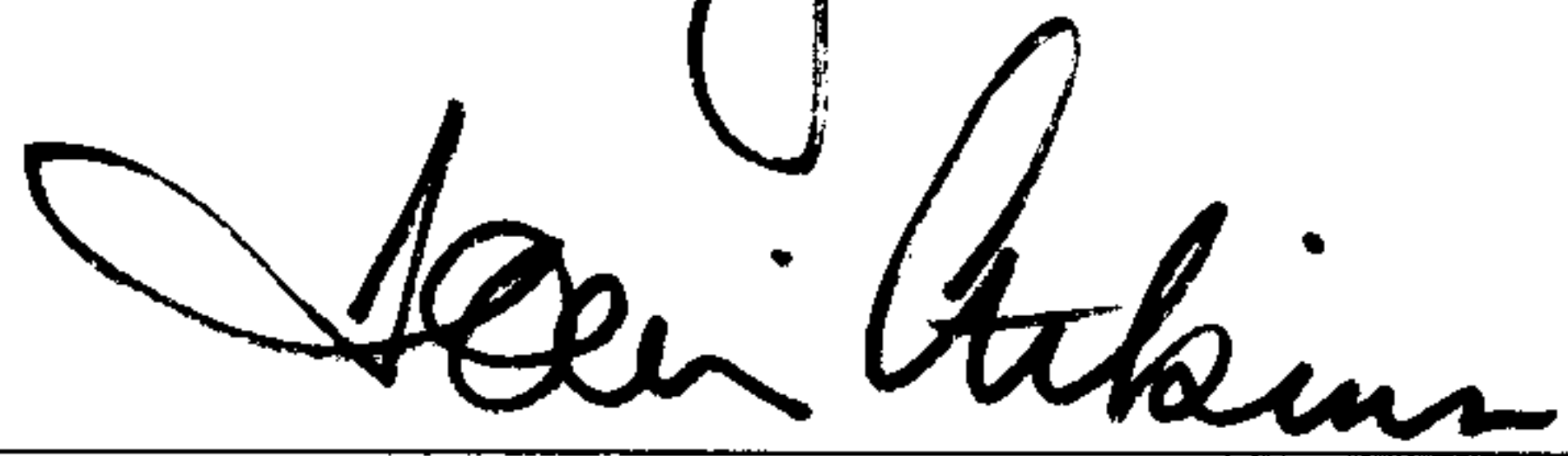
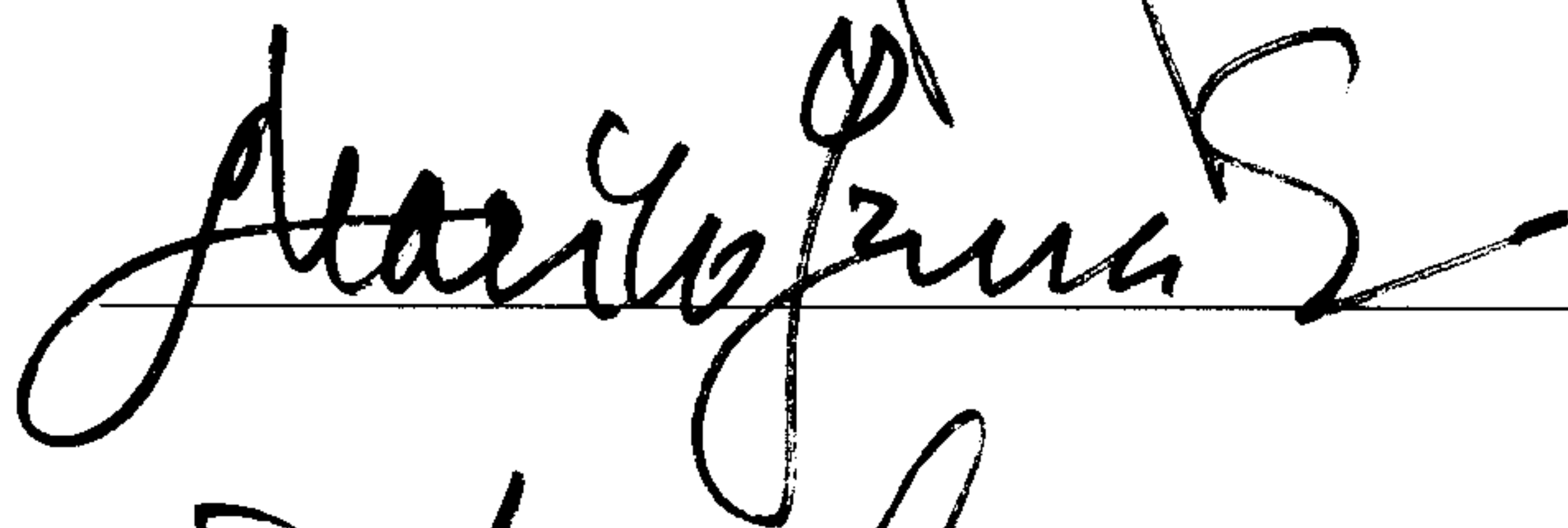
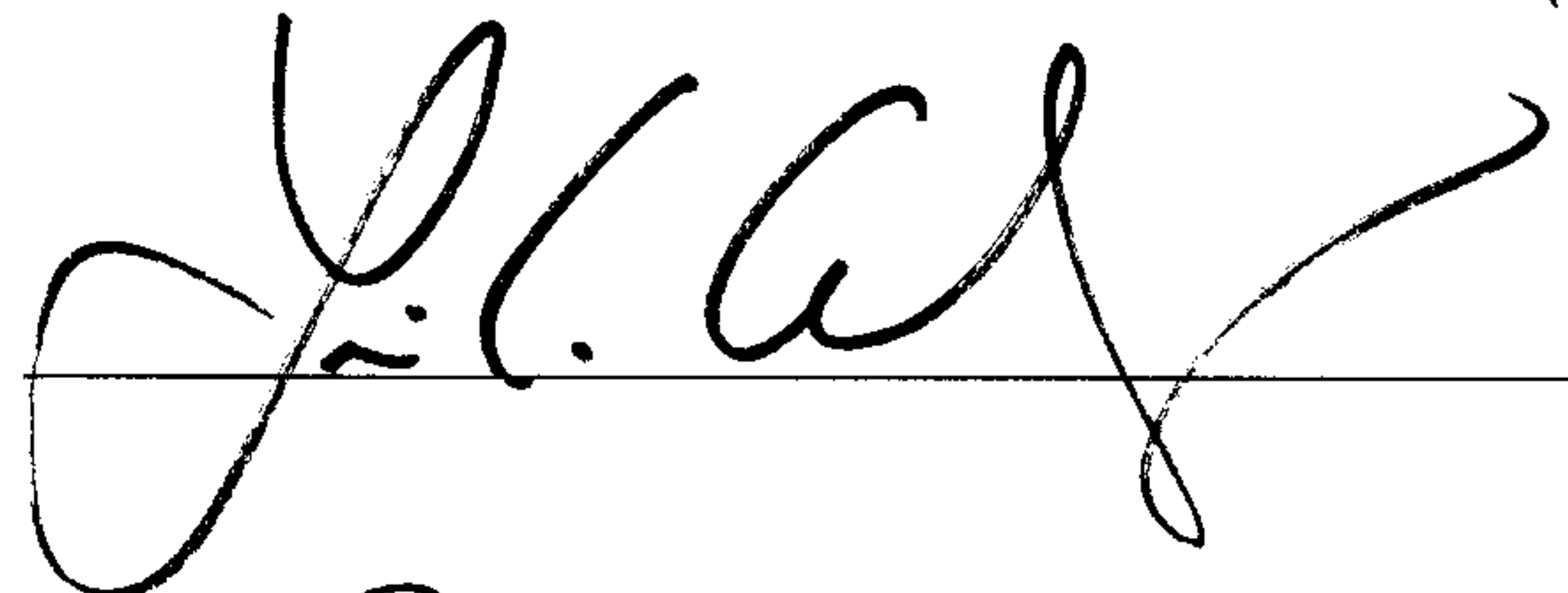
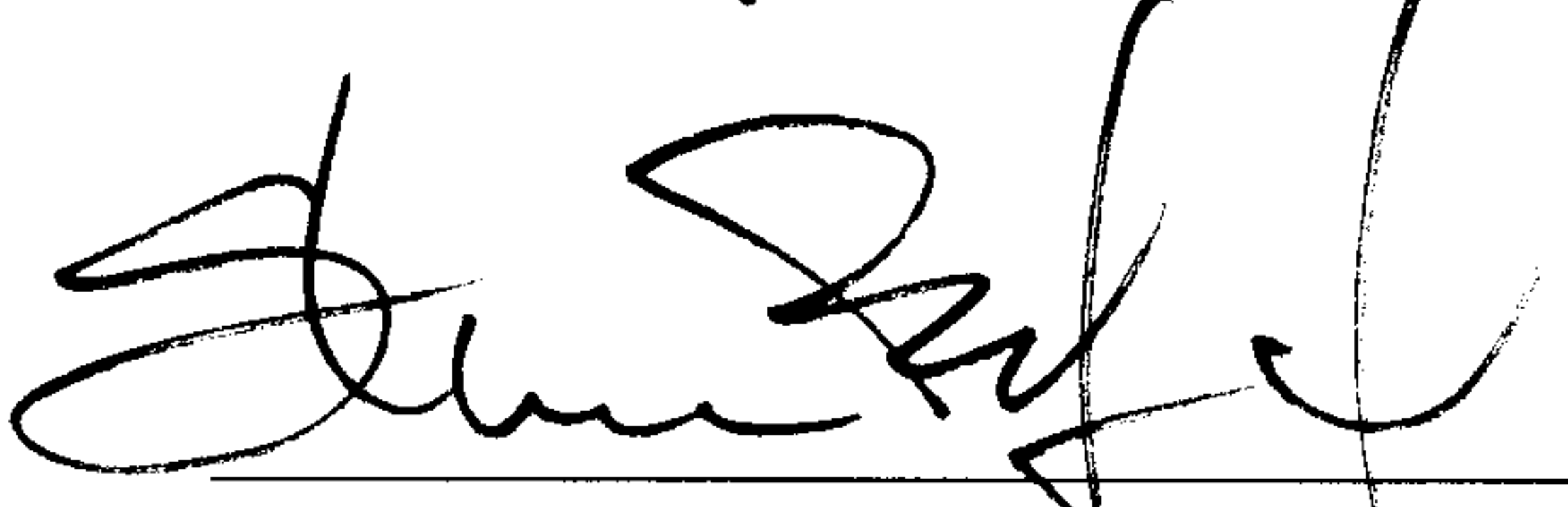
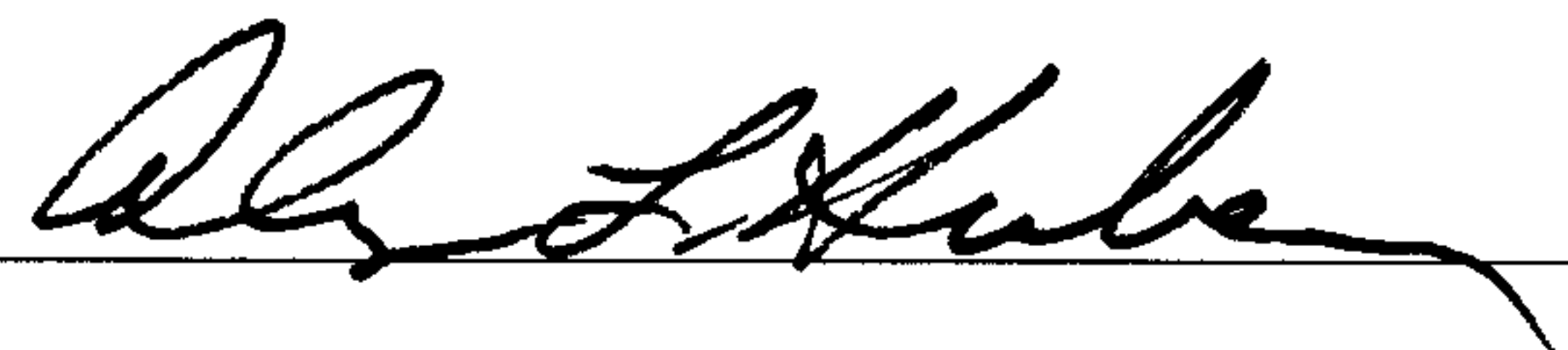
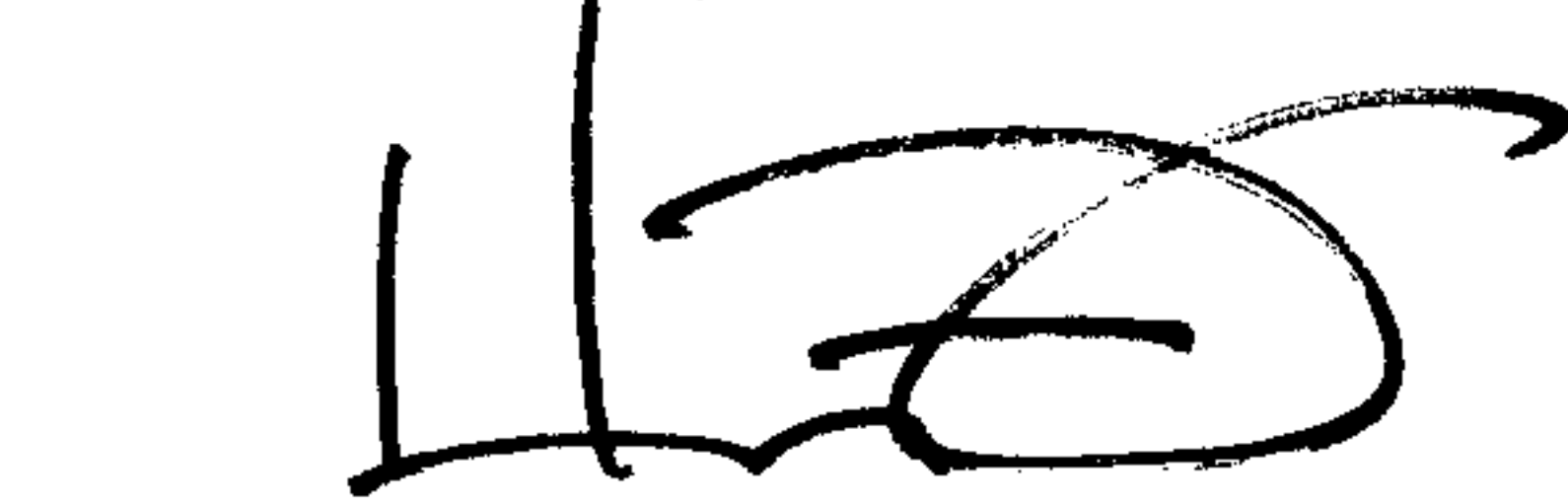
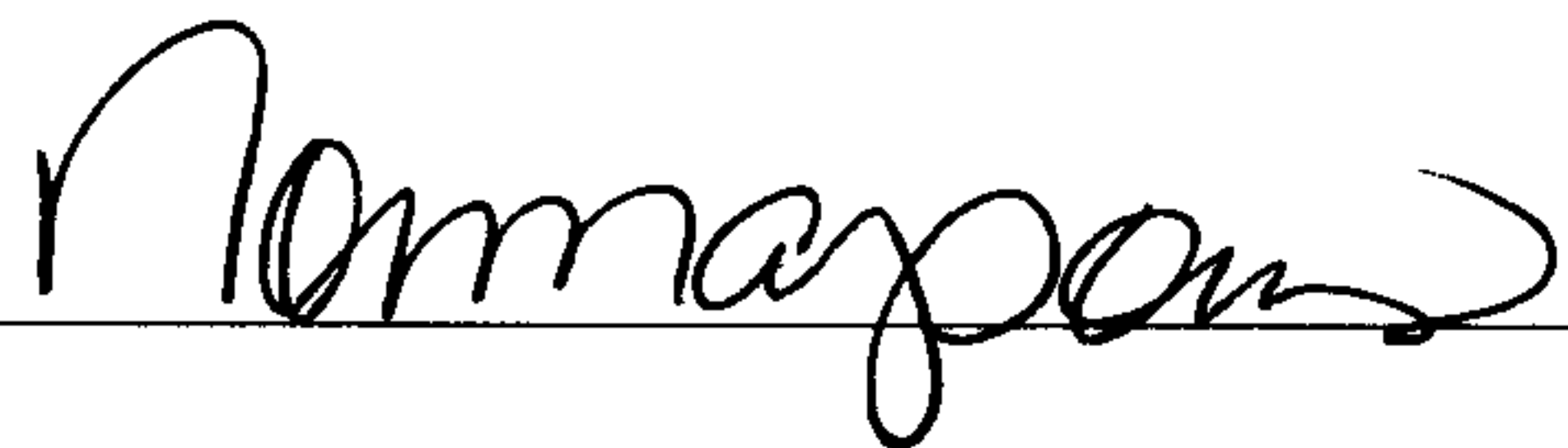
Sincerely,



Assemblymember Nancy Skinner, Chair
Assembly Rules Committee
14th Assembly District



Speaker John A. Pérez
California State Assembly
46th Assembly District



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