

**MAXINE WATERS**

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SUBCOMMITTEE ON IMMIGRATION,  
BORDER SECURITY AND CLAIMS

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0535**

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September 30, 2010

The Honorable David Stevens  
Assistant Secretary for Housing and  
Federal Housing Administration Commissioner  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street S.W.  
Washington, DC 20410

Dear Commissioner Stevens:

I have long been aware of the misconduct taking place at some of our nation's mortgage servicing companies, and have been an advocate on the need to reform our mortgage servicing industry. Therefore, though I was not surprised, I was deeply concerned to learn that an employee of Ally Financial Inc.'s GMAC mortgage unit admitted in sworn depositions that he signed off on thousands of foreclosure documents a month without reviewing them. JPMorgan Chase's mortgage unit, Chase Mortgage, made a similar admission yesterday. Both companies have suspended foreclosures until they are able to investigate the scale and nature of misconduct with regard to thousands of foreclosures.

Along with my colleagues on the Financial Services Committee, I have been working diligently to ensure that FHA remains an affordable and secure tool to assist Americans in attaining homeownership. I am therefore very concerned about the actions of Ally Financial and Chase Mortgage, and the potential threat it poses to FHA's financial health.

I respectfully request that you investigate whether these servicers' actions have been consistent with the servicing guidelines set forth by FHA. Additionally, I request that you examine whether FHA has improperly paid any claims on Ally or Chase-serviced mortgages that have gone to foreclosure, and, if so, what steps FHA plans to take to recoup any of those payments. Moreover, I am interested to learn what additional steps FHA is taking to determine how widespread Ally's and Chase's practices are among other servicers of FHA-insured mortgages, and how FHA can better ensure compliance with all servicing requirements.

Thank you for your prompt attention to this urgent matter. I look forward to continuing to work with you to ensure that mortgage servicers are operating in accordance with all relevant laws and regulations, and that FHA remains a viable way for Americans to achieve homeownership.

Sincerely,

*Maxine Waters*

Maxine Waters  
Chairwoman, Subcommittee on Housing and Community Opportunity