



The Obama Administration recently finalized a **new effort** to help distressed **homeowners** avoid foreclosure. The [new plan](#) allows those with government-backed mortgages to refinance their existing loans with a lower interest rate and lower monthly payments. This is welcome news for those who qualify. To find out if you qualify for this new program or other existing programs, [click here](#).



Since the **housing collapse** began in 2007, too many families have lost their homes in foreclosure, some as the result of potentially **criminal behavior** by **mortgage lenders**. Middle class families struggle to refinance mortgages with artificially high interest rates. Small businesses struggle to get the credit they need to grow, and high unemployment persists. I understand these frustrations and I know that economic recovery will not occur until the housing market recovers.



Many factors led to the current housing crisis. One of these factors was the actions of **Wall Street firms** making huge gambles in the housing market. Big banks made billions in risky loans which were chopped up and sold off to unsuspecting investors and pension funds as low-risk investments. These false claims were then backed up by the very ratings agencies who were supposed to protect these investors. In the years leading up to the collapse of the market, Wall Street reaped billions in profits. When this house of cards collapsed, **middle class Americans** were left holding the bag.

Now, having been bailed out by U.S. taxpayers, most of these institutions have returned to business as usual, reaping huge profits and paying big bonuses.

The U.S. Department of Justice and State Attorneys General initiated lawsuits against some of the worst offenders, including Citibank, JPMorgan Chase, Wells Fargo, Bank of America and Ally Financial. These suits are currently in settlement talks and there are reports that the big banks may be granted immunity from both civil and criminal penalties in exchange for a relatively small payment. If this reported deal is allowed to proceed, once again, big banks could be let off the hook and homeowners would be left holding the bag.

I am **leading an effort in Congress** to see that those families who were victimized by unscrupulous and illegal activities by banks and mortgage companies are made whole.

Earlier this month, I wrote to **Attorney General Eric Holder** opposing any settlement that grants large mortgage servicers immunity for their wrongdoing while offering no significant help for struggling homeowners. To read my [letter](#) to Attorney General Holder [click here](#).

I also introduced a [Congressional Resolution](#) (H.Con. Res. 85), expressing that it is the sense of the House of Representatives that any action taken by the Department of Justice should hold mortgage servicers **fully accountable** for fraudulent behavior, and adequately **compensate victims** harmed by the servicers' wrongdoing. [Read my resolution here](#).

Over the past few years, I have heard from homeowners throughout Wisconsin whose lives have been turned upside down by the collapse in housing, and the loss of jobs and retirement savings. I will pursue every avenue to see that those who were wronged are allowed a remedy.

If you or someone you know is a distressed homeowner seeking **assistance**, you will find a number of [resources](#) on my [website](#). As always, my staff also stands ready to assist if at all possible. You may contact my Wisconsin office at 608-258-9800. I look forward to being of service as I continue my work to address Wisconsin's economic challenges.

Sincerely,



Tammy Baldwin
Your Member of Congress

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