



Mr. Joseph A. Smith
Monitor
Office of Mortgage Settlement Oversight
301 Fayetteville St., Suite 1801
Raleigh, NC 27601

Re: The need for zipcode-level data in the state reports

Dear Monitor Smith:

Thank you for your efforts to provide transparency, monitoring, and accountability to the servicers that are part of the national mortgage settlement. We, the undersigned organizations, recognize the importance of the national mortgage settlement as a good first step in holding servicers accountable for their conduct, providing important consumer relief to homeowners who are struggling to retain their homes, and offering some modest reparations to those who have already lost their homes as a result of errors by mortgage servicers.

As state policy advocates, economic justice groups, housing counselors, community organizations, and faith-based organizations, we are writing, however, to express our concern that a breakdown of the consumer relief the banks deliver under the settlement by zipcodes within each state was not called for in the settlement or in the monitor's office's first progress report on its implementation.

We believe that having the servicers provide zipcode-level data is critical to ensuring that the settlement achieves its goals. As noted in Exhibit D of the Consent Judgement

“Any Servicer as defined in the Servicing Standards set forth in Exhibit A to this Consent judgement (hereinafter “Servicer” or “Participating Servicer”) agrees that it will not implement any of the Consumer Relief Requirements described herein through policies that are intended to (i) disfavor a specific geography within or among states that are a party to the Consent Judgement, or (ii) discriminate against any protected class of borrowers.”

Housing counselors and policy specialists in Maryland have raised concerns that the principal-reduction loan modifications servicers are offering may be concentrated in wealthier zipcodes – perhaps because writing down higher-dollar mortgages enables servicers to discharge their mortgage credit obligations under the settlement relatively quickly and easily. At the same time, servicers appear to be failing to provide principal reduction loan modifications in low- and moderate-income neighborhoods. If this is the case, it clearly undermines the settlement's goal of assisting low- and middle-income borrowers, particularly those who may have been targets of reverse redlining. It also violates the Consumer Relief provision in Exhibit D which is referenced above.

Unfortunately, without access to zipcode-level data, housing counselors, advocates, and policy leaders find it difficult to objectively assess the issue and to provide meaningful quantitative analysis that supports or refutes the concerns raised about possible geographic discrimination in consumer relief.

We understand that the Office of Mortgage Settlement Oversight has some ability to modify the current agreement. Under Section C.12, the settlement states that the Monitor may add up to three Metrics and Associated Threshold Error Rates. More significantly, Section C20 makes clear that the Monitor may request additional information from the servicers.

We the undersigned organizations are asking you to:

- require servicers to provide zipcode-level data for all future State Reviews:
- ensure that zipcode level data is part of the original reporting requirements and part of the information shared in state reports in all future settlements,

Below is suggested language for your consideration:

Quarterly Reviews

State Reviews

Following the end of each Quarter, Servicer will transmit to each state a report (the “State Report”) including general statistical data on Servicer’s servicing performance, such as aggregate and state-specific information regarding the number of borrowers assisted and credit activities conducted pursuant to the Consumer Relief Requirements, as described in Schedule Y, **and also including state-specific data disaggregated to the zip code-level regarding the number of borrowers assisted and credit activities conducted.**

Thank you for your consideration of our request.

Sincerely,

Marceline White
MCRC

Organizational Sign-ons:

AARP Maryland
Associated Black Charities
Baltimore Homeownership Preservation Coalition
Baltimore Neighborhoods, Inc
Capitol Area Foreclosure Network
Civil Justice
Communities United
Eastside Community Development Corporation, Inc.
Good Jobs, Better Baltimore
Maryland CASH Campaign

Maryland Consumer Rights Coalition
Maryland Legal Aid Bureau
Public Justice Center

cc: Mark Kaufman
Anne Balcer Norton
Doug Gansler
Bill Gruhn
Steve Sakamoto Wengel