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SENIOR WHIP

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Douglas F. Gansler
Attorney General
State of Maryland
200 St. Paul Place
Baltimore, MD 21202

Governor O'Malley and Attorney General Gansler:

I write today to urge that you take all necessary action to institute a moratorium lasting at least 60 days on foreclosures in the state of Maryland. While such an action may appear to be a drastic step, I believe that recent events demonstrate that such action is necessary.

Numerous new reports from multiple states suggest major lending institutions may have committed deceptive and fraudulent actions to initiate foreclosure proceedings against potentially hundreds of thousands of homeowners, including signing affidavits and other legal documents in bulk without confirming the accuracy of the information alleged in those documents. At least one executive, at Bank of America in Massachusetts, is quoted as having admitted to this practice saying, "I typically don't read them because of the volume that we sign." As a result, families may have been wrongly evicted from properties based on inaccurate or incomplete information – and foreclosed properties may have even been sold to new owners following such proceedings. Critically, if a foreclosure is conducted on the basis of fraudulent information, the state legal system may unwittingly become complicit in unfairly depriving a citizen of their property.

Individuals often work their entire lives to purchase a home – which may then be the sole inheritance they pass on to their children. A foreclosure destroys that lifetime's effort and may set a family back for an entire generation. Many of those who have experienced foreclosure during this recent crisis may never purchase another home. It is for this reason that I have made it my highest priority to help individuals facing foreclosure take advantage of every possible opportunity to restructure their loans and retain their homes.

Congress of the United States House of Representatives

Washington, DC 20515

October 2, 2010

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Further, the homeowner is not the only party who suffers during a foreclosure. Property values of homes surrounding a foreclosed property may decrease and, as the appearance of foreclosed property degrades, the values of surrounding properties may be further depressed. Finally, but of no small importance, municipalities that rely on property taxes face a loss in revenue from each foreclosed property.

A foreclosure is a serious and tragic event that should occur only as a last resort and only after the conduct of a fair legal proceeding in which accurate and complete evidence has been considered. A foreclosure should never be rushed through the legal system or allowed to advance on the basis of paperwork whose veracity is subject to any doubt.

Given the possibility that at least some paperwork associated with foreclosure proceedings submitted to the courts by lending institutions may have been defective, several other states, including Colorado, Illinois, California, and now Connecticut have announced the temporary suspension of some or all foreclosure proceedings until the allegations of fraudulent activity can be thoroughly investigated. I urge that Maryland now also suspend foreclosure activity for at least two months so that we can ensure that all foreclosure proceedings in the state are based on accurate and complete filings.

Thank you for your attention to this matter and please do not hesitate to contact me if I may be of any assistance.

Sincerely,


Elijah E. Cummings
Member of Congress