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Congress of the United States
House of Representatives
Washington, DC 20515
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The Honorable Scott Walker
Governor
State of Wisconsin
115 East Capitol
Madison, WI 53702

The Honorable J.B Van Hollen
Attorney General
Wisconsin Department of Justice
P.O. Box 7857
Madison, WI 53707

Dear Governor Walker and Attorney General Van Hollen:

I write to express my strong objection to your plan to take money intended to provide relief for mortgage fraud victims and use it toward your state budget deficit. Thousands of Wisconsin families continue to struggle as a result of the fraudulent behavior of Wall Street banks. This money should be used to address foreclosure issues in Wisconsin.

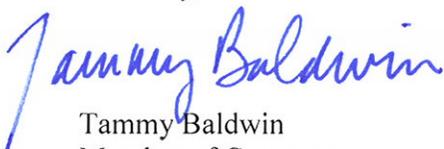
As a result of the \$25 billion settlement between the federal government, 49 states and the District of Columbia, and the nation's five largest mortgage servicers, Wisconsin will receive an estimated \$140 million intended to provide direct relief for affected homeowners, refinancing benefits for eligible borrowers, and remediation programs and services. This settlement represents a good first step in providing needed assistance to defrauded homeowners and reforming our broken mortgage system.

It is shocking and disappointing that you would divert this money from homeowners who desperately need assistance. As you know, the housing crisis has had a significant impact on Wisconsin families and a chilling effect on our state's economy. As Attorney General Van Hollen has noted, the Wisconsin foreclosure rate has increased 340 percent from 2000 to 2010. Moreover, many more Wisconsin homeowners are at risk of foreclosure because they now owe more than the value of their homes.

The foreclosure abuses and fraud by Wall Street banks that prompted this settlement directly contributed to the housing crisis in Wisconsin. As Attorney General Van Hollen stated, "The mortgage servicers involved in this settlement broke the law, the conduct harmed borrowers, and this settlement addresses that conduct. If the mortgage servicers followed the law, many foreclosures likely could have been prevented." Accordingly, it is crucial that the settlement money go to relieve actual mortgage fraud victims and prevent future foreclosures, rather than plug the state budget deficit.

Wisconsin homeowners hurt in the housing crisis through no fault of their own already have a deficit of trust in the housing system. Your decision to take money intended to make them whole only adds to their distrust. I call on you to do right by Wisconsin homeowners and use the mortgage settlement funding for its intended purposes: to provide assistance to mortgage fraud victims, strengthen foreclosure mediation programs, and further investigate mortgage fraud.

Sincerely,



Tammy Baldwin
Member of Congress