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Congress of the United States
House of Representatives
Washington, DC 20515

December 5, 2011

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Honorable J. B. Van Hollen
Attorney General
Wisconsin Department of Justice
P.O. Box 7857
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Dear Attorney General Van Hollen:

I write to express my strong concern regarding the ongoing nationwide settlement talks between state attorneys general, federal regulators, and the nation's five largest mortgage servicers. JPMorgan, Bank of America, Citigroup, Wells Fargo, and Ally Financial have been accused of a whole host of illegal mortgage and foreclosure practices that have devastated American homeowners. It is crucial that a full investigation into the Wall Street banks' actions proceed so that we learn what happened during the mortgage meltdown and prevent future housing disasters from occurring.

As you know, homeowners in Wisconsin and across the country have been hit hard by the housing crisis. Approximately 15 percent of Wisconsin homeowners now find themselves with mortgages that are "underwater" or worth less than the mortgage on the property. Nationwide, these underwater homeowners owe roughly \$750 billion more than their homes are currently worth. Reports have surfaced that involved parties are discussing a settlement in the range of \$20-25 billion. I believe that this settlement amount is woefully inadequate and fails to suffice as just compensation for the millions of homeowners who have been victims of outright fraud.

In order to determine adequate compensation for these defrauded homeowners, it is essential that a full investigation of Wall Street banks' practices is completed. In fact, a Federal District judge in New York recently blocked a settlement between the Securities and Exchange Commission and Citibank over mortgage fraud for this very reason. In his ruling, Judge Rakoff states, "In any case like this that touches on the transparency of financial markets whose gyrations have so depressed our economy and debilitated our lives, there is an overriding public interest in knowing the truth." I wholeheartedly agree with this statement – the truth must be made public, and we must show that no Wall Street banks are too big to prosecute.

I would like to share with you the actions I have taken on the federal level to express my opposition to the proposed settlement. On November 1, I sent a letter to Attorney General Eric Holder, along with 24 of my colleagues, articulating my concerns regarding the proposed settlement. I have also introduced a resolution in the House of Representatives (H.Con.Res. 85) to urge settlement participants to ensure that any settlement be consistent with the following three goals: mortgage servicers should not be granted civil or criminal immunity; the Federal Government and state attorneys general should proceed with full investigations; and any financial settlement should appropriately compensate for, and accurately reflect, the extent of harm to all victims.

Under your leadership, the Wisconsin Department of Justice has been active in investigating the housing meltdown and identifying those responsible for this crisis. I urge you to continue this work on behalf of hardworking Wisconsin families and reject any settlement that grants Wall Street banks immunity from prosecution, ends investigations into the meltdown, or fails to adequately compensate those homeowners who have been defrauded.

Sincerely,

A handwritten signature in blue ink that reads "Tammy Baldwin". The signature is written in a cursive, flowing style.

Tammy Baldwin
Member of Congress