

June 14, 2011

The Honorable Harry Reid
Majority Leader
United States Senate
S-221, The Capitol
Washington, D.C. 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
S-230, The Capitol
Washington, D.C. 20510

Dear Senator Reid and Senator McConnell:

I am writing on behalf of the members of the American Bankers Association to express our strong opposition to the Merkley/Snowe amendment (numbered 428), which may be considered as part of the pending legislation, S. 782, the Economic Development Revitalization Act of 2011.

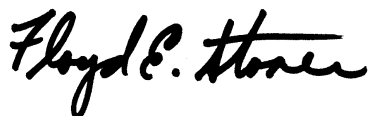
The Merkley/Snowe provision would further destabilize the mortgage and housing markets by suspending legitimate foreclosures already in process, imposing new requirements on existing loan terms, and increasing costs for all homeowners as lenders factor in costs imposed by the new requirements.

Further, the legislation is ill-timed. Both the state Attorneys General and the federal banking regulators are already engaged in discussions on how to impose both servicing and foreclosure standards on lenders. This legislation would presumably trump and potentially conflict with those efforts, adding further confusion, delay, and cost to an already troubled housing market.

The on-going price declines in the housing market, foreclosures relating to job losses, and other impacts of the recent recession are devastating to borrowers and lenders alike. This legislation, however, will only exacerbate an already difficult situation. Delaying legitimate foreclosures and increasing costs associated with them will only prolong the pain of the current situation.

For these reasons, we strongly oppose this amendment and urge that the Senate reject its inclusion in this or any other legislation.

Sincerely,



Floyd E. Stoner

Cc: Members of the U.S. Senate