

July 23, 2008

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 U.S. Capitol Building
Washington, DC 20515

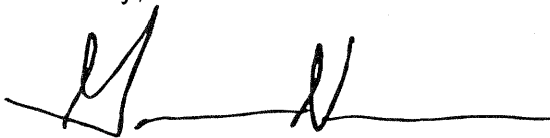
Dear Speaker Pelosi:

We commend you for your leadership in ensuring the inclusion of \$3.9 billion in the Housing and Economic Recovery Act (HR 3221) to assist state and local governments with foreclosed property acquisition and rehabilitation. Cities across the country are experiencing significant impacts as a result of the expanding foreclosure crisis. In San Francisco, low income, minority neighborhoods have seen an increase of over 450% in foreclosure filings since July of last year. In Boston, foreclosures are up 184% over last year. In Chicago, the number of foreclosures filed citywide in 2007 was 35% higher than in 2006, and the number of filings in 2008 is expected to be double that of 2007. As the crisis expands, many cities, already experiencing revenue shortfalls, are facing serious difficulties in stabilizing these affected neighborhoods.

Appropriately directed federal resources, such as those included in HR 3221, will aid cities in serving these neighborhoods most severely impacted by the crisis to return this property to productive use. And contrary to the July 22 Washington Post editorial titled "Congress's Fixer-Upper", little incentive actually exists for lenders to execute additional foreclosures in hopes of accessing this funding. Rather, various lenders cite the cost of foreclosing a property to be roughly 25 percent of the value the loan on the property. This critical funding will enable communities most severely impacted by the foreclosure crisis to stabilize neighborhoods through strategic rehabilitation of foreclosed and abandoned property.

Thank you for your leadership in including this important funding. We look forward to continuing to work closely with you in advancing the legislation.

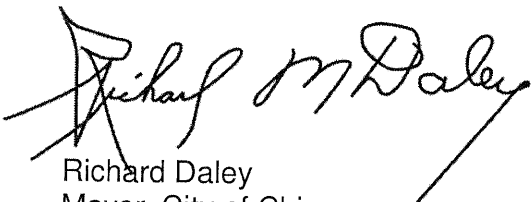
Sincerely,



Gavin Newsom
Mayor, City and County of San Francisco



Thomas Menino
Mayor, City of Boston



Richard Daley
Mayor, City of Chicago