



OFFICE OF THE ATTORNEY GENERAL
STATE OF ARIZONA

TERRY GODDARD
ATTORNEY GENERAL

July 31, 2009

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Dear [REDACTED]

On July 24, 2009, along with Attorneys General from Iowa, Washington, Ohio, Missouri, Massachusetts, and Nevada, I sent the enclosed letter to Treasury Secretary Timothy Geithner and HUD Secretary Shaun Donovan in advance of their meeting with loan servicers on July 28, a copy of which is attached. The letter delineates changes in the loan modification process that we believe are critical to achieving meaningful improvement in the loan modification effort. I encourage your institution to voluntarily initiate these suggested changes to get aid to borrowers more quickly and avoid continued unnecessary foreclosures and the resulting lower property values in surrounding communities.

The changes outlined in our letter are designed to streamline the process for eligible consumers to obtain modifications and to move into sustainable mortgages. The need for immediate change in the loan modification process is particularly acute at this time because a very large number of Payment Option ARMs in Arizona are scheduled to reset in the very near future. I am concerned, as I am sure you are, about the potential of even more loan defaults and foreclosures if so called Alt-A loans are not modified.

I am available to discuss this letter or the efforts your institution is making to improve and expedite the loan modification process. Please share the contents of this letter with your senior executives responsible for home preservation in Arizona. The report that will be released on August 4th by the Department of Treasury will help us identify which loan servicers are most diligent in offering loan modifications. Finally, I remain committed to using all of the tools at my disposal as Arizona Attorney General to ensure that Arizona homeowners who qualify for loan modification receive timely and meaningful relief.

Sincerely,

Terry Goddard
Arizona Attorney General

TG/rh
Enclosure

PROTECTING ARIZONA