

May 6, 2008

To: Members of the House of Representatives

Re: Opposition to Miller/LaTourette Amendment Expected During Floor
Consideration of the Housing Package

The undersigned trade associations are writing to express our strongest opposition to an amendment expected to be offered by Representatives Brad Miller (D-NC) and Steven LaTourette (R-OH) during the House consideration of the American Housing Rescue and Foreclosure Prevention Act of 2008.

The Miller/LaTourette amendment attempts to solve an issue which is not in fact a problem. Federal regulators have never sought to regulate the foreclosure process and neither the National Bank Act nor the Home Owners' Loan Act supersedes state or local laws governing the foreclosure process.

Yet, the Miller/LaTourette amendment, in an apparent attempt to protect state laws governing the foreclosure process from federal preemption, threatens to overturn decades of established law governing banking operations and would create new risks to banks' safety and soundness.

The amendment rolls back the Supreme Court's recent decision in Watters v. Wachovia NA and other decisions, and goes far beyond protecting state and local laws governing the foreclosure process. It would disrupt long-standing, well-recognized standards of prudent lending, and prevent Federal and State bank regulators from administering provisions of Federal law to assure sound lending and collateral management practices.

In short, the amendment takes an overly broad approach in attempting to solve a problem which has not heretofore been apparent with respect to existing law. The Miller/LaTourette "solution" to this non-issue would be very damaging to safe and sound banking operations.

We strongly urge you to oppose the amendment.

Sincerely,

American Bankers Association
American Financial Services Association
Consumer Bankers Association
Consumer Mortgage Coalition
The Financial Services Roundtable
Housing Policy Council
Mortgage Bankers Association
Securities Industry and Financial Markets Association