

June 19, 2014

Janet Yellen
Chair, Federal Reserve Board of Governors
20th St. and Constitution Ave., N.W.
Washington, D.C. 20551

Thomas J. Curry
Comptroller of the Currency
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219

Dear Chair Yellen and Comptroller Curry,

We are writing to you as organizations which have been both following and engaged with the Independent Foreclosure Review (IFR) process. We understand that the Federal Reserve and the Office of the Comptroller of the Currency (OCC) are coming to an end for the distribution of IFR funds and that there will be some IFR funds which will remain unspent. We strongly urge you to consider that any remaining IFR funds should be spent to help current and former homeowners who have been hurt in the foreclosure crisis.

We urge the Federal Reserve and the OCC to contribute these funds to HUD-approved housing counseling agencies with the express purpose of providing counseling services to homeowners and former homeowners. In order to recover properly from the foreclosure crisis, homeowners and former homeowners need to repair damaged credit histories, develop a sustainable household budget, restore credit scores, in some cases find affordable rental housing, and in other cases work with servicers to obtain an affordable modification. Professional housing counselors can take a holistic approach to the consumer's financial situation by reviewing the consumer's entire financial picture with a focus on housing issues. They can do this while also addressing household budgeting, credit, debt, bankruptcy and other related issues, including identity theft, tax preparation, cybersecurity, student loans, safe and appropriate financial products, and healthcare related debt.

We also encourage the Federal Reserve and the OCC to contribute funds to legal services programs that work with homeowners who are either in foreclosure or at risk of foreclosure.

We strongly urge that the Federal Reserve and the OCC refrain from escheating the unspent IFR funds to the states. As organizations which have been deeply involved in working with people who have been negatively impacted by the foreclosure crisis and who were victims of the practices which were the basis for the IFR settlement, we believe it is important that any remaining funds be devoted to helping homeowners and former homeowners recover from the financial damage of the recession. The escheatment of the remaining funds will further delay using these funds to assist homeowners and former homeowners. Additionally, much of the funds are not likely to be claimed and will ultimately be transferred to state treasuries without aiding any homeowners and former homeowners.

Similarly, we also urge the Federal Reserve and the OCC not to transfer the unspent IFR funds to the United States Treasury. Moving these funds away from uses which would assist the current and former homeowners impacted by the crisis would defeat the intent of the settlement.

We share with you the concern that a strong economic recovery will require that more of America's families get on sound economic footing. We believe the unspent IFR funds can play a role in helping families get back on their feet.

Sincerely,

Alliance for a Just Society
Americans for Financial Reform
Center for Responsible Lending
Community Legal Services, Philadelphia
Connecticut Fair Housing Center
Consumer Action
Empire Justice Center
Empowering and Strengthening Ohio's People
Housing community development Network of NJ
National Association of Consumer Advocates
National Association of Neighborhoods
National Consumer Law Center (on behalf of its low-income clients)
National Council of La Raza
National Fair Housing Alliance
National People's Action
New Economy Project
New Jersey Citizen Action