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FOR IMMEDIATE RELEASE

Goddard Calls Mortgage Modification Report 'Dismal'

(Phoenix, Ariz. – August 4, 2009) Responding to a report issued today on the results of the federal "Making Home Affordable" loan modification program, Attorney General Terry Goddard again called upon mortgage loan servicers to ramp up their efforts to help homeowners at risk of foreclosure.

According to the report, Arizona lenders and servicers vary greatly in the results of their modification programs. Many of the lenders with the biggest Arizona market shares have only single-digit success rates in their modification programs.

"These statistics are dismal and show that many companies have not made a good faith effort to work with homeowners," Goddard said. "As a result, Arizonans are losing their homes and our economy continues to languish. These lenders need to offer borrowers reasonable modifications with consistent terms. It's in the best interest of banks, struggling homeowners and everyone whose housing values have plummeted in the past two years to stem this tide and regain stability in our housing market."

Providing reasonable modifications to borrowers before they become delinquent, Goddard said, is the best way to reduce the flood of foreclosures in Arizona. Bringing foreclosure rates down is critical for stabilizing Arizona's housing market and reviving Arizona's economy, he added.

In a letter he sent to Arizona servicers last week, Goddard emphasized the need to "streamline the process for eligible consumers to obtain modifications and move into sustainable mortgages."

Homeowners at risk of foreclosure are encouraged to download the Arizona Foreclosure Prevention Workbook. The Arizona Foreclosure Prevention Task Force has developed this workbook to guide families through different options and scenarios to prepare for meeting with lenders or certified counselors at a HUD-approved agency. The workbook and other foreclosure prevention resources are available to download for free from the Attorney General's Web site, www.azag.gov. For information on foreclosure assistance, Arizona homeowners also can call the Arizona Foreclosure Prevention Helpline at 1.877.448.1211.

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