



March 31, 2014

Director Mel Watt
Federal Housing Finance Agency, Office of the Director
400 7th Street S.W.
Washington, D.C. 20024

Dear Director Watt,

Please accept our congratulations on taking the helm of the Federal Housing Finance Agency. As community leaders and elected officials from around the country we are looking forward to your leadership on crucial housing issues that have such great implications for our entire economy.

As you know well, millions of Americans continue to suffer from the fallout of a period of reckless and often predatory and discriminatory mortgage lending. Hard hit communities working hard to repair the damage of the financial crisis need to pursue local solutions to restore community wealth without fear of unfair retaliation by the very agencies that ought to be leaders in ensuring fair housing for all Americans.

For these reason we are writing to respectfully request that, under your leadership the FHFA act quickly to renounce threats to restrict credit or otherwise retaliate against communities that pursue local programs that may use eminent domain to reduce principal on underwater mortgages.

Specifically we ask that the FHFA to adopt a policy of explicit neutrality toward municipal use of the eminent domain plan for underwater privately held mortgage loans, recognizing that it is an inherently local matter under our federal system. In keeping with this, we ask that the FHFA expressly prohibit the regulated entities from discriminating in any way against municipalities, or residents thereof, that pursue the eminent domain approach to modifying underwater mortgage loans. Lastly, we request that the FHFA expressly prohibit the regulated entities from supporting legal action seeking to prevent municipalities from pursuing the eminent domain approach to modifying underwater mortgage loans.

Our request to allow communities to pursue local solutions to the housing crisis echoes the concerns raised with your predecessor by [more than fifty national community, labor, fair housing and faith](#) and several [members of Congress](#).

Many of us would be eager to meet with you to discuss this issue. To arrange a meeting please contact us through Kevin@homedefendersleague.org; 612-246-3235.

We know that you have worked for fair and equitable housing for many decades and look forward to your leadership on this issue.

Sincerely,

Mayor Gayle McLaughlin, Richmond, CA
Vice-Mayor Meghan Sahli-Wells, Culver City, CA
City Council Member Jovanka Beckles, Richmond, CA
City Council Member Jael Myrick, Richmond, CA
Supervisor John Avalos, San Francisco, CA
Supervisor Eric Mar, San Francisco, CA
City Council Member Larry Deutsch, Hartford, CT
City Council Member Henry Davis, South Bend, IN
City Council Vice-President Elizabeth Glidden, Minneapolis, MN
City Council Member Blong Yang, Minneapolis, MN
City Council Member Jacob Frey, Minneapolis, MN
City Council Member Lisa Bender, Minneapolis, MN
City Council Member Andrew Johnson, Minneapolis, MN
City Council Member Cam Gordon, Minneapolis, MN
City Council Member Alondra Cano, Minneapolis, MN
Mayor Barbara Mallett, East Spencer, NC
City Council Member Brad Lander, New York, NY
City Council Member Ritchie Torres, New York, NY
City Council Member Mark Levine, New York, NY
City Council Member Corey Johnson, New York, NY
City Council Member Ras Baraka, Newark, NJ
Mayor Wayne Smith, Irvington, NJ
City Council Member David Lyons, Irvington, NJ
City Council Member Nick Licata, Seattle, WA
City Council Member Desean Quinn, Tukwila, WA
City Council Member Greg Taylor, Renton, WA
Alder Lisa Subeck, Madison, WI