

July 9, 2008

Gov. Jennifer M. Granholm
Michigan

Gov. Janet Napolitano
Arizona

Gov. M. Jodi Rell
Connecticut

Gov. Rod Blagojevich
Illinois

Gov. Chet Culver
Iowa

Gov. Kathleen Sebelius
Kansas

Gov. Martin O'Malley
Maryland

Gov. Deval Patrick
Massachusetts

Gov. Jon S. Corzine
New Jersey

Gov. Bill Richardson
New Mexico

Gov. David A. Paterson
New York

Gov. Ted Strickland
Ohio

Gov. Anibal Acevedo-Vilá
Puerto Rico

Gov. Timothy M. Kaine
Virginia

Gov. Jim Doyle
Wisconsin

Gov. Edward G. Rendell
Pennsylvania

The Honorable Nancy Pelosi
Speaker
United States House of Representatives

The Honorable John Boehner
Minority Leader
United States House of Representatives

The Honorable Harry Reid
Majority Leader
United States Senate

The Honorable Mitch McConnell
Minority Leader
United States Senate

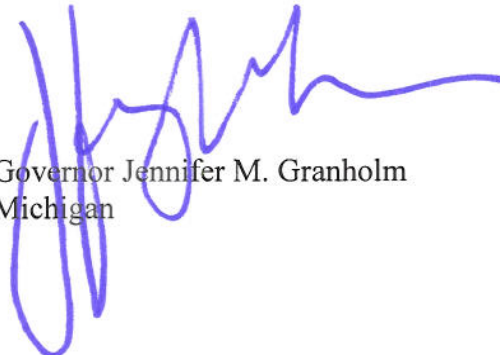
Dear Speaker Pelosi, Majority Leader Reid, Minority Leader Boehner, and Minority Leader McConnell:

We write today to urge the swift passage of legislation to address the nationwide mortgage crisis. Further, we strongly encourage you to include at least \$4 billion in neighborhood stabilization funds as part of your response.

The nation is experiencing a housing crisis unlike any since the Great Depression. More than three million homeowners are in distress, and experts estimate that one million more will fall behind on their mortgage payments this year as home values continue to fall. New projections show that one in 33 homeowners nationwide will be in foreclosure in the next two years as a direct result of subprime loans.

As Governors, we have experienced firsthand the devastating effects of foreclosure on our residents and communities. Blight has increased along with the number of vacant properties. Even homeowners who are current on their mortgages experience the effects of nearby foreclosures; nearly 40 million homes will lose value as a result of subprime foreclosures in their communities. Emergency funds for the acquisition and rehabilitation of foreclosed and abandoned properties will help communities to eliminate blight, control crime, and stabilize property values. These funds would also create jobs, which is important given our struggling national economy.

States have already contributed scarce resources and put innovative programs to work to address this problem, but more needs to be done at the federal level. As negotiations continue on much-needed housing legislation, we strongly urge that a minimum of \$4 billion in neighborhood stabilization funds be included. Thank you for your attention to this matter.



Governor Jennifer M. Granholm
Michigan

Sincerely,



Governor Janet Napolitano
Arizona



Governor M. Jodi Rell
Connecticut



Governor Rod Blagojevich
Illinois



Governor Chester J. Culver
Iowa



Governor Kathleen Sebelius
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