

Geithner Meets With Homeowner Advocates, Homeowners Bugged Down In HAMP

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WASHINGTON -- Treasury Secretary Tim Geithner met Wednesday with homeowner advocates and people who have struggled to get mortgage modifications from banks participating in the administration's anti-foreclosure program.

Ken Kelly of Antioch, Calif. said he told Geithner he asked Bank of America for help via the Home Affordable Modification Program almost a year ago. He said the bank repeatedly lost his paperwork during a "trial" period. It granted him a modification, but then said he would be kicked out because of a bankruptcy during the trial. "They had me mixed up with someone from another state," Kelly said.

Through his volunteer work with PICO, a national network of faith-based community advocacy groups, Kelly said he has helped borrowers with HAMP problems and even participated in sit-down meetings Bank of America executives. He believes his situation was ultimately resolved only because of his volunteer work with PICO.

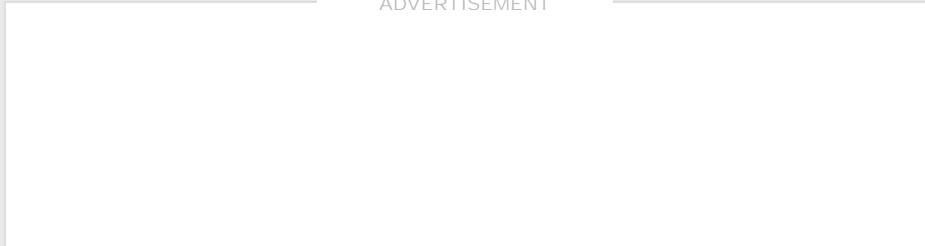
"I deal with these people face to face and this has happened to me," he said. "If I was dialing an 800 number they would have foreclosed on me."

Struggling homeowners eligible for HAMP are supposed to be granted "permanent" five-year modifications that drastically reduce their monthly payments if they first complete a three-month trial period. More often than not, however, borrowers put into trials are kicked out of the program. A [federal auditor reported](#) last week that HAMP makes some borrowers worse off, and in some cases actually *causes* the foreclosures it's supposed to prevent. (Treasury [denied](#) that HAMP puts borrowers into default, despite numerous accounts that it sometimes does.)

Geithner, Kelley and others in the meeting said, seemed very sympathetic to the problems Kelly described, which are typical of many HAMP complaints.

"He actually reacted positively, so I was very hopeful because I thought he was just going to listen," Kelly said. "He did say there are legislative guidelines that can hinder him on doing anything."

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Tony Pierce of Illinois People's Action said he asked Geithner to make sure the 76,500 homeowners whose trial modifications have dragged on for longer than six months get permanent modifications.

Michael Hickey from the Center for New York City Neighborhoods told HuffPost that the groups want Treasury to make HAMP mandatory, or at least to get tough with voluntarily participating servicers when they fail to comply with the program's guidelines. "I think we've managed to tinker around the edges and make minor improvements. There really has not been a game-changer."

The biggest change in the HAMP guidelines so far has been the requirement that as of June applicants must prove their income to qualify for the program, which has resulted in a drastic reduction in the number trial modifications started. According to data released last week by Treasury, there are 466,708 active permanent modifications, compared with more than 700,000 modifications canceled.

Though Geithner did not promise any game-changers, the meeting attendants all told HuffPost he seemed genuinely sympathetic to homeowners who have had bad experiences in the program.

"We think he's actually very sympathetic to working Americans," said PICO's Tim Lilienthal, "but the challenge is how to you translate that into action."

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