

Home » Media Center » Press Releases

Rep. Conyers: Judiciary Committee Majority Engaged in Witch-Hunt as Millions of Americans Continue to Suffer Through Foreclosure Crisis

Contact: Stephanie Báez – (202) 999 - 9699

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WASHINGTON – Today, during a House Judiciary Subcommittee on Regulatory Reform, Commercial and Antitrust Law hearing consumer protection and mortgage lending settlements, Ranking Member John Conyers, Jr. issued the following opening statement, as prepared for delivery:

“The stated purpose of today’s hearing is to determine whether there has been a misuse of mortgage settlement funds by the Administration for its so-called “pet projects.”

“In truth, however, this hearing is really a misguided witch hunt that has absolutely nothing to do with helping the millions of hardworking Americans who were swindled by unscrupulous and predatory mortgage lenders and mortgage servicers.

“Nor does it have anything to do with addressing the massive fraud committed by the securities industry that nearly led to the financial collapse of our Nation’s economy.

“Rather than focus on these critical issues, the Majority has cited so-called “activist” organizations and the Justice Department as the perpetrators worthy of this hearing.

“And, who exactly are these entities? They are housing counseling programs administered at the national, state and local level by service providers subject to a rigorous certification process by the U.S. Department of Housing and Urban Development. They include such organizations as:

- the New York State Office for People with Developmental Disabilities;
- the Michigan State University Extension Service;
- the New York City Commission on Human Rights; and
- NeighborWorks America.

“So let us just take an in-depth look at one of these organizations. NeighborWorks is chartered by Congress. Its board of directors, whose membership is determined by statute, consists of the heads of the financial regulatory agencies, who are presidential appointees subject to Senate confirmation.

“In fact, Congress in 2007 designated NeighborWorks America to administer the National Foreclosure Mitigation Counseling program pursuant to which this organization has helped more than 1.725 million homeowners.

“If the Majority really cared about the victims of the foreclosure crisis, it

would hold a hearing on either the mortgage crisis that still grips many parts of our Nation or on how Congress could better assist those millions of Americans who still are at risk of losing their homes.

“In stark contrast, when I was Chairman of this Committee, we held 9 hearings and 2 field briefings examining the causes and impact of the foreclosure crisis, as well as potential solutions.

“Over the course of those hearings, the Committee heard from a U.S. Senator, various Members of the House, representatives from the Treasury Department, the Comptroller of the Currency, the Federal Housing Finance Agency, bankruptcy judges, nationally-recognized economists, leading academics, victims of predatory mortgage lending, and many, many more voices.

“Finally, I am particularly concerned that the Majority has unfairly singled out the National Council of La Raza, which is the Nation’s largest Hispanic civil rights and advocacy organization.

“The Chairman of this Committee and the Chairman of the Financial Services Committee, in a letter to the Justice Department last November, characterized La Raza as an “activist” group that stands to benefit from the mortgage settlement agreements with Citigroup and the Bank of America.

“As detailed in a response from La Raza – which I ask unanimous consent to include in today’s hearing record – there is absolutely no truth to this allegation.

“In fact, La Raza has not received a single penny from these settlements and it did not proactively seek to be designated as a recipient of these funds.

“La Raza is not even named specifically in either of these settlement agreements as a designated recipient. And, if it was to receive any monies

under these agreements, La Raza has a fire-wall between its housing counseling activities and its advocacy activities as well as accounting standards in place to ensure such separation.

“This information was readily available had the Majority simply reached out to La Raza to confirm its allegations before putting them in writing to the Justice Department.

“I thank the witnesses for joining us here today and I yield back the balance of my time.”

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