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## United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

November 19, 2008

Honorable Ben S. Bernanke  
Chairman  
Board of Governors of the Federal Reserve System  
2000 L Street, NW  
Washington, DC 20036

Dear Chairman Bernanke:

On October 17 and 24, 2008, the Senate Judiciary Committee held field hearings in Pittsburgh and Philadelphia, respectively, to discuss foreclosure prevention. We heard testimony regarding a promising program in Philadelphia called the Residential Mortgage Foreclosure Pilot Diversion Program.

The Diversion Program requires lenders to meet with borrowers facing foreclosure in a court-ordered Conciliation Conference before a Sheriff Sale can occur. The Diversion Program has prevented or delayed foreclosure in nearly 80 percent of the 552 cases in this program between June and September.

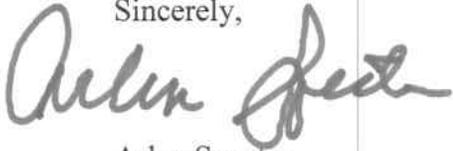
Access to pro bono attorneys for homeowners is critical to the success of the Diversion Program. Philadelphia VIP, the nonprofit agency that recruits, trains and provides pro bono lawyers to represent low-income homeowners in the Diversion Program, testified that they need more volunteer attorneys due to the overwhelming demand for assistance. However, attorneys at many law firms are unable to participate because of their firms' conflicts of interests with lenders.

The New York Federal Reserve recently asked ten banks to provide conflict waivers to their outside counsel to allow them to participate in a New York City Bar Association mortgage foreclosure pro bono project. Five of the banks agreed and sent their firms conflict waivers. Unfortunately, the waivers are only for the New York City pro bono project.

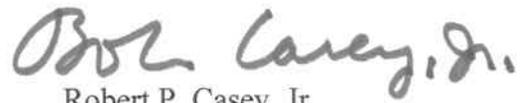
We request that you ask all banks involved in residential mortgage lending -- especially those receiving funds from the \$700 billion economic rescue package -- to not only allow, but to encourage their outside counsel to participate in pro bono opportunities to negotiate mortgage loan work-outs nationwide, and particularly in the Philadelphia Diversion Program. We note that lenders attorneys testified in support of the program at the Senate Judiciary Committee hearings.

We look forward to your response to this request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Arlen Specter".

Arlen Specter  
United States Senator

A handwritten signature in cursive script, appearing to read "Bob Casey, Jr.". The signature is written in a fluid, somewhat stylized cursive.

Robert P. Casey, Jr.  
United States Senator