

Waste Action Alert

430A publication of the RSC Sunset Caucus from co-chairs Kevin Brady (R-TX) and Jason Chaffetz (R-UT)
Rep. Jim Jordan (R-OH), RSC Chairman

Eliminate the Home Affordable Modification Program of the Treasury Department

March 16, 2011

Program or Item Targeted: Home Affordable Modification Program (HAMP) within the Treasury Department.

Cost of Program or Item: Approximately \$30 billion was paid by the Treasury to HAMP as of September 2010.

Background on Program or Item: The Home Affordable Modification Program allows certain homeowners the opportunity to modify their existing mortgages.

Why this Program or Item is Wasteful: Although their website states the “program is on track to offer help to 3 or 4 million homeowners by 2010,” only 539,493 active permanent mortgage modifications were made under HAMP as of January 2011, according to Treasury statistics. At that time, the number of mortgage modifications canceled under HAMP (470,240) exceeded the number of modifications made permanent by a 1.37:1 ratio.

The Government Accountability Office (GAO), the Congressional Oversight Panel (COP), and Special Inspector General for the Troubled Asset Relief Program (SIGTARP) have all pointed out the destructive impact that a failed trial modification has on a homeowner’s financial well-being. Their reports all found this program is failing and that the Treasury has gone out of their way to hide, rather than address problems. The number of homeowners kicked out of HAMP – and arguably left worse off by participating in the program– exceeds the number actually helped by hundreds of thousands.

It’s unacceptable that Treasury continues this misguided effort that appears more focused on saving face than helping troubled homeowners. HAMP is another example of why government interference in the private sector doesn’t work and that’s why it should be repealed. Because the administration won’t listen to bipartisan calls to fix this program, the only option left is to end it.

Legislative Step Taken So Far: RSC Chairman Jim Jordan (R-OH), along with Oversight and Government Reform Chairman Darrell Issa (R-CA), and Subcommittee Chairman Patrick McHenry (R-NC) have introduced H.R. 430, the HAMP Repeal and Deficit Reduction Act of 2011.

Additionally, Rep. McHenry has introduced H.R. 839, the HAMP Termination Act of 2011. The House of Representatives is expected to consider H.R. 839 the week of March 28, 2011.

MEMBER ACTION ITEM: RSC Members are encouraged to cosponsor H.R. 430 by contacting [George Poulios](mailto:George.Poulios), and are encouraged to support H.R. 839 when it is considered on the floor.

If you would like to participate in eliminating wasteful programs with the RSC Sunset Caucus please e-mail Curtis.Rhyne@mail.house.gov.

Note: Not every item featured in the Waste Action Alerts is necessarily endorsed by the RSC. These Alerts highlight the individual initiatives of members of the RSC Sunset Caucus.

“The RSC Sunset Caucus uncovers government waste and seeks to eliminate it, working to sunset programs that taxpayers shouldn’t be paying for.”