

## Support Needed for Bankruptcy Loan Modification Bill

I recently wrote an [article](#) urging my fellow Republicans to support a bill giving bankruptcy judges the authority to modify home mortgages to prevent foreclosures. The battleground has now shifted to the Senate, which is gearing up to vote on the legislation. The bill is now known as S. 61, the "Helping Families Save Their Homes Act of 2009".

The premise for the bill is very simple. Experience has shown that lenders and loan servicers are only giving lip service to lofty promises to cooperate with struggling homeowners who need loan modifications. Unaffordable adjustable rate mortgages are still a major cause of bankruptcy and foreclosures in the United States. This bill would change that dynamic.

Under current bankruptcy law, a judge can modify almost any type of loan except the first mortgage on a debtor's home. This bill would allow judges to make changes such as extending payment terms, setting a fixed rate of interest or reducing payments. While this bill might cause a short term spike in bankruptcy filings, the long effect will be to force lenders to negotiate loan modifications in good faith. That is not happening right now. Some lenders are even foreclosing in the middle of negotiations without warning the home owner.

Please help by telling your Senators to support this bill. You can start at [this link](#) to learn more about the bill and then sign an online petition to show your support. Then you can click on [this link](#) to find contact information for your Senators. It does not matter whether you call, write, email or fax them, but make your voice heard very soon. As aptly stated by my colleague [O. Max Gardner III](#), "This legislation is mandatory to make the voluntary modifications work."

*About the Author: [Carl H. Starrett II](#) has been a licensed attorney since 1993 and is a member in good standing with the California State Bar and the San Diego County Bar Association. Mr. Starrett practices in the areas of [bankruptcy](#), [business litigation](#), [construction](#), [corporate planning](#) and [debt collection](#).*