



Neighborhood Economic Development Advocacy Project

176 Grand Street, Suite 300, New York, NY 10013
Tel: (212) 680-5100 Fax: (212) 680-5104
www.nedap.org

April 29, 2010

Ivan J. Hurwitz
Vice President
Bank Applications Function
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001
comments.applications@ny.frb.org.

RE: Goldman Sachs Group's proposed interest in SKBHC Holdings, LLC

Dear Mr. Hurwitz:

The Neighborhood Economic Development Advocacy Project (NEDAP) submits this letter in support of the letter the California Reinvestment Coalition (CRC) submitted to the Federal Reserve Bank of New York regarding Goldman Sachs Group's proposed interest in SKBHC Holdings, LLP.

NEDAP opposes Goldman Sachs Group's ("Goldman's") application to acquire an interest in SKBHC Holdings. The Federal Reserve Board should not approve the application for numerous reasons, including Goldman's unscrupulous mortgage securitization and servicing practices, which have had a devastating impact on neighborhoods in New York and elsewhere. In addition, NEDAP shares CRC's concerns regarding Goldman's unethical business practices, and their profound negative effect on low and moderate individuals and communities, and on the economy as a whole.

NEDAP is a resource and advocacy center that works with community groups in New York City's low and moderate income neighborhoods. Our mission is to promote community economic justice and to eliminate discriminatory economic practices that harm communities and perpetuate inequality and poverty. Since its founding in 1995, NEDAP has worked with hundreds of neighborhood-based organizations to combat predatory mortgage lending and prevent foreclosures. We have seen the deleterious impact of Goldman's practices on lower income New Yorkers and communities, and believe that this acquisition should not go forward without serious examination of Goldman's role in the wave of foreclosures that has swept through New York City and the country.

Over the past decade, Goldman has securitized billions of dollars worth of abusive mortgages that have drained equity from communities, and devastated families. In addition, Goldman's subprime mortgage servicer, Litton Loan Servicing, LP, is notorious among New York advocates and borrowers for its lack of responsiveness and poor performance in providing loan modifications.

For the reasons above, we urge the Federal Reserve Board to deny Goldman's request, until Goldman: 1) commits to permanently changing its policies and practices in securitizing mortgage loans, to promote equitable rather than abusive lending; 2) commits to overhaul Litton's servicing

practices to ensure that all homeowners who should qualify for a permanent, affordable loan modification receive one; and 3) puts forth a concrete plan pursuant to the Community Reinvestment Act to benefit low and moderate income communities.

If the Federal Reserve will not deny the application outright, it should hold public hearings to further examine Goldman's current and past practices, the details of the proposed transaction, and the potential impact of the transaction on communities.

Sincerely,

Josh Zinner
Co-Director

Sarah Ludwig
Co-Director