

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON

OFFICE OF THE GOVERNOR

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September 17, 2007

Carol Nelson
President and Chief Executive Officer
Cascade Bank
2828 Colby Avenue
Everett, WA 98201

Dear *Carol*

While the Washington economy is strong and the state is not yet seeing foreclosures and mortgage defaults at the same rate as other states, I am concerned for Washingtonians who may be at risk of losing their homes due to the unstable lending market.

I also know how serious an issue this is for the financial industry. This is why I am forming the Task Force for Homeowner Security to evaluate instability in the national subprime mortgage market and ensure that the impact of this national trend is minimized in Washington.

Thank you for your willingness to serve as the chairperson of this effort. I truly appreciate the commitment you, and the other outstanding individuals who will join you on the task force, are making. I have asked Scott Jarvis, the Director of the Department of Financial Institutions, to make the Department's resources available to staff this effort, and he and his staff will work closely with you to make this a success.

I ask the task force to provide to me by December 31, 2007, recommendations for action on:

- The extent of the problem and impact in Washington for current and new homebuyers;
- Ways to facilitate sensible refinancing options from responsible lenders for homeowners in default or at risk of default;
- Consumer education to those in foreclosure or at risk of foreclosure;
- Consumer education to potential new home buyers; and
- Reforms to Washington lending practices, as needed.

Thanks again for your willingness to serve and for your commitment to the citizens of Washington. If you have any questions, please contact Matt Steuerwalt at (360) 902-0499 or Kari Burrell at (360) 902-0645 in my Executive Policy Office.

Sincerely,

Chris

Christine O. Gregoire
Governor

*Thanks! I
look forward to your
recommendations.*

