

# **WHAT'S GOOD FOR HOMEOWNERS IS GOOD FOR THE ECONOMY**

*“High rates of delinquency and foreclosure can have substantial spillover effects on the housing market, the financial markets, and the broader economy. Therefore, doing what we can to avoid preventable foreclosures is not just in the interest of lenders and borrowers. It's in everybody's interest.”*

- Federal Reserve Chairman Ben Bernanke, [Columbia University, 5/5/08]

## **House Approach Receives Positive Indicators from Federal Reserve Chairman Ben Bernanke**

“The Fed chief also backed the idea of having the Federal Housing Administration refinance troubled mortgages, a concept included in Democratic legislation in Congress, without explicitly endorsing the bill. His remarks indicate a gap with the Bush administration, which has preferred to rely on industry- led efforts.” [Bloomberg, 5/6/08]

## **House Democrats' Comprehensive Measures Will Help Curb Foreclosures and Restore Market Stability**

*Housing measures to be considered on the House Floor this week will extend a helping hand to homeowners and communities hardest hit by the mortgage meltdown to help stabilize the housing and credit markets and restore consumer confidence. This legislation will:*

- **Help struggling homeowners** facing foreclosure by allowing them to refinance into affordable government-backed mortgages
- **Provide counseling and legal aid** for low-income and minority homeowners
- **Prevent neighborhood decline** with targeted assistance to states and local government to purchase foreclosed property
- **Boost housing resources** with tax provisions that offer credits for first-time homebuyers, improve access to low-income housing and allow families to deduct property taxes
- **Modernize FHA** by expanding access to low-cost loans for more families and seniors
- **Reform GSE entities Fannie Mae and Freddie Mac** to strengthen regulation and increase market liquidity.

## **FHA Housing Stabilization and Homeowner Retention Act Enjoys Bipartisan Backing**

*The housing legislation on the Floor this week was voted out of the House Financial Services Committee with one-third of Republicans on the Committee voting yes.*

**Rep. Ginny Brown-Waite (R-FL):** “I go home every weekend. I see people (and) our office helps people who are having problems with foreclosures, and I think it's a responsible approach.” [AP, 4/29/08]

**Rep. Steven C. LaTourette (R-OH):** “This has the ability to keep people in their houses.” [AP, 4/29/08]

**Rep. Gary Miller, (R-CA):** “Politics is being set aside on my part. I'm a conservative. I really wish I could support my Republican colleagues on this. But I'm very concerned about the marketplace. I'm concerned about the economy. ... People are suffering in this country.” [Apologizing profusely to Republicans on Financial Services for his decision to break with them and support Frank's bill.] [AP, 4/29/08]

*Prepared by the Office of Majority Leader Steny Hoyer, 5/6/08*