



Klein, Colleagues Pass Housing Fix

Legislation to prevent new foreclosures, stabilize market

Washington, D.C. – U.S. Representative Ron Klein (FL-22) today joined a bipartisan majority of his House colleagues to pass timely and responsible housing legislation which will keep families from losing their homes, protect neighboring home values, and stabilize the housing market.

The bill, the American Housing Rescue and Foreclosure Prevention Act (H.R. 3221), is the most comprehensive response yet to the current mortgage crisis, which has hit South Florida especially hard. Ft. Lauderdale has one of the highest foreclosure rates in the nation, and Florida has the second-most foreclosures of any state.

“This is a critical step forward as we begin our national economic recovery,” Klein said. “The market stability provided by this legislation will help return Florida’s economy to a position of strength and restore consumer confidence. This bill is responsible with every dollar of taxpayer money, and will help troubled borrowers and communities while requiring lenders and homeowners to take responsibility.”

Key components of the Housing Rescue and Foreclosure Prevention Act include:

- Putting a tough, independent new regulator in charge of the housing Government Sponsored Enterprises, or GSEs (Fannie Mae, Freddie Mac, and the Federal Home Loan Banks) to quickly and effectively respond to issues as they arise;
- Helping at least 400,000 hard-working families in danger of losing their home refinance into lower-cost mortgages they can afford to repay – at no cost to the American taxpayer;
- Providing necessary stand-by authority to the Treasury Department in the unlikely case that the GSEs require temporary federal financial intervention. This authority will likely never have to be used, but it is the best way to boost market confidence and stabilize the housing finance market;
- Stimulating the market and spurring home buying with \$15 billion in tax benefits, including a refundable tax credit to first-time homebuyers of up to \$7,500;
- Preserving the American Dream for our nation’s veterans by helping soldiers avoid foreclosure and stay in their homes.

“Our returning service members should have every opportunity to hold on to their homes in this difficult economy,” Klein said. “When our soldiers return from service, they will no longer have to worry about whether they have a home to return to.”