

Congresswoman Lucille Roybal-Allard submitted the below statement into the congressional record on July 23, 2008 – the day the U.S. House of Representatives passed the Foreclosure Prevention Act of 2008. The President signed the measure into law a week later, on July 30.

“Madam Speaker,

I rise in support of H.R. 3221, the American Housing Rescue and Foreclosure Prevention Act of 2008. I thank Chairman Frank and Chairwoman Waters for bringing this important legislation to the House floor today.

I am certain that all of my colleagues have heard from constituents about the devastating effect the foreclosure crisis has had on their families and communities. The problem is particularly acute in my home state of California, which has the second-highest foreclosure rate in the nation. Recent data has shown that the problem is getting worse. In the last three months, foreclosures in California have jumped 33.5 percent from the previous period.

To help my constituents confront this crisis, I recently held a foreclosure prevention workshop in my district. Nearly 500 members of our community attended the workshop, where national banks, HUD, and other intermediaries provided one-on-one housing counseling, and information on viable options for preventing foreclosure.

We know that the overwhelming turnout at the event was not an anomaly—I have heard from many of my colleagues that they too have experienced record turnouts at events they have hosted to help their own constituents.

At the workshop, I heard from numerous participants who were concerned that Congress was not doing enough to address the crisis.

I am gratified that today we can go back to our constituents and assure them that Congress has taken action to help address this crisis by passing the American Housing Rescue and Foreclosure Prevention Act. H.R.3221 represents a solid step forward in our efforts to confront the mortgage crisis.

The measure will expand the FHA program so that many homeowners at risk of facing foreclosure can refinance into viable mortgages that are government-insured. This will help many families facing ballooning mortgage payments to get their finances back on track and keep their homes.

I am particularly pleased that this legislation will increase the conforming loan limit for Fannie Mae and Freddie Mac backed loans to \$625,000 in high-cost areas such as California. The current limit is far too low to make a meaningful impact in the Los Angeles area, where the average cost of a home is far above the national average.

The \$4 billion in Community Development Block Grant funds made available to states and localities to purchase foreclosed properties is also a critical component of the package. Vacant, foreclosed properties exacerbate the crisis by lowering the values of surrounding homes and neighborhoods.

I urge my colleagues to vote in support of this legislation to help families keep their homes and protect their communities.”

###