



**JOINT ECONOMIC COMMITTEE**  
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Reports today from the S&P/Case-Shiller index indicate that housing prices have again fallen at record rates. The 10 city index dropped 5 percent in August as compared to August 2006 (the largest drop since June 1991) and the 20 city index fell 4.4 percent. In response to this added pressure on homeowners and on the housing market, **Sen. Chuck Schumer (D-NY)**, the Chairman of the Joint Economic Committee, said:

**“Falling home prices evidenced by the Case-Shiller index and increasing foreclosures predicted by the JEC last week are serious signs that our economy is in trouble. Professor Shiller has gotten the subprime foreclosure fallout right from the start and hopefully the Bush administration will act to prevent it from getting any worse.”**

Robert Shiller, an economist who helped create the S&P/Case-Shiller index testified before the Joint Economic Committee last month. In his testimony, Shiller said, “I am worried that the collapse of home prices might turn out to be the most severe since the Great Depression. It is difficult to predict the depth, duration and all of the consequences of such a decline operating in a much more complex modern economy.”

A new report by the Joint Economic Committee investigated the spillover effects of the subprime mortgage crisis, finding that the worst is far from over with two million foreclosures possible before the end of 2009. The report, “The Subprime Lending Crisis: The Economic Impact on Wealth, Property Values and Tax Revenues, and How We Got Here,” reveals that families, neighborhood property values, and state and local governments stand to lose billions of dollars if foreclosures continue unchecked.

**Prof. Shiller’s testimony before the committee and the new JEC report can be found on our website: <http://jec.senate.gov>**

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