

SENATE BUDGET COMMITTEE

KENT CONRAD, CHAIRMAN

FOR IMMEDIATE RELEASE
April 11, 2008

Contact: Stu Nagurka (202) 224-7436
Steve Posner (202) 224-7925

STATEMENT BY SENATE BUDGET COMMITTEE CHAIRMAN KENT CONRAD (D-ND) ON CBO REPORT ON OPTIONS TO ADDRESS HOUSING CRISIS AND DISRUPTIONS IN FINANCIAL MARKETS

“We cannot afford to take the Bush administration’s wait-and-see approach to our economy. We must address the weakness in the economy, including taking significant steps to stem the rising tide of foreclosures. If we fail to respond adequately to current economic conditions and the housing crisis, we risk worsening the downturn and further undermining our nation’s economic strength.

“CBO’s report provides important insights into the turmoil we now confront in the housing and financial markets. Importantly, CBO finds that our economic situation is ‘quite fragile.’ And CBO concludes that a further rise in foreclosures could trigger a ‘downward spiral’ in the housing sector that would increase the likelihood and severity of a recession.

“Thursday, the Senate passed a bill including several provisions designed to address the housing crisis. That bill represents a good start. But it is clear that additional action will be needed. CBO’s report will help Congress as it evaluates further options to address this serious threat.”

###

NOTE TO EDITORS: CBO’s report on policy options to address the housing crisis and disruptions in the financial markets was completed at the request of Senate Budget Committee Chairman Conrad. A link to the report can be found on the Senate Budget Committee website at: <http://www.budget.senate.gov/democratic/>.