



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 1, 2009
(Senate)

STATEMENT OF ADMINISTRATION POLICY

S. 896 - Helping Families Save Their Homes Act of 2009

(Sen. Dodd (D) Connecticut and two cosponsors)

The Administration supports enactment of legislation to strengthen the Nation's housing sector and facilitate the goals of the Administration's Homeowner Affordability and Stability Plan to help millions of American homeowners keep their homes. Accordingly, the Administration supports Senate passage of S. 896 and looks forward to working with the Congress to refine the legislation to better align it with the Administration's housing policy.

In particular, the Administration supports modifications to the HOPE for Homeowners program, which will ease restrictions on eligibility and enable refinancing of underwater mortgages for a greater number of borrowers. The Administration also supports appropriate changes to facilitate cost-neutral loan modifications for federally guaranteed rural housing loans and FHA loans.

In the context of the Homeowner Affordability and Stability Plan, the Administration supports giving servicers appropriate authority and incentives to make loan modifications that are affordable. The Administration looks forward to working with the Congress to ensure that any safe harbor, if necessary, provides appropriate authority and incentives for lenders and servicers to make loan modifications that are affordable to at-risk homeowners, and also provides appropriate contractual protections that encourage mortgage financing in the future. Similarly, the Administration supports the creation of a nationwide Mortgage Fraud Task Force to address mortgage fraud and deter and prosecute those people responsible for mortgage rescue fraud schemes, but recommends that the definition of mortgage fraud be revised to include all mortgage-related fraud perpetrated against borrowers.

The Administration supports making permanent the increase of Federal deposit insurance coverage to \$250,000 for insured depository institutions (i.e., banks, thrifts, and credit unions) and increasing the ability of the Federal Deposit Insurance Corporation and the National Credit Union Administration to borrow from the Treasury Department. The Administration is supportive of the Temporary Corporate Credit Union Stabilization Fund only as a temporary measure to address challenges with the National Credit Union Share Insurance Fund. The Administration looks forward to working with the Congress to make changes to improve the Share Insurance Fund's ability to better manage all liquidation payments and the impact those payments have on the credit union industry.

The Administration also supports appropriately tailored bankruptcy legislation to provide a mechanism for homeowners who are out of other options to file for bankruptcy and implement a responsible plan to pay the debts that they are able to pay. Notwithstanding the Senate vote on the Durbin Amendment, the Administration looks forward to working with the Congress to address this issue.

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