

DEMOCRATS OFFER LONG-TERM SOLUTIONS TO ADDRESS HOUSING CRISIS, STRENGTHEN THE ECONOMY

Stabilizing the housing market is critical to restoring our economy. This week, the House will consider two new bills that address the most egregious practices at the heart of the subprime lending meltdown – predatory lending and mortgage fraud. These bills are an essential next step in a sustained effort by President Obama and the Democratic Congress to strengthen the housing market and help prevent the worst consequences of this crisis from having a more devastating impact on communities and the economy.

FAST FACTS ON HOUSING		
Home prices dropped a record 18 percent in the last quarter of 2008 - S&P/Case-Shiller U.S. National Home Price Index	At the beginning of February 2009, nearly 6 million households were facing possible foreclosure - U.S. Treasury	Each foreclosed home reduces nearby property values by as much as 9 percent - U.S. Treasury

***Mortgage Reform and Anti-Predatory Lending Act of 2009* – On the House Floor this week**

- This legislation aims to crack down on the dangerous practices that contributed to the subprime mortgage crisis, including:
 - Making it illegal to grant a loan to someone who can't afford to pay it back
 - Requiring all loans to provide a net tangible benefit to the consumer
 - Encourage the market to move back toward making fixed-rate, fully documented loans
 - For the first time ever, installing responsibility on mortgage originators, banks and Wall Street firms that buy loans and turn them into securities
 - Protecting tenants who rent homes that go into foreclosure

***Fraud Enforcement and Recovery Act of 2009* – On the House Floor this week**

- This legislation provides needed resources to help law enforcement pursue and prosecute the mortgage and corporate fraud that has impacted millions of Americans and led to this economic crisis.
- In addition, it would establish an investigation into the causes of the current financial crisis, similar to the Pecora commission that examined the causes of the Stock Market Crash of 1929.

***Helping Families Save Their Homes Act of 2009* – Passed the House on March 5, 2009**

- This legislation implemented some of the most important provisions included in President Obama's Homeowner Affordability and Stability Plan, including key incentives to encourage lenders to negotiate affordable mortgages for responsible homeowners who are at risk of foreclosure.

***President Obama's Homeowner Affordability and Stability Plan* – Unveiled February 18, 2009**

- President Obama's comprehensive plan is designed to reduce the rate of foreclosures crippling the housing market and undermining our economic stability.
- This plan is working to:
 - Allow responsible homeowners on the brink of foreclosure to qualify for loan modification
 - Give struggling homeowners the option to refinance into more affordable loans
 - Provide additional steps to strengthen the mortgage market, keep home loan rates low, and help Americans stay in their homes