

WASHINGTON, DC - In response to a housing crisis that has led to record foreclosures and shaken the broader economy, the U.S. House of Representatives today approved final legislation that will help struggling homeowners in the State Maryland, stabilize the flagging housing market and strengthen the economy. The legislation - [The American Housing Rescue and Foreclosure Prevention Act of 2008 \(H.R. 3221\)](#) - is expected to be taken up by the Senate this week. The President has indicated he will sign the bill into law.

"The rise in foreclosures and sagging home values brought on by the collapse in the subprime mortgage market has devastated homeowners and contributed significantly to the economic downturn we find ourselves in today," **stated Rep. Hoyer.** "The American Housing Rescue and Foreclosure Prevention Act is the most comprehensive response to the housing crisis yet, and will go a long way to keep families in their homes, restore home values and consumer confidence, and help get our economy back on track."

The housing crisis has had a significant adverse impact on Maryland homeowners - those who have lost their homes and are at-risk of foreclosure, as well as those who have seen a decline in the value of their homes. The [Pew Charitable Trusts](#) estimates that 61 percent of all Maryland homeowners will feel spillover effects, with an average drop in home value of \$9,941. On the current path, the estimated impact on the state and local tax base in Maryland could total losses of up to \$12 billion. [[Center for Responsible Lending](#)]

The centerpiece of the legislation is a program that will allow homeowners facing foreclosure to refinance into lower-cost, government -insured mortgages they can afford to repay. Other provisions to assist homeowners and impacted communities would:

- Expand homeownership opportunities for veterans and help returning soldiers avoid foreclosure;
- Provide tax breaks to spur home buying;
- Create a permanent Affordable Trust Fund to boost the nation's stock of affordable rental housing in both rural and urban areas for low and very low-income individuals and families; and
- Provide \$4 billion to allow cities and states to buy and rehabilitate foreclosed properties that are currently driving down home prices, reducing state and local revenues and destabilizing neighborhoods.

To shore up the housing market and ensure the continued availability of affordable home loans, the bill would place a tough, independent new regulator in charge of the housing Government

Sponsored Enterprises, or GSEs (Fannie Mae, Freddie Mac, and the Federal Home Loan Banks), which are vital to both the financial markets and American homeowners. An additional measure was included to give necessary stand-by authority to the Treasury Department in the unlikely case that the GSEs require temporary federal financial intervention. This authority is the best way to boost market confidence in the GSEs - which hold or guarantee nearly half of all U.S. mortgages -and reduce the likelihood that the government would need to act.

"The impact of the housing crisis is widespread, affecting homeowners, whole communities and indeed our entire economy," **added Rep. Hoyer.** "Our comprehensive approach will help end this crisis and work in the interest of all citizens to preserve our neighborhoods and restore stability to the housing market and the overall economy."

On Monday, July 28, Rep. Hoyer will join the Maryland legal profession and state agencies in hosting a workshop aimed at recruiting and training licensed attorneys to help homeowners facing foreclosure. In May, Rep. Hoyer held a Southern Maryland foreclosure prevention workshop to brief homeowners on their financing options and assist them in taking steps to avoid foreclosure.

For comprehensive background on the American Housing Rescue and Foreclosure Prevention Act of 2008 and other Congressional efforts on housing, [click here.](#)

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