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WASHINGTON, DC - In response to a housing crisis that has led to record foreclosures and shaken the broader economy, Congressman Steny H. Hoyer (D-MD) joined a large bipartisan majority in the U.S. House of Representatives today to approve landmark legislation that will help struggling homeowners in Maryland, address sagging home values across the State and work to stabilize the flagging housing market. The legislation is represented by two bills - the [American Housing Rescue and Foreclosure Prevention Act of 2008](#) and the [Neighborhood Stabilization Act of 2008](#)

“The surge of foreclosures and sagging home values brought on by the meltdown in the subprime mortgage market has devastated homeowners and contributed significantly to the economic downturn we find ourselves in today,” stated Rep. Hoyer. “Coupled together, these two bills will go a long way to provide real assistance 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 impact in Maryland with one in 26 homeowners projected to lose their homes to foreclosure over the next two years - exceeding the U.S. average of one in 33. Homeowners who do not lose their homes have also been hurt by the crisis. 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.

The American Housing Rescue and Foreclosure Prevention Act of 2008 will provide direct assistance to homeowners facing foreclosure by expanding programs run by the Federal Housing Administration (FHA) that will allow borrowers in danger of losing their home to refinance into lower-cost, government-insured mortgages they can afford to repay. This measure is estimated to help between 500,000 and one million homeowners. In addition, the plan calls for increased mortgage assistance and counseling, and includes a number of housing tax provisions, including a \$7,500 first-time homebuyer tax credit of up to \$7,500, a one-year \$350 (\$700 for couples) property tax deduction, and improved access to low-income housing.

The second housing bill passed by the House is the Neighborhood Stabilization Act of 2008, which provides \$15 billion in loans and grants to states to acquire vacant, foreclosed homes. The legislation will allow local communities to rehabilitate foreclosed properties, which currently drive down surrounding home values, and place these homes back on the market.

"The housing crisis impacts us all - homeowners, entire communities, and indeed our economy have all been affected," 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."

The measure enjoys the support of several Republicans in Congress and has received positive feedback from Federal Reserve Chairman Ben Bernanke who has called on Congress to act quickly on the housing crisis, saying this week "... doing what we can to avoid preventable foreclosures is not just in the interest of lenders and borrowers. It's in everybody's interest." The Senate has passed separate housing legislation in recent weeks and is currently developing its own version of the FHA homeowner assistance bill.

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

Housing Figure Sources:

[PEW Charity Trusts, [Defaulting on the Dream](#) , 4/08]

[[Center for Responsible Lending](#) , 2/21/08]

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