

Washington, DC - This afternoon the House overwhelmingly passed H.R. 5140, the Recovery Rebates and Economic Stimulus for the American People Act. The bipartisan economic stimulus package will provide tax relief for 117 million families in the forms of rebate checks that could be issued as early as May of 2008. The tax relief will specifically target middle income working families as nearly \$50 billion in rebates will go to Americans making less than \$50,000 annually.

“In the face of mounting fears over the possibility of a recession, this short-term stimulus package will give money directly back to consumers and their spending can jumpstart our struggling economy,” said Congressman Charlie Gonzalez (TX-20). “This stopgap measure must, however, serve as a foundation for more comprehensive solutions that address additional looming economic concerns. The abuses of sub-prime lending and the resulting credit crunch must also be addressed as part of a larger effort to prevent further economic downturn.”

In addition, the stimulus package includes tax relief for small businesses by doubling the small business tax write off for capital expenditures such as plants and equipment, a move that will encourage growth and investment in the small business sector.

“Small businesses are the backbone of our economy. This stimulus package will give these businesses incentives to expand their operations, invest in their growth, hire new workers, and get our economy back on track,” said Gonzalez.

The plan also includes provisions to help families at risk of losing their homes to foreclosure by expanding affordable mortgage loan opportunities through the Federal Housing Administration. And to increase credit availability in the mortgage market, the measure also includes a one-year increase in the loan limits for single family homes from Fannie Mae and Freddie Mac.

“These important loan provisions will allow families to refinance their homes with lower rates, giving San Antonians who are at risk of foreclosure an opportunity to make their mortgage payments more affordable,” said Gonzalez.

“The bipartisan spirit in which this package was crafted will play a crucial role in enacting this and future economic proposals. It is now imperative that both the Senate and the President move swiftly to implement this proposal so that the package's intended impact is quickly felt throughout our economy,” he added.

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