

Washington, DC - Responding to the housing crisis that has played a significant role in our country's current economic downturn, the House today passed key legislation that will help improve home values and assist Americans who are in danger of losing their homes. The American Housing Rescue and Foreclosure Prevention Act of 2008 and the Neighborhood Stabilization Act of 2008 were approved today in the House with bipartisan support.

In Texas, one in thirty-five homeowners is projected to lose their homes to foreclosure over the next two years. The American Housing Rescue and Foreclosure Prevention Act of 2008 will provide mortgage refinancing assistance which will help keep families from losing their homes. The plan also expands programs run by the Federal Housing Administration (FHA) that will allow borrowers in danger of losing their home to refinance into affordable, lower-cost government-insured mortgages.

The plan is not a bailout but rather requires both homeowners and lenders to take responsibility. In order to qualify for refinancing and new government backed mortgages, lenders and mortgage investors will be required to take a loss and borrowers must share any profit from the resale of a refinanced home with the government. Additionally, the new plan is open only to owner-occupied homes. Speculators, investors and vacation/second-home owners are not eligible.

The House also passed 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 properties, and place these homes back on the market.

Congressman Charlie Gonzalez (TX-20) issued the following statement applauding the passage of both bills:

"Close to 150,000 homes are on the brink of foreclosure in Texas as a result of this national housing crisis. The crisis is taking its toll on our nation's economy and Congress has responsibly stepped in to assist struggling American homeowners."

"These pieces of legislation will address the needs of Americans possibly facing foreclosure as well those who have suffered from the declining market value of their homes. Both bills represent significant steps towards putting an end to the housing crisis and getting our economy back on track."

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