

House Passes Comprehensive Housing Package

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Rep. Matsui Points to Much-Needed Relief for California Homeowners

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"I have seen firsthand how devastating the housing crisis is for families, neighborhoods, and communities. It is vital that the President sign this important legislation to help keep hard-working Americans in their homes, and restore stability to the housing market," said Rep. Matsui.

The American Housing Rescue and Foreclosure Prevention Act will help families facing foreclosure keep their homes, help communities recover from harm caused by excessive foreclosures, and invest in better financial practices for the future. It will provide access to lower-cost, government-insured mortgages to people in danger of losing their homes.

"The package that we passed today will take immediate steps to address the instability in our housing market. It also makes good investments to improve financial literacy and prevent this crisis from reoccurring down the road," said Rep. Matsui.

H.R. 3221 will:

- Provide resources for cities and states to buy and rehabilitate foreclosed properties that are currently driving down home prices, reducing local revenues, and destabilizing neighborhoods

- Provide \$4 billion in emergency assistance (CDBG Funds) to communities hardest hit by the foreclosure and subprime crisis to purchase foreclosed homes, at a discount, and rehabilitate or redevelop the homes to stabilize neighborhoods and stem the significant losses in home values of neighboring homes.

- Raise the GSE loan limits for single family homes to create affordable mortgage loans for moderately priced homes by allowing GSE loans up to 115% of the local area median home price, and to make GSE loans effective in high cost areas by raising the permanent loan limit from \$417,000 to \$625,500. This is especially important to California, where the median home prices are much higher than the national average.

- Provides \$180 million for pre-foreclosure counseling, to be distributed in grants by the Neighborhood Reinvestment Cooperation (NeighborWorks) - with 15 percent targeted for low-income and minority homeowners and neighborhoods, and \$30 million in grants for legal counseling to assist homeowners in foreclosure.

- Boost the availability of affordable housing

- Expand homeownership opportunities for veterans

- Establish an independent regulator for Government Sponsored Enterprises (GSEs), including Fannie Mae, Freddie Mac,

and the Federal Home Loan Banks

Provide \$180 million for financial counseling and legal assistance to help families stay in their homes.

Provide \$15 billion in tax benefits, including tax credits to first-time homebuyers, a real property tax deduction for non-itemizers, and an additional \$11 billion in mortgage revenue bonds for states

Gives first-time homebuyers a refundable tax credit that works like an interest-free loan of up to \$7,500 (to be paid back over 15 years) to spur home buying and stabilize the market. The credit will begin to phase out for taxpayers with adjusted gross income in excess of \$75,000 (\$150,000 in the case of a joint return).

Provides taxpayers that claim the standard deduction with up to an additional \$500 (\$1,000 for a joint return) standard deduction for property taxes in 2008.

"In the United States, we have always held dear the idea that if you put in a hard day's work, the dream of homeownership should be within reach. Preserving that ideal is vital to strengthening communities across the country," said Rep. Matsui.

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