

*Washington, DC* - Congressman Maurice Hinchey (D-NY) today helped the House pass the most comprehensive response yet to the American mortgage crisis. The American Housing Rescue and Foreclosure Prevention Act will help families keep their homes, aid local communities suffering from the foreclosure crisis, and strengthen the economy and financial markets.

"This measure helps provide much-needed relief to American homeowners who are suffering from the mortgage crisis and rights some of the wrongs of unscrupulous lenders who took advantage of hard-working middle class people seeking the American dream," Hinchey said. "The bill we passed today will enable Americans to keep their homes, avoid foreclosure, and help prevent the steep decline in home values associated with neighborhoods that have high foreclosure rates. Home ownership improves the quality of life for community residents as a whole and serves as the primary source of personal wealth for most middle class families. We must continue to identify ways in which we can support the expansion of home ownership and reverse the rapid increase in foreclosures that has swept across the nation."

The American Housing Rescue and Foreclosure Prevention Act would allow hard-working American families in danger of losing their home to refinance into lower-cost, government-insured mortgages they can afford to repay – at no cost to the American taxpayer. The legislation also strengthens neighborhoods hit hardest by the foreclosure crisis by providing resources to enable cities and states to purchase and rehabilitate foreclosed properties that are currently driving down surrounding home prices, reducing state and local revenues, and destabilizing neighborhoods.

Additionally, the measure expands homeownership opportunities for veterans and helps returning soldiers avoid foreclosure and stay in their home; provides tax breaks to spur home buying; and creates a new 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.

The American Housing Rescue and Foreclosure Prevention Act also includes provisions that will help restore confidence in financial markets and shore up Fannie Mae and Freddie Mac. The bill provides the Department of the Treasury with emergency and temporary financing authority for Fannie Mae and Freddie Mac in the unlikely event that it would be needed. Fannie Mae and Freddie Mac are important institutions that hold or guarantee nearly half of all mortgages in the United States.

The legislation has bipartisan support in the House and Senate. President Bush reversed his previous opposition to the bill and has indicated that he will sign it into law.