



Housing Congressional Update

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Housing and Foreclosures

On June 23rd, the House passed comprehensive housing legislation to address our nation's mortgage crisis. The American Housing Rescue & Foreclosure Prevention Act (H.R. 3221) assists families facing foreclosure keep their homes, helps other families avoid foreclosures in the future and supports the recovery of communities experiencing empty homes.

Arizona is now ranked third in the nation for foreclosures – behind Nevada and California.

Since most Americans' primary investment is their home, ending the mortgage crisis is vital to America's economic recovery. I believe we must do all we can to protect and expand the American dream of home ownership; furthermore, affordable housing is crucial to strong families, strong communities and a strong economy. The American Housing Rescue & Foreclosure Prevention Act is a strong step in the right direction.

In order to ensure the availability of affordable home loans, H.R. 3221 creates a tough new independent regulator called the Federal Housing Finance Agency which would be in charge of monitoring the housing Government Sponsored Enterprises (GSEs) such as Fannie Mae, Freddie Mac and the Federal Home Loan Banks. The new agency and its director, appointed by the President and confirmed by the Senate, will be far better prepared to quickly and effectively respond to issues affecting the safe and sound operation of these enterprises which are vital to both the financial markets and American homeowners.

The focus of the bill is to help significant numbers of hard-working American families in danger of losing their home refinance into lower-cost government-insured mortgages they can afford to repay. It also:

- modernizes the FHA by expanding affordable mortgage loan opportunities for families and seniors;
- provides GSE reform that strengthens regulation of Fannie Mae and Freddie Mac;
- provides \$15 billion in loans and grants to states to acquire and rehabilitate foreclosed homes; and
- gives first-time homebuyers a refundable tax credit of up to \$7,500.

This comprehensive housing package also gives necessary stand-by authority to the U.S. Treasury Department in the unlikely case that the GSEs require temporary federal financial intervention in order to stabilize the housing finance market. This authority is the best way to boost market confidence in the GSEs and reduce the likelihood that the government would need to lend a hand.

If you are at risk of losing your home, please call my Tucson (520) 881-3588 or Cochise County (520) 459-3115 offices for help. You can also contact HOPE NOW, a cooperative effort between counselors, investors and lenders to maximize outreach efforts to homeowners in distress at 1-888-995-HOPE or <http://www.hopenow.com>.