

Washington, DC -- Congressman Vern Buchanan (R-FL) met today with Manatee County area housing advocates to hear their concerns and discuss efforts to help prevent foreclosures and restore confidence in the local housing market.

Buchanan helped pass the American Family Housing Rescue and Foreclosure Prevention Act (H.R. 3221) to expand Federal Housing Administration (FHA) loan guarantees to help approximately 400,000 homeowners at-risk of foreclosure keep their homes by allowing them to refinance into more affordable, fixed-rate mortgages.

“Far too many of my constituents are facing foreclosure,” said Buchanan. “This bill will help struggling families stay in their homes.”

Foreclosures in Sarasota, Manatee, and Charlotte counties hit 2,240 in June, a 3.7 percent increase from the 2,161 the previous month and up 164 percent from the 848 filed in June 2007. Charlotte had one in every 187 households in foreclosure. Sarasota had one in every 192 and Manatee had one in every 279.

“Local homeowners have been hit hard by the housing crisis,” said Buchanan. “These are real people suffering from higher gas and food prices and lower property values.”

Only owner-occupied primary residences would qualify for the program. Borrowers would have to show they could afford to make payments on the new loans. Furthermore, the bill bans people who have committed mortgage fraud from participating in the FHA program.

The bill also provides \$15.1 billion over 10 years in tax incentives to encourage home buying, including a \$7,500 tax credit for first-time homebuyers that would be repaid, interest-free, over 15 years.

Furthermore, the bill creates an independent agency to regulate Freddie Mac and Fannie Mae and increases the already existing line of credit for the Government Sponsored Enterprises (GSE). The bill also gives the Treasury Department the temporary authority to take action to if necessary to stabilize housing finance markets and ensure the availability of mortgages.

Taxpayers must be paid back before investors any time the new authority is invoked.

“Fannie and Freddie are critical to our housing market and consumers,” said Buchanan. “The targeted and temporary tools are necessary to restore confidence and allow the general sponsored entities to continue to promote homeownership.”

The Congressman encouraged homeowners facing foreclosure to call 1-888-995-HOPE for free foreclosure prevention counseling from expert counselors at HUD-approved agencies.

Representatives of the Center for Financial Independence, Habitat for Humanity, Manatee Community Action Agency, Catholic Charities, and Mayor Wayne Poston participated in today’s meeting.