

Washington, DC -- Congressman Vern Buchanan (FL-13) voted today for a bill aimed at heading off foreclosures and stabilizing the housing market.

“Florida homeowners have been hit hard by the housing crisis,” said Buchanan. “Far too many of my constituents are worried about losing their homes or losing value in their homes. These are real people struggling with higher gas and food prices and lower property values.”

H.R. 5830, the “FHA Housing Stabilization and Homeownership Retention Act,” passed the House by a vote of 266 to 154. The bill would expand Federal Housing Administration (FHA) loan guarantees to help approximately 500,000 struggling homeowners at-risk of foreclosure. The legislation would allow homeowners to refinance into more affordable, fixed-rate mortgages. Borrowers would have to show they could afford the make payments on the new loans.

Under the legislation only owner-occupied primary residences would qualify for the program. The bill would also ban those persons who have committed mortgage fraud from participating in the FHA program.

The measure also creates \$11 billion in housing tax breaks, including a \$7,500 credit for first-time homebuyers to be paid back over 15 years as well as \$10 billion in tax-exempt bonds to allow states to refinance shaky loans.

Buchanan opposed a separate bill by Rep. Maxine Waters (D-CA) that would send \$15 billion in loans and grants to states for the purchase foreclosed homes. Opponents of the legislation argue that the legislation rewards bad lenders and investors who own the property, and could act as an incentive for them to foreclose rather than find ways to help struggling borrowers stay and keep their homes.

“This \$15 billion program is wasteful spending that would wrongly benefit mortgage speculators and bad lenders, and leave taxpayers holding the bag,” Buchanan said.

Sarasota County had 999 foreclosures in March of 2008 compared to 199 foreclosures in March of 2007 – an increase of 500 percent. Manatee County had 490 foreclosures in March of 2008 compared to 199 foreclosures in March of 2007. Charlotte County had 342 foreclosures in March of 2008 compared to 177 foreclosures in March of 2007.

“Foreclosures are a drag on the economy as a whole,” said Buchanan. “They destabilize communities, drive down property values, and reduce tax revenues. Helping homeowners avoid foreclosure is in everyone’s best interest. That’s why I support the broad housing package passed by the House today.”