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Eliminating Housing Programs Will Make a Bad Problem Worse

Washington, DC -- John Taylor, president & CEO of the National Community Reinvestment Coalition (NCRC) today made this statement on proposals to eliminate housing programs before the House Financial Services' Subcommittee on Insurance, Housing and Community Opportunity:

“The failure of Congress to mandate foreclosure assistance programs that address the whole magnitude of the crisis is a reason to do more, instead of nothing. A vacuum of leadership on foreclosures will be filled by these reckless and heartless proposals unless the Administration and the rest of Congress step up, and not continue to penny ante and punt. Only twisted thinking concludes that leaving people to fend for themselves when they are kicked out of their homes is the correct solution to our economic woes. Simply put, it will make a terrible problem even worse. The real cost of these housing programs is in the lost opportunity to expand their scope. Given the fragile state of our economy, we need proposals that solve the problem, not ignore it; if we don't, I fear we'll be having this same debate years from now.

“The failure to stem the foreclosure crisis affects us all. A foreclosure in your neighborhood reduces your property values; multiple foreclosures compound this problem. As a result, the foreclosure crisis is dragging down property values nationwide, and with it, tax bases and local revenues. The real loser if the federal government does not step up its efforts to make the servicers and the banks prevent foreclosures will be the American people, and state governments that will be left to pick up the pieces.

“More and more working class families are losing their homes to foreclosure. With at least another 9 to 11 million foreclosures staring us in the face and Wall Street, banks and their servicers having been feeble in their efforts to stem the tide of foreclosures, Congress should mandate that banks reduce mortgage principals for certain, qualified borrowers whose finances are in stress through no fault of their own. This is the only way to stop foreclosures. As I have said before, regulators, congressional leaders and the White House need to stop talking like they don't have the power to make this happen. They have more than the bully pulpit; they have tremendous leverage. They should use it.”

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About the National Community Reinvestment Coalition (NCRC):

The National Community Reinvestment Coalition is an association of more than 600 community-based organizations that promote access to basic banking services, including credit and savings, to create and sustain affordable housing, job development, and vibrant communities for America's working families. NCRC provides foreclosure prevention counseling to homeowners through its Housing Counseling Network (HCN). Homeowners in need of foreclosure prevention help can contact NCRC's HCN at: 1-800-475-NCRC (6272). <http://www.ncrc.org/>