

REP. CLARKE APPLAUDS THE PASSAGE OF THE FEDERAL HOUSING ADMINISTRATION REFORM ACT

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Legislation Included Clarke's Amendment to Help Ensure Residents Receive Home Mitigation Resources

Washington, D.C. – Today, with a vote of 417-3, the House of Representatives passed H.R. 5072, the Federal Housing Administration Reform Act of 2010 (FHA Act). Rep. Yvette D. Clarke voted to help families realize the dream of homeownership, save taxpayers money, and protect Americans from mortgage fraud by instituting reforms to the Federal Housing Administration (FHA).

“This bill is critical to our economic growth and families across America seeking to realize the American Dream,” said Rep. Clarke. “These reforms will help rebuild the housing market, while protecting families from the sort of mortgage scams and fraud that devastated the economy and caused so many to lose their homes.”

By a voice vote, Congress approved Rep. Clarke's amendment to the bill, which directs the U.S. Government Accountability Office (GAO) to analyze the effectiveness of HUD's loss mitigation home retention efforts in helping distressed borrowers, especially low income borrowers, hold on to their homes.

Last year, New York City saw a record 20,000 foreclosure filings. According to data compiled by the Furman Center for Real Estate and Urban Policy at New York University, in the first quarter of 2010, “there were 4,226 foreclosures across New York City”, up 16.3% from 2008. Brooklyn alone experienced 1,546 foreclosures in the first quarter of 2010.

“My amendment would bolster the FHA's ability to help borrowers avoid foreclosure by understanding how a variety of loss mitigation programs and foreclosure counseling efforts directly affect our citizens. Thanks to my amendment, Congress will have the information it needs to determine whether we must do more to help our citizens hold on to their American dream,” added Rep. Clarke.

The Federal Housing Administration Reform Act will save taxpayers \$2.5 billion over five years and make crucial reforms to strengthen the operation of the FHA, which has helped 37 million Americans buy homes since 1934. The bill also makes the FHA more accountable by improving its internal reporting systems and providing greater transparency to the public and Congress.

The FHA Reform Act is supported by a wide coalition of organizations, including the National Urban League, the National Association of Realtors, the Mortgage Bankers Association, the National Community Reinvestment Coalition, and the National Association of Home Builders.