

9/18/2007 - Sires Supports Housing Reform

Bill would assist families in danger of losing their homes that financed with a subprime mortgage

For Immediate Release

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(Washington, D.C.) - Today, Congressman Albio Sires (NJ-13), voted to enable the Federal Housing Administration (FHA) to serve more homebuyers and assist homeowners that are concerned about losing their homes to the turbulent housing market. H.R. 1852, Expanding American Homeownership Act of 2007, will revitalize the FHA, allowing it to expand its services for first-time homebuyers and serve more subprime borrowers.

"Families need help, and this bill will increase home ownership as well as mortgage funding in areas of economic distress," said Congressman Sires. "Moreover, it will help subprime borrowers who will see their mortgage payments jump over the next two years."

H.R. 1852 would allow up to 40 percent of owners with subprime loans to qualify for more affordable fixed rate loans so they can keep their homes, reducing the risk of foreclosure that have haunted thousands of families. The Expanding American Homeownership Act will also:

- authorize zero and lower down payment loans;

- increase FHA loan limits to allow families to buy homes in higher priced markets; and

- direct FHA to serve higher risk borrowers that would otherwise turn to predatory lenders and high priced mortgage alternatives.

H. R. 1852 also includes funding for the Affordable Housing Fund. This fund allows state and local governments to create more affordable housing. By creating more home ownership opportunities, the bill also eases the rental market helping even more families.

"As a member of the Financial Services Subcommittee that has jurisdiction over housing, I am pleased we have stepped up to the plate to assist homeowners that are struggling to keep their homes. By modernizing FHA, this bill helps young first-time homebuyers with their mortgages and seniors with reverse mortgages. It will make a positive impact on everyone's lives," said Congressman Sires.

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