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To:	
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Subject:	FACT SHEET: A Better Bargain for the Middle Class: Housing
Attachments:	Housing+Fact+Sheet+8.5.13.pdf

Dear All,

Today, Secretary Donovan will join President Obama as he travels to Phoenix, Arizona to lay out his plan to continue to help responsible homeowners and those Americans who seek to own their own homes.

Below is information on the President's plan to restore security to middle class home ownership.

We encourage you to share this information with your networks and send us your questions, statements and social media posts using #**ABetterBargain** to Jennifer.L.Szubrowski@hud.gov

Additionally, you can watch the President's speech live at 4 pm ET at whitehouse.gov/live.

Thank you, Leigh

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THE WHITE HOUSE
Office of the Press Secretary

FACT SHEET: A Better Bargain for the Middle Class: Housing

When President Obama took office, our housing market was in free-fall, leaving many families feeling trapped and anxious about their mortgages. The President took immediate action to stabilize our housing market and protect the middle class. These steps helped millions of middle class families stay in their homes, save money on their mortgages, and turn their communities around.

Working together we need to build a more durable and fair system that promotes the American Dream of homeownership, while preventing the nightmare of another crisis. Today, our housing market is coming back. Home values are rising, foreclosures are at the lowest levels since 2006, home sales have increased at double digit rates, and American families are on pace to purchase over 5 million homes this year. In part because of President Obama's tough regulations that cracked down on the most reckless practices from the housing crisis, responsible Americans can feel more confident and secure when they borrow money to purchase their own home. But the job is not done, and restoring security to homeownership is one of the President's top economic priorities.

In today's speech, the President laid out his ideas to help more responsible homeowners refinance, to cut red tape, to increase home values by fixing our broken immigration system, to help the hardest hit communities rebuild, and to ensure those who rent have decent and affordable options. The President also made it clear that going back to the same bubble-and-bust housing system that caused the financial crisis is not acceptable. We need a rock-solid foundation for financing homeownership with a bigger role for the private sector, where taxpayers aren't on the hook for the irresponsible behavior or bad decisions of financial institutions and we finally put an end to an era where Fannie Mae and Freddie Mac could expect a bailout for risky behavior in pursuit of profits. These bipartisan solutions will help build on the progress we've made over the last four years, and together we can make owning a home a symbol of responsibility and a source of security for generations to come.

A Better Bargain for the Middle Class: Housing

A Better Bargain for Responsible, Middle Class Homeowners:

- Help responsible families save $3,000 a year by refinancing while mortgage rates are still low
- Take executive action to cut red tape so responsible families can get a mortgage
- Fix our broken immigration system to increase home values
- Rebuild communities hit hardest by foreclosure
- Create and preserve affordable rental housing by passing a bipartisan Senate proposal

Core Principles for Durable, Fair Housing Finance (GSE) Reform:

- Put private capital at the center of the housing finance system
- End Fannie Mae and Freddie Mac's failed business model so taxpayers are never again on the hook for bad loans and bailouts
- Ensure widespread access to safe, responsible financing like the 30-year fixed rate mortgage
- Support affordability and access for renters and homeownership for first-time buyers, in part by continuing the historic affordability role of Federal Housing Administration (FHA)

Making Families' Most Important Financial Decision Safe and Simple:

- Ensure all prospective homeowners receive a single, simple three-page mortgage disclosure form
- Increase incentives for lenders to deliver high quality loans and products
- Level the playing field for financial institutions of all sizes so borrowers can work with the lender right for them

Confirming Mel Watt Will Provide Certainty and Leadership During This Key Phase:

- Congress should swiftly confirm the President's FHFA Director nominee Mel Watt to further accelerate efforts toward common sense housing finance reform

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A Better Bargain for Responsible, Middle Class Homeowners

There are several additional steps – including legislative proposals – that could immediately work to further strengthen the housing market and ensure that the middle class can secure affordable mortgages, refinance their loans at today's low rates, and build housing wealth while ensuring that no communities or homeowners are left behind by the housing recovery.

- Help Responsible Families Save $3,000 a Year by Refinancing While Mortgage Rates are Still Low: President Obama has set the goal of eliminating all barriers to refinancing for responsible borrowers. The Administration worked with housing regulators to implement key changes to the government's refinancing program (HARP) that nearly tripled the number of families who received refinancings from 400,000 in 2011 to 1.1 million in 2012, bringing the HARP program total to more than 2.6 million. To complete the task of providing refinancing options for all responsible borrowers, the President has proposed the following three steps:

    - Streamline refinancing for borrowers with government-insured mortgages.

    - Waive closing costs for borrowers who refinance into shorter term loans to more rapidly rebuild equity in their homes.

- Expand eligibility for refinancing to many hundreds of thousands of eligible borrowers who do not have government-backed mortgages by creating special programs through the Federal Housing Administration (FHA) or Fannie Mae and Freddie Mac.

These steps could help a typical family save $3,000 or more per year.

- Cut Red Tape so Responsible Families Can Get a Mortgage: There are still millions of families with strong enough credit profiles to qualify for a mortgage but who are nonetheless being denied loans. According to the Federal Reserve, from 2007 to 2012, mortgage lending to borrowers with credit scores above 780 fell by a third, while lending to borrowers with credit scores between 620-680 declined by roughly 90%. For many of these borrowers, they are denied a loan because lenders are unclear of the rules of the road for lending and are protecting themselves by only lending to those with the most pristine credit. The Administration is continuing to work with housing regulators and stakeholders on reasonable approaches to clarify rules and reduce overlapping regulations, in order to expand access to credit for qualifying families. The CFPB's recently finalized Qualified Mortgage (QM) rule is an important step forward in providing certainty while protecting consumers. The FHA is completing its own QM rule to align with the CFPB and ensure access for the wide-range of responsible borrowers that the agency has historically served. In other cases, temporary unemployment or other hardships that borrowers have overcome still stand in the way of getting a mortgage, even though these borrowers may have strong pay histories and have gotten back on their feet. Going forward:

  - Regulators should implement mortgage related rules in a way that encourages the clarity and certainty that leads to broad access to credit and a safe and sound system.

  - We need to establish more certain, brighter-line rules for when government will rescind its guarantees, to give lenders greater clarity and encourage more lending to creditworthy borrowers. HUD is working to update its rules along these lines, and will work with FHFA and other federal agencies to institute a common framework for government guarantees across the market.
  - FHA is also working on additional lending flexibilities through an initiative called "Back to Work" that will make certain that creditworthy re-employed borrowers with strong recent pay histories are not unfairly excluded from access to FHA lending, while doing so in a responsible manner that protects the FHA Mutual Mortgage Insurance Fund (MMIF).

- Fix Our Broken Immigration System to Increase Home Values: In addition to growing GDP, the common sense immigration reform passed by the United States Senate would substantially increase home values. Between 2000 and 2010, immigrants accounted for almost 40% of new homeowners nationwide. Immigrants accounted for over 80 percent of the growth in homeowners in California and over two-thirds of the growth in homeowners in New York over the past decade. Elsewhere, such as Georgia and North Carolina, they accounted for between one-quarter and one-third of the growth in homeowners.

- Help Hard Hit Communities Rebuild: While the housing market has turned a corner, the recovery has been uneven across geographies. In fact, five states (NV, FL, MI, AZ, & GA) account for 33% of the total negative equity in the U.S., and in twenty-five states, 15% or more of total mortgages are in negative equity. In these communities hit hardest by the foreclosure crisis, the weight of foreclosed and vacant properties will continue to hold back growth and drive down home prices absent additional intervention. To address this problem, the President expanded the Neighborhood Stabilization Program (NSP), which has provided $7 billion to thousands of communities across all 50 states to refurbish vacant properties in areas facing foreclosure and abandonment. But more work remains to be done. That's why President Obama:

- Proposed $15 billion for Project Rebuild in the American Jobs Act to help more hard hit communities turn the corner to recovery by getting their construction workers back on the job rehabbing and in some cases demolishing blighted vacant homes, creating jobs and improving communities.

- Working with states to use their Hardest Hit Funds (HHF) for blight elimination efforts to prevent additional foreclosures and help turn around distressed regions. The Administration worked with Michigan, which recently announced plans to use $100 million of its existing HHF allocation for demolition and greening of blighted properties – with a sizeable amount committed to Detroit. The Administration is also working with Ohio implement a similar blight elimination program using their Hardest Hit Funds. Going forward, the Administration will explore opportunities to work with other HHF states, with the potential to help hundreds of communities rebound.

- Introduced the Distressed Asset Stabilization Program (DASP) to partner with local communities to find new solutions for thousands of defaulted FHA loans. These solutions will help struggling borrowers stay in their homes and make sure their homes become assets in their communities, not a blight that drags down their neighbors' home values.

- Create and Preserve Affordable Rental Housing: While homeownership is recovering, middle class and poor renters are facing unprecedented affordability burdens. Every two years, HUD has issued a report that measures the scale of critical housing problems facing un-assisted renters. Based on data from the 2011 American Housing Survey, these "Worst Case Housing Needs" grew to 8.5 million households, a 19 percent increase from the previous record high in 2009 (7.1 million households), and a staggering 43.5 percent increase since 2007. HUD's report finds that housing needs cut across: all regions of the country; all racial and ethnic groups; cities, suburbs and rural areas; and various household types including families with children, senior citizens, and persons with disabilities. To fight these challenges, the Obama Administration:

  - Urges Congress to pass a bipartisan budget that invests in decent rental housing and builds our transportation infrastructure

  - Supports incentives like the Low-Income Housing Tax Credit (LIHTC) and the New Market Tax Credit (NMTC), and calls on Congress to continue to fund these priorities.

  - Created the Rental Assistance Demonstration (RAD) and other tools to preserve affordable rental housing for families and seniors. Launched a year ago, RAD is already saving nearly 18,000 units of housing at no cost to taxpayers by generating nearly $800 million in private sector investment which will support about 10,000 local jobs. We will work with Congress and our partners in state and local government to expand these tools to more communities across the nation.

  - Launched the Promise Zones initiative to partner with hard-hit, high-poverty communities to build affordable housing, create jobs, leverage private investment, increase economic activity, enrich educational opportunities, and improve public safety. HUD's Choice Neighborhoods, a highly competitive grant program that attracts eight dollars of private and other funding for every federal dollar, is a key building block for Promise Zones, and is based on two decades of bipartisan innovation that has developed nearly 100,000 units of mixed-income housing in 260 communities.

- Announced Opening Doors, the first-ever federal strategic plan to prevent and end homelessness in 2010. Marshaling 19 federal agencies in partnership with state and local community partners, the Plan makes an historic commitment to ending veteran and chronic homelessness by 2015, ending homelessness for families, youth and children by 2020 and setting a path to eradicate all types of homelessness in the United States. Despite encouraging significant progress in lowering veteran and chronic homelessness since the President took office, for the Plan to succeed, Congress must increase smart, proven investments in rental housing that not only get our citizens off the streets, but save taxpayer dollars currently spent on emergency health services and institutional care.

- Reduce Local Barriers to Housing Development: In many productive regions – where companies are flocking to do business – it's harder for them to find workers because it's so hard for those workers to find housing. In some cases, this difficulty is not for lack of developers who are willing to invest, or construction workers wanting to get back to work – it's because localities have not gotten around to reforming outdated, decades-old rules on housing development. Overly burdensome barriers to developing new housing reduce the ability of housing supply to respond to demand, and cause higher housing costs for working families. In the most heavily regulated communities, delays for development approval average ten and a half months, compared to just over three months in less regulated communities. To resolve these challenges, business coalitions like the Silicon Valley Leadership Group and the Chicago Commercial Club have partnered with their local policymakers to modernize their housing development policies, and ensure their employees are able to find housing.

Core Principles for Durable, Fair Housing Finance (GSE) Reform

A. New Housing Financing System for Middle Class Families and Economic Stability: Today, the President made clear it is time to turn the page on an era of housing bubbles and taxpayer bailouts, and build a new housing finance system that will provide secure homeownership for responsible middle class families. The President's plan is centered on four core principles for reform: putting private capital first, ending the failed Fannie/Freddie business model and protecting the taxpayers, ensuring broad access to the 30-year fixed rate mortgage in good times and bad, and preserving the American dream of affordable homeownership for all qualifying borrowers in every community while at the same time ensuring sustainable rental options are widely available. The President stands ready to work with members of Congress in both parties to enact common sense housing finance legislation based on these core principles.

1. Put Private Capital at the Center of the Housing Finance System. The current housing finance system, where the government guarantees more than 80% of all mortgages through Fannie Mae and Freddie Mac and FHA, is unsustainable. A reformed system must have a limited government role, encourage a return of private capital, and put the risk and rewards associated with mortgage lending in the hands of private actors, not the taxpayers.

2. End Fannie Mae and Freddie Mac's Failed Business Model So Taxpayers Are Never Again on the Hook for Bad Loans and Bailouts. Fannie Mae and Freddie Mac should be wound down through a responsible transition, and the government role during normal times should be no bigger than necessary to achieve the principles laid out here. One of the failures of the

old Fannie Mae and Freddie Mac model is that shareholders and senior managers benefitted fr
implicit guarantees while taxpayers were on the hook. We must end Fannie Mae and Freddie Mac, and going forward:

- Private capital must be wiped out before the government pays out on catastrophic guarantees provided through government reinsurance of private-market loans.

- Private capital should bear the substantial majority of losses, and we will end taxpayer bailouts for good.

- The government role should be transparent and explicit, where its obligations and liabilities are clearly spelled out.

- The government should collect explicit and actuarially-fair premiums for the catastrophic guarantee it provides.

- An independent regulator should be strong enough to implement and enforce rules consistent with these principles.

3. Ensure Widespread Access to Safe and Responsible Mortgages like the 30-year Fixed Rate Mortgage in Good and Bad Economic Times. Broad access to mortgage credit for qualified borrowers in all communities should be an integral policy objective of housing finance reform, consistent with mortgage rules and capital standards that promote safety and soundness.

   - Reform should include a commitment to ensure confidence of long-term investors in mortgage backed securities to ensure the continuation of the 30 year mortgage in good times and bad. Home ownership remains the primary way that most middle income working families build long-term wealth and provides a foundation for widely shared economic growth. Consistent access to safe standardized mortgage products, through good times and bad, facilitates growth and mobility.

   - Mortgage lending in the reformed system should reflect a competitive marketplace with a level playing field for all qualified borrowers and market participants. Community banks should be guaranteed the same access to the capital markets as the big banks.

   - Responsible and borrower-friendly innovation in the mortgage market is necessary both to reduce costs and create products that meet the needs of consumers. Homeowners often pay repeat costs when refinancing their mortgages, many of which can be eliminated through technology and creative new solutions. New approaches can lower the barriers to homeownership and help families keep their homes during economic downturns.

4. Support Affordability and Access to Homeownership for Creditworthy First-Time Buyers and Access to Affordable Rental Housing for Middle Class Families and Those Aspiring to Be. In a reformed system, the government should continue to provide robust, explicit, and targeted support to help ensure access to affordable and sustainable mortgage products for low-wealth, first-time homebuyers, and borrowers in historically underserved communities. Recognizing that affordable rental housing is also an important housing option for many families, the government should help ensure a deep and liquid financing market for the development and rehabilitation of multifamily housing. As part of this commitment:

   - A reformed housing finance system must keep the doors of opportunity open to all responsible families by ensuring that credit is available to underserved communities.

- The government should continue to provide direct loan or loan guarantee / insurance for certain underserved borrowers and communities through the FHA, VA, and USDA. This targeted support must be provided with full commitment to the safety and soundness of the FHA's MMIF and to ongoing efforts to strengthen FHA programs.

- Reform should include a broad and explicit assessment on mortgage backed securities and other appropriate mortgage products. This assessment would be paid for by financial institutions and not borrowers, and would be used to fund targeted support for down payment assistance, preservation or construction of housing for very low income households, or other innovations that bolster the efforts of low wealth working families to improve their prospects for achieving sustainable homeownership or finding affordable housing.

- The housing finance system must also support liquidity and stability of multifamily rental housing financing throughout economic cycles by making sure that the financing market for multifamily loans is strong enough and flexible enough to support the construction and rehabilitation of all types of multifamily housing, including rental housing for households at or below the median income and households that have had to leave the single family sector over the last few years. Access to rental housing near good jobs and schools helps build stronger families and communities.

B. Intermediate Steps to Transition to a New Housing Finance System: While bi-partisan legislation will be critical to creating a new housing finance system, non-legislative steps can be taken now to facilitate a gradual transition to the new system and to facilitate the wind down of Fannie Mae and Freddie Mac, including:

1. Continue to aggressively wind-down Fannie Mae and Freddie Mac's investment portfolios by at least 15% per year. This will reduce Fannie Mae and Freddie Mac's holdings of risky mortgages and related securities to a manageable balance by 2018.

2. Accelerate a process of systematically reducing the government's direct credit risk exposure by bringing private capital in front of the Fannie Mae and Freddie Mac guarantee. The government currently takes direct credit risk on more than 80% of all new mortgage originations, through FHA, VA, USDA, and Fannie Mae and Freddie Mac. There are two key approaches for reducing Fannie Mae and Freddie Mac's credit loss exposure: 1) a capital markets approach in which private investors take on the risk of the portfolio's first losses (a "risk syndication model"); and 2) an insurance approach in which well capitalized and regulated private institutions insure a portfolio of mortgages against default and collect insurance premiums (a "mortgage insurance model" or "MI"). The period of transition before Congress passes comprehensive legislation should be used to continue aggressively piloting these approaches to both reduce the government's exposure and gain valuable insights about the most efficient ways to encourage private capital back into the housing finance system.

3. Prioritize the development of a common infrastructure / securitization platform that private actors can leverage. FHFA has directed Fannie Mae and Freddie Mac to pursue the important work of developing a common securitization infrastructure. This platform can also help facilitate securitizations by private companies by providing essential services and standardization which could help foster competition, better protect consumers, and increase investor comfort in investing in mortgage backed securities.

4. Reduce loan limits in a manner consistent with our housing finance reform principles and

market developments. In response to the credit crisis, Congress increased the maximum loan limits for government-insured single family properties. In order to reduce the government's footprint over several years, we recommend allowing FHA loan limits to fall at the end of 2013 as currently scheduled. Beyond that, HUD and FHFA should closely examine using their existing authorities to reduce loan limits further consistent with the pace of the recovery, market developments, and the Administration's principles and transition plan for housing finance reform. Any changes should take into account regional differences in housing prices, and also regional variation in the pace of the housing recovery.

5. Fannie Mae and Freddie Mac should gradually shrink their multifamily footprint by reducing support of high-end properties, while exploring ways to serve the unmet mortgage needs of smaller multifamily properties and loan sizes. During this transition period, further work should determine how Fannie Mae and Freddie Mac can better support smaller multifamily loans of $1-5 million, especially because these properties often provide affordable rental housing.

C. Strengthen the FHA to Preserve the Important Role it Plays in Providing Access to Mortgage Credit for Many Middle-Class Families, Including First Time Homebuyers: It is important for Congress to preserve the important role that FHA plays in providing mortgage access for many first-time or low wealth home buyers and historically underserved communities, in a range of economic environments. Steps can be taken to strengthen the FHA Mutual Mortgage Insurance Fund (MMIF) and FHA's operational effectiveness while still maintaining FHA's ability to play its intended role. The Administration will work with Congress to adopt these appropriately tailored reforms. Meanwhile, FHA will use its administrative authorities to continue to tailor its programs where necessary to address emerging risks. It will also continue innovating in ways consistent with its Congressional mandate to better serve its borrowers, such as leveraging energy efficiency cost savings to make FHA mortgages more sustainable and the proposed Back to Work flexibilities ensuring creditworthy re-employed borrowers with strong recent pay histories are not unfairly excluded from access to FHA lending.

Making Families' Most Important Financial Decision Safe and Simple

For most middle class families, buying a home is the most important financial decision they will ever make. Unfortunately, in the lead-up to the foreclosure crisis, too many borrowers were steered into predatory or unsafe mortgages that they could not afford or understand – often a result of confusing mortgage forms, conflicts of interest in the lending process, hidden fees, and complex products. This is why President Obama took unprecedented steps to strengthen consumer protection and to ensure that mortgages are safe, sustainable and simple to understand.

The President fought for and signed into law the strongest consumer protections in history with the Dodd-Frank Act. The Dodd-Frank Act created the Consumer Financial Protection Bureau (CFPB) and tasked it with one job: to protect families when making financial decisions. The first-ever independent consumer watchdog, the CFPB protects middle class families by making it safer and simpler to apply for a mortgage and know that it is sustainable. To this end, the CFPB has done the following:

- Required lenders to evaluate a borrower's ability to repay their loan, so homeownership can once again help families build long-term wealth.

- Prohibited lenders from paying bonuses for putting borrowers into more expensive loans.

- Created rules to ensure borrowers understand their current loans and receive timely and useful information about their monthly payments and any upcoming changes to their loan.

- Set additional protections for those borrowers who are offered riskier, higher cost mortgages.

- Established a consumer help hotline that has already addressed more than 175,000 complaints and helps keep CFPB informed of new problems facing families so it can better address new challenges.

While these unprecedented consumer protections are making a big difference, more can be done to protect middle class families. That is why the President supports the CFPB in finalizing its simplified mortgage disclosure forms, is calling for improved rules that encourage lenders to care more about borrower success, and made clear that any future housing finance system must ensure a level playing field for community-based banks and financial institutions so borrowers can work with the lender that is right for them.

- Ensure All Prospective Borrowers Receive a Single, Simple Three-Page Mortgage Disclosure Form. The CFPB has made significant progress in developing new simplified mortgage disclosures forms that will make it easier for families to make the most informed decisions when purchasing a home. A form at closing should be short and simple, avoid fine print, and highlight the key facts any potential homeowner should know before they take out a mortgage. If these objectives could be met in a form of no more than 3 pages, the simplification would help millions of middle class families make informed homeownership decisions. The President strongly supports this important work and encourages CFPB to move with speed at finalizing these forms.

- Increase Incentives for Lenders to Deliver High Quality Loans and Products. Rules should be established and improved that encourage mortgage lenders to care more about the success of their borrowers.

    - Lenders should be required to have a clear process in place to help borrowers stay in their homes where it is the best economic outcome for the family and lender.

    - The CFPB and other regulators should help track and rate originator and servicer performance to increase transparency and accountability, as well as improve borrower access to information about their lender.

- Level Playing Field for Community-Based Banks and Financial Institutions so Borrowers Can Work with the Lender That's Right for Them. Any future housing finance system must ensure there is a level playing field for small lenders. Community-based lenders are often best positioned to provide the optimal mortgage product and services to local borrowers. These community banks and credit unions must be given the same opportunity to compete in any future system to ensure that consumers have the broadest number of options and can work with the lenders that is best for them.

Confirming Mel Watt will Provide Certainty and Leadership during This Key Phase

- Calling on Congress to Swiftly Confirm the President's FHFA Director Nominee Mel Watt to Further Accelerate Efforts toward Common Sense Housing Finance Reform: Our mortgage finance system needs a confirmed and permanent FHFA Director to help wind down Fannie Mae and Freddie Mac on a responsible timeline and transition towards a safe and sound future system of housing finance. Over his more than twenty years on the House Financial Services and Judiciary Committees, Watt has developed a proven track record of fighting to rein in deceptive mortgage lenders, protecting consumers from abusive financial practices, and working across the aisle to find common ground on critical issues. That is why Democrats and Republicans who know him best from his home state of North Carolina, including Senator Richard Burr, Erskine Bowles, and Hugh McColl, strongly support his nomination. Mel Watt is a distinguished member of Congress, an accomplished lawyer, and a supremely qualified candidate to lead the FHFA in these critical times. Confirming him will provide certainty and leadership at FHFA while it plays a critical role in winding down Fannie Mae and Freddie Mac. He deserves a straight up or down vote.

The President's Policies Helped Stabilize a Housing Market in Free Fall

When President Obama took office, our housing market was in free-fall. The President immediately took unprecedented steps to stabilize our housing market and protect the middle class, and later, when there was a log jam in Congress, the President took a number of significant administrative and enforcement actions that helped heal the housing market. While more work remains, the important actions by the President helped millions of families stay in their homes, save money on their mortgages, and turn their communities around.

- When the President Took Office, Home Values Were Plunging and Foreclosures Were at Record Highs:
  - Home prices had fallen by 19% since a year earlier by one important measure, the largest one year drop in home prices ever measured.
  - Housing starts had plummeted nearly 80% from their peak to a level below 500,000.
  - Both new and existing home sales were near all-time lows under 500,000 and 4 million respectively.
  - Millions of homeowners faced distress, with around three million seriously delinquent borrowers.
  - More than 100,000 construction jobs were being lost each month, with the fall in residential construction reducing GDP by 1% in the prior year.
- The Administration Took Immediate Action to Stabilize and Heal Our Housing Market: Within a month of taking office, the President launched a series of housing initiatives to help millions of homeowners stay in their homes or transition into sustainable housing opportunities. This relief was provided through a combination of direct assistance and through setting important industry standards and templates that transformed the way the industry responded to the crisis.
  - Mortgage modification initiatives led to almost 7 million homeowners getting government or private sector relief – nearly twice as many as those who went through foreclosure during the Obama Presidency. The Home Affordable Modification Program (HAMP) has helped over 1.2 million borrowers through permanent loan modifications. Combined with 1.9 million Federal Housing Administration (FHA) homeowner interventions and the 3.7 million helped through private lender programs largely modeled after the HAMP template, almost 7 million homeowners have been helped in one way or another.
  - Making Home Affordable (MHA) programs have also helped hundreds of thousands of underwater homeowners avoid foreclosure by allowing them to sell their home or

reduce payments on or extinguish their second lien.

- The Hardest Hit Fund (HHF) has committed $7.6 billion in resources to states to develop locally-tailored programs that assist struggling homeowners in their communities, helping over 100,000 borrowers with programs that reduce principal or help them bridge unemployment.

- HUD's Neighborhood Stabilization Program (NSP) has allocated $7 billion to thousands of neighborhoods to address foreclosed and abandoned homes. NSP is projected to support close to 90,000 jobs and treat over 100,000 properties – including those with affordable rental and homeownership units – creating a positive ripple effect throughout communities. Seventy-five percent of neighborhoods with concentrated NSP investments have seen vacancies decline and 72% have seen home prices increase compared to similarly distressed neighborhoods without the NSP investment.

- HUD's Tax Credit Assistance Program and Treasury's Credit Exchange Program protected the affordable rental housing market during the economic crisis, ensuring that development continued when the credit markets froze and saving tens of thousands of construction jobs in low-income communities.

- The Homelessness Prevention and Rapid Rehousing program ensured that 1.3 million Americans who were homeless or at risk of becoming homeless due to the financial crisis were either promptly rehoused or provided assistance to remain housed. As a consequence of HPRP and investments in affordable rental housing, this economic downturn saw no net increase in families experiencing homelessness. And for our returning heroes, through creative partnerships and evidence based interventions, VA and HUD have reduced the number of veterans experiencing homelessness by 18% from 2010 to 2012.

- As part of the Dodd-Frank Act, the Administration pushed for the creation of the Consumer Financial Protection Bureau (CFPB) to better protect borrowers. The CFPB is in turn transforming the consumer lending landscape and developing important new standards and protections to make buying a home a much simpler and safer process.

- HUD launched an Office of Housing Counseling and worked with HUD- approved housing counselors to assist more than 9 million families in making smart and informed financial decisions.

· When Congress Would Not Act, the President Did: When Congress stalled in providing additional needed relief to help stabilize and heal the housing market, the Administration took further administrative and enforcement actions.

  - Extended the minimum time unemployed borrowers can delay payments on their mortgages from 3 months to 12 months while they are looking for a job.

  - Worked with regulators to expand refinancing for underwater borrowers through the Home Affordable Refinancing Program (HARP), nearly tripling the number of families who received refinancings from 400,000 in 2011 to 1.1 million in 2012 and bringing the total to more than 2.6 million through May 2013.

  - Tripled incentives for principal reduction in HAMP to help underwater homeowners. In recent months, approximately 70% of HAMP modifications for eligible borrowers include principal reduction. Only 1% of all modifications prior to HAMP included principal reduction.

- o Helped responsible families capitalize on low interest rates when refinancing or buying a home by stabilizing Fannie Mae and Freddie Mac and strengthening the Federal Housing Administration. FHA alone has insured more than half of the loans for first-time homebuyers during the recovery.

- o Continued to help state and local housing finance agencies through the New Issue Bond Program) to extend affordable mortgage credit to more than 135,000 working families and enable the development and rehabilitation of 40,000 affordable rental units.

- o Partnered with 3,000 American Jobs Centers to provide housing counseling to help unemployed homeowners avoid foreclosure.

- o Partnered with NeighborWorks to help homeowners complete and submit applications for assistance through the Making Home Affordable Program, which includes HAMP.

- o Negotiated the National Mortgage Servicing Settlement with 49 state Attorneys General to hold banks accountable and for assisting struggling homeowners. The Settlement has provided over 600,000 homeowners more than $50 billion in committed relief.

- o Worked with states to use HHF for blight elimination. Michigan plans to use $100 million of its existing HHF allocation for demolition and greening of blighted properties, and the Administration is also working with Ohio to implement a similar plan.

- o The Department of Justice (DOJ) has brought over 1,600 mortgage fraud cases against almost 3,000 defendants over the last three fiscal years, due in part to the efforts of the Residential Mortgage-Backed Securities (RMBS) Working Group, a joint federal and state initiative under the President's Financial Fraud Enforcement Task Force. HUD and DOJ have also pursued and won landmark Fair Housing Act settlements that have put money in the pockets of families that suffered from unfair lending practices. In fact, DOJ collected more money for victims of housing discrimination in the last fiscal year, by over $250 million, than the monetary relief obtained in the previous 23 years combined.

- The President's Policies are Beginning to Work, and the Housing Market is Coming Back: Helped by the Administration's programs, the housing markets are turning around. Over the past year and a half, prices are rising, foreclosures and distressed sales are declining, non-distressed sales are increasing, and construction jobs are coming back. This is helping bring millions of families out from being underwater and is putting wealth back in the pockets of families.

  - o Home prices are rising at the fastest pace in seven years, up more than 12% in the past year. Rising prices have brought 2.4 million families out from being underwater in the last 5 quarters.

  - o Home building is coming back, leading to an upswing in construction jobs. Recent housing starts are up roughly 75% from their April 2009 bottom of 478,000, while the number of residential construction jobs is on the rebound.

- Existing home sales have increased 47.2% from their crisis low and are approaching historical norms of ~5.0 million units.

- Housing wealth is growing again, with owners' equity up $2.8 trillion since hitting a low at the beginning of 2009. This in turn has contributed to increased economic activity through consumer spending, small business investment, and more.

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