

FOR IMMEDIATE RELEASE

Thursday, June 10, 2010

CONTACT: MARA LEE

(202) 225-7163

Rep. Matsui Votes to Stabilize Housing Market, Protect Taxpayers

WASHINGTON, D.C. – Today, Congresswoman Doris Matsui (D-Sacramento) voted to help families realize the dream of homeownership, save taxpayers money, and protect Americans from mortgage fraud by passing H.R. 5072, legislation that institutes reforms to the Federal Housing Administration (FHA). The Federal Housing Administration Reform Act is part of a larger commitment of Rep. Matsui and her colleagues to provide working Americans and small businesses in Sacramento with the tools to drive our economic recovery.

“This bill is critical to our economic growth and families throughout Sacramento who are seeking to realize the American Dream,” said Rep. Matsui. “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.”

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. This will help families realize the dream of homeownership, especially low-income and minority families, through responsible lending. And, the reforms will help protect Americans from mortgage scams and fraudulent lenders by modernizing and strengthening the FHA’s ability to analyze risk and go after lenders who violate regulations. The bill also makes the FHA more accountable by improving its internal reporting systems and providing greater transparency to the public and Congress.

“I am working to reform lending practices after years of irresponsible lending and mortgage fraud schemes by big banks that hurt American families,” said Rep. Matsui. “It is time to put American families and Main Street first. That means protecting American families and their homes and saving taxpayers billions of dollars in the process.”

Congresswoman Matsui had also signed onto Representative Frank’s letter opposing the Turner amendment, offered by Representative Michael Turner (R-OH), which would have capped FHA loans at \$500,000 through the rest of the year. In the highest cost housing areas, it would result in an immediate reduction in the maximum amount from \$729,750 to \$500,000 and had a negative effect on Sacramento homeowners. The Turner amendment was ultimately defeated today and not included in the final legislation.

H.R. 5072 was passed by the House today by a vote of 406-4, and now goes to the Senate for consideration. 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.

###