

sight. More than 8 million homeowners are expected to face foreclosure over the next four years, which equates to one in six mortgages in the United States. It is clear that Congress needs to use all of its resources to help Americans stay in their homes,” stated Rep. Matsui

H.R. 384 requires the U.S. Treasury, in conjunction with the FDIC, to develop a systematic loan modification program by April 1, 2009. There are estimates that the program will take another one to two months for the program to become operational. While this program is expected to assist a great number of homeowners, thousands could be foreclosed on during that time without having an opportunity to qualify for the new loan modification program, as required under this bill.

“Taxpayers need and deserve the opportunity to receive assistance from the new loan modification plan. A time-out in foreclosures is a necessary stop-gap measure.” Rep. Matsui continued, “My amendment will give Congress, regulators, and homeowners some breathing room while everyone works to craft a fair, sensible, and lasting solution to the foreclosure crisis.”

H.R. 384, the TARP Reform and Accountability Act, is a tough accountability measure that seeks to overhaul TARP. This bill strengthens accountability and also requires Treasury to take significant steps on foreclosure mitigation, calling for spending \$100 billion (with a minimum of \$40 billion) of TARP funds to help homeowners. The bill also does the following:

- strengthens accountability, close loopholes, increase transparency -- forcing banks to report how government funds are being spent;
- affirms that TARP should be used to benefit small financial institutions, consumer lending, auto companies, and municipalities; and

- limits bonuses for executives of firms participating in TARP.

###