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Wednesday, June 17, 2009

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Rep. Doris Matsui Reinstates Call for Returned TARP Funds to Help Struggling Homeowners  
Letter Sent to Secretary Geithner Urges Treasury Department to Re-direct Funds to  
Americans Who Need It Most

WASHINGTON, DC – Today, Congresswoman Doris Matsui (CA-05) led the call for all Troubled Asset Relief Program (TARP) funds that have been returned, or will be returned in the coming months to the federal government, be re-directed to struggling homeowners who are facing the threat of foreclosure, and to help prevent homelessness in the wake of the current economic recession.

Over the last few weeks, the Obama Administration has allowed several financial institutions, including 10 of the nation's largest banks, to voluntarily return more than \$68 billion in taxpayer-assistance received from the TARP package put in place early this year. In addition, several smaller financial institutions have notified the Treasury Department of their intentions to voluntarily repay these funds.

“We believe any returned TARP funds should be re-directed to the President’s Homeowner Affordability and Stabilization Plan—particularly to those states and areas that have been disproportionately affected by the foreclosure crisis,” read a letter sent by Congresswomen Matsui, Kathy Castor (FL-11), Shelley Berkley (NV-01), Dina Titus (NV-03), and Betty Sutton (OH-13) to Secretary of the Treasury Timothy Geithner.

California, Florida, Nevada and Ohio have been most affected by the crumbling housing market. In these states, home values are severely ‘underwater’. These additional funds could increase resources in order to help more principal homeowners in severely affected areas to stay in their home, and put the country on a path to economic recovery. For example, funds could be used to provide refinance options to homeowners with loans of more than 105% of the current home value, or increase loan modification efforts for those who are unable to make their full payment after a rate increase or a job loss.

“Returned TARP funds should be reallocated to help responsible homeowners in the hardest-hit areas of the country to qualify for a mortgage refinance or loan modification,” said

Congresswoman Matsui. “We need to stabilize the housing market, not only for the sake of our economy, but for the good of our neighbors, communities, and state and local governments.”

Credit Suisse estimates that over 8 million homeowners are expected to fall into foreclosure over the next few years. However, that number is continuing to rise as job losses increase. That fact is becoming a reality as foreclosure filings are actually exceeding the rate based on Credit Suisse’s sobering projections.

“All principal borrowers, in all parts on our country, should be properly assisted under the President’s plan,” the letter continued. “We need to ensure that we stabilize the housing market, not only for the sake of our economy, but for the good of our neighbors, communities, and state and local governments.”

The letter submitted by Congresswoman Matsui and her colleagues can be found here: [matsui letter to treasury re returned tarp funds](#)

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