

STATEMENT FOR THE RECORD
THE HONORABLE ADAM H. PUTNAM
FINANCIAL SERVICES COMMITTEE HEARING on
USING FHA FOR HOUSING STABILIZATION AND HOMEOWNERSHIP RETENTION
APRIL 9, 2008

Mr. Chairman, Ranking Member Bachus, I am pleased to join both of you and my colleagues today to kick-off the beginning of a two-day agenda that will hear testimony regarding Chairman Frank's proposed legislation that would address mortgage foreclosures by allowing the Federal Housing Administration to provide up to \$300 billion in new guarantees to help at-risk borrowers refinance into feasible mortgages. I welcome today's two panels, and look forward to their testimony.

No one will deny that homeownership is a critical part of any working family's faithful pursuit of the American dream. The collapse of the housing bubble and subsequent rise in foreclosures has not only given many mortgage holders pause, it has also spilled over into other markets, causing shockwaves from Wall Street to Main Street. While we have a responsibility to provide a sound economy for future generations, we also have a responsibility to be responsible stewards of taxpayer dollars. Any discussion of legislation that gives cause for federal government financial intervention should first and foremost encourage homeowners to take advantage of successful initiatives that are already available.

The HOPE NOW Alliance has successfully assisted over one million homeowners receive loan workouts since July 2007, according to their most recent findings. This includes 758,000 repayment plans initiated and 278,000 loan modifications. In addition, FHASecure, has assisted homeowners with high-interest, adjustable-rate mortgages through refinancing into a FHA-insured mortgage. It is estimated to date, that FHASecure has served 145,000 homeowners. Though the program has had great success, any further expansion of FHASecure deserves careful consideration and should be executed in a thoughtful and