



Representative Louise M. Slaughter
Chairwoman, House Committee on Rules
Representing New York's 28th District

PRESS RELEASE

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Rep. Slaughter Blasts Bush Administration and Republican-led Congresses for Misguided Policies That Led To Mortgage Crisis

House of Representatives Passes Key Legislation To Address Crisis

Washington, DC – Congresswoman Louise M. Slaughter (D-NY-28), Chairwoman of the House Committee on Rules, today criticized the Bush Administration and former Republican-led Congresses for the misguided policies and lack of oversight that led to the mortgage crisis. Rep. Slaughter's speech came on the same day that the House passed the American Housing Rescue and Foreclosure Prevention Act (H.R. 3221), a comprehensive legislative response to the crisis.

“The blunders of this Administration have allowed our nation to slip into the worst financial crisis in generations,” said Rep. Slaughter. **“This Congress is simply not going to stand for it. We are committed to reversing the Administration’s misguided policies and increasing oversight to ensure that our children and grandchildren are not once again struggling to keep their homes.”**

The American Housing Rescue and Foreclosure Prevention Act will help families facing foreclosure keep their homes, help other families avoid foreclosures in the future, and help the recovery of communities harmed by empty homes caught in the foreclosure process.

The centerpiece of the bill will help significant numbers of hard-working American families in danger of losing their home refinance into lower-cost government-insured mortgages they can afford to repay – at no cost to the American taxpayer.

BACKGROUND

The text of Rep. Slaughter’s prepared speech is below:

M. Speaker, families across our great nation and across nearly all of our districts are suffering under the burden of America’s mortgage crisis, arguably the worst financial crisis in generations.

America’s families are calling out for relief, which is why we have this bipartisan bill before us today.

Yet in considering this legislation, we must address how we got into this situation in the first place, to ensure that future generations are not once again struggling to keep their homes.

M. Speaker, the past seven years have brought some of the most egregious financial blunders this country has ever seen. On a daily basis, we discover new evidence of incompetence. Americans have been blindsided by the mortgage crisis, just as they were blindsided by the savings and loan crisis.

Due to the lack of oversight from this Administration and the previous Congresses, America's families are paying the price as the cost of gasoline and groceries skyrocket and foreclosure rates continue to climb.

We are seeing the evidence of this Administration's failed policies play out in neighborhoods across the country, from California to New York, from Texas to Michigan. Millions of hardworking families, mothers and fathers, daughters and sons, grandmothers and grandfathers have had their homes foreclosed and their dreams shattered.

M. Speaker, recent reports estimate that 1.4 million homes will enter into foreclosure this year alone. It was reported in May that there were 157 new mortgage foreclosures filed every day in New York. In my own district, the housing vacancy rate in Buffalo has risen 46 percent over the past 6 years. Soon, the City will own 1 out of every 12 or 13 homes—that is 7,000 to 8,000 homes.

Despite these staggering numbers, our President, the “optimist,” continues to insist our financial systems are “basically sound.” I have to wonder if the Americans who have poured their lives and savings into their homes only to lose everything would agree.

Make no mistake about it; this crisis did not jump out of the woodwork yesterday. This crisis has been years in the making.

But instead of taking meaningful action to protect Americans, their investments, their livelihood, and the American economy, the Administration and the Republican-led Congress insisted the problem didn't exist. They told Americans a story of a healthy, robust economy while reality told them something entirely different.

Pervasive greed replaced the public good. This is the Administration that led into the war in Iraq, that won't address global warming, and that built an energy policy based on the Enron loophole.

Insisting upon living in a dreamworld, this Administration failed to take any meaningful action to reign in the housing crisis that has been spiraling out of control for years. This failure to accept the reality of the situation has led us into the problem we are in today.

Crucial opportunities were missed to investigate the risky lending practices that Americans are suffering the consequences of today. Opportunities to instill safeguards to ensure that Americans are able to afford their mortgages were lost.

M. Speaker, the mortgage crisis is complex, and there is enough blame to go around, but it is clear that this lack of oversight allowed, if not encouraged, this crisis.

At the very least, thorough oversight would have uncovered how risky the lending and investment practices at the root of this crisis actually are—serving as a warning sign to likely participants.

Instead of oversight, they encouraged deregulation.

Instead of holding hearings, they allowed big businesses to run rampant over protecting the most vulnerable Americans.

And instead of strengthening critical safeguards, they looked the other way while our nation entered into a mortgage meltdown. For the past 7 years, this Administration has ignored the needs and security of the American people.

Should working Americans pay the price for their recklessness?

Should retired Americans who depend on their homes for their retirement pay the price for their troubling risks?

And should future generations lose their shot at the American dream because of this Administration's incompetence?

M. Speaker, this Congress is not going to stand for it. Like President Franklin Roosevelt led this nation out of our last economic crisis, this Democratic-led Congress is committed to helping families out of this crisis and ensuring that this situation never happens again.

M. Speaker, President Roosevelt recognized that the strength of this great nation depends on the strength of working families.

Everything that President Roosevelt did to protect financial institutions was done away with in the last seven years. Restoring Roosevelt's plan would be a good place to start.

The legislation we are considering today was forged by bipartisan consensus, but it will take bipartisan consensus to focus on future legislation to address these issues. This legislation is a short term solution to a very large problem.

In these troubled times, righting the housing crisis is an important first step to getting our country back on track.

Quite simply, we need stronger regulations with real teeth. This is a good step to clean up the mess, but much more work is needed.

M. Speaker, I implore my colleagues to commit to increasing oversight to prevent future abuses and crisis.

Together, we must work to ensure that future generations receive the same opportunities to achieve the American dream.

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