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# LARRY CRAIG

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NEWS RELEASE

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**CRAIG SAYS SENATE SHOULD ACT IMMEDIATELY**  
**ON HOUSING CRISIS RELIEF BILL**  
**-- Idaho Senator Is Co-Sponsor of Key Provisions --**

WASHINGTON, D.C. – Idaho Senator Larry Craig today, speaking on the U.S. Senate floor, urged Congress to immediately pass a bipartisan housing crisis relief bill that targets needed assistance to owners struggling to hold onto their homes and to homebuilders and other businesses reeling in the housing downturn.

“Finally, Congress gets it,” Craig said about legislation now being debated in the Senate. “The housing industry is the key driver of our economy.” Earlier this year, Craig opposed the so-called economic stimulus bill as a salve because he said it did not address the root problems in the housing industry affecting the current economic downturn.

The bill now before the Senate provides property tax relief for homeowners who do not itemize their taxes; it also adds \$10 billion in bond authority and allows mortgage revenue tax-exempt bonds to be used to refinance subprime loans, mortgages for first-time homebuyers and multi-family rental housing. Homebuyers could receive a \$7,000 tax credit over two years to purchase homes in foreclosure or when foreclosure proceedings begin. Homebuilders and other related businesses losing money in 2008 and 2009 could use those losses to offset taxes paid in the previous four years. Current law limits the carry-back to two years.

The bill also overhauls the Federal Housing Administration by incorporating legislation already passed by the House and Senate that authorizes FHA to help more borrowers refinance their mortgages into FHA-backed loans carrying lower interest rates. Local governments will receive \$4 billion in Community Development Block Grants which could be used to purchase and rehabilitate foreclosed properties. The bill includes \$100 million for expanded counseling for mortgage borrowers at risk of default, and it would give soldiers returning from service more time before lenders can start foreclosure proceedings and one year of relief from rising interest rates.

“Idaho is seeing sawmills going down, lights going out and hard-working men and women simply not having their jobs because the housing industry is flat,” Craig said. “This kind of legislation, when it becomes law, will work through the marketplace to solve those problems – not with a federal bailout, but by allowing markets and buyers to adjust. It is important that we get this bill done and show the American people that when there's a really big problem out there, Congress can react in a responsible way.”

[MORE]

## **CRAIG Page 2 - Craig Says Senate Should Act Immediately On Housing Crisis Relief Bill**

Some of the provisions in the housing crisis relief act came from the Security Against Foreclosures and Education (SAFE) Act which Craig joined in introducing in the Senate last month to authorize tax exempt bonds to refinance subprime mortgages and to provide tax credits for the purchase of homes in foreclosure.

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