



# **BUSTED**

## **HOW OBAMA'S FAILED HOUSING POLICIES TURNED A CRISIS INTO A DISASTER**

**Republican National Committee  
Research Briefing Book  
September 30, 2012**



# I. OBAMA'S HOUSING POLICIES HAVE FAILED

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## FOUR YEARS AGO TODAY, OBAMA WAS IN NEVADA PROMISING TO HELP STRUGGLING HOMEOWNERS, FOUR YEARS LATER THEY ARE NOT BETTER OFF

**"President Barack Obama Will Be In Las Vegas, Nevada For A Campaign Rally On Sunday, September 30, 2012 ..."** (David Phillips, "Obama Will Spend Three Days In Las Vegas For Rally And Debate Prep," [Las Vegas Democrat Examiner](#), 9/26/12)

**THEN: Four Years Ago Today, Obama Was In Nevada Lamenting The Foreclosure Crisis.** OBAMA: "Because of the housing crisis -- and nobody's been hit harder by foreclosures in the housing crisis than Nevada -- we are now in a very dangerous situation where financial institutions across this country are afraid to lend money." (Sen. Barack Obama, [Remarks At A Campaign Event](#), Reno, NV, 9/30/08)

- **Obama Said "We Can't Help Banks On Wall Street Without Helping The Millions Of Innocent Homeowners Who Are Struggling To Stay In Their Homes. They Deserve A Plan, Too."** OBAMA: "Second -- second, I said we can't help banks on Wall Street without helping the millions of innocent homeowners who are struggling to stay in their homes. They deserve a plan, too." (Sen. Barack Obama, [Remarks At A Campaign Event](#), Reno, NV, 9/30/08)

**NOW: The Fiscal Times Headline: "Homeowners Not Better Off Now Than Four Years Ago"** (Liz Peek, "Homeowners Not Better Off Now Than Four Years Ago," [The Fiscal Times](#), 9/5/12)

- **"Are We Better Off Than We Were Four Years Ago? 'Absolutely' Chirps Obama's Hallelujah Chorus. 'No Way' Say Struggling Homeowners, And They Have A Point."** "Are we better off than we were four years ago? 'Absolutely' chirps Obama's hallelujah chorus. 'No way' say struggling homeowners, and they have a point. Despite tens of billions of dollars pledged and a veritable barrage of government programs, more than one in five borrowers hold underwater mortgages, just as they did when Obama took office." (Liz Peek, "Homeowners Not Better Off Now Than Four Years Ago," [The Fiscal Times](#), 9/5/12)
- **"The Simple Truth Is That Geithner And Treasury Chose To Never Treat The Foreclosure Crisis, Or Their Promises To Congress To Help Homeowners, With The Same Seriousness And Resolve That They Applied To Rescuing The Banks."** (Neil Barofsky, *Bailout: An Inside Account Of How Washington Abandoned Main Street While Rescuing Wall Street*, 2012, p. 199)

## OBAMA AND HIS OWN ADVISERS ACKNOWLEDGE THEIR POLICIES HAVE FAILED

**"This Summer At The White House, Obama Offered A Rare Acknowledgment That His Response To The Housing Crisis Had Fallen Short."** (Zachary A. Goldfarb, "Obama's Efforts To Aid Homeowners, Boost Housing Market Fall Far Short Of Goals," [The Washington Post](#), 10/23/11)

- **Obama Said That Housing Has Been The "Most Stubborn To Us Trying To Solve The Problem."** OBAMA: "We've had to revamp our housing program several times to try to help people stay in their homes and try to start lifting home values up. But of all the things we've done, that's probably been the area that's been most stubborn to us trying to solve the problem." (President Barack Obama, [Twitter Town Hall](#), Washington, D.C., 7/6/11)
- **Obama Said "I'll Be Honest With You, [Housing] Is Probably The Biggest Drag On The Economy Right Now."** OBAMA: "Well, it's a good question. And I'll be honest with you, this is probably the biggest drag on the economy right now that we have -- along with I know the frustrations people have about gas prices. What we've really seen is the housing market, which was a bubble, had greatly over-inflated in all regions of the country. And I know I probably don't

get a lot of sympathy about that here because I can only imagine what rents and mortgages you guys are paying.” (President Barack Obama, [Remarks By The President At A Facebook Town Hall](#), Palo Alto, CA, 4/20/11)

**Treasury Secretary Geithner: “But Our Programs Have Dramatically Underperformed What We Thought. ... We Are Very Disappointed And Frustrated By It And We Have A Lot Of Challenges Ahead.”** (Treasury Secretary Timothy Geithner, Committee On Financial Services, U.S. House Of Representatives, [Testimony](#), 10/6/11)

- **Geithner Admitted That The Administration’s Housing Programs Have Not Lived Up To Expectations.** “Mr. Geithner said that he agreed that the administration’s efforts had not met expectations, and he pointed to efforts by the Federal Housing Finance Agency to reduce barriers to refinancing, which he said could be introduced next week. ‘We are doing as much as we can with the authority we have to help people caught up in this crisis,’ Mr. Geithner said.” (Binyamin Appelbaum, “Treasury Secretary Urges Quick Action On Jobs Plan,” [The New York Times](#), 10/6/11)

## **OBAMA’S HOUSING FAILURES HAVE HELPED NOWHERE NEAR THE 7 TO 9 MILLION HOMEOWNERS HE PROMISED THEY WOULD HELP**

**PROMISE: Obama Promised That His Housing Program Would Prevent 7 To 9 Million Families From Foreclosure.** OBAMA: “And we will pursue the housing plan I’m outlining today. And through this plan, we will help between 7 and 9 million families restructure or refinance their mortgages so they can afford—avoid foreclosure.” (President Barack Obama, [Remarks On The Home Mortgage Industry](#), Mesa, AZ, 2/18/09)

- **Obama Said That “All Of Us Will Pay An Even Steeper Price If We Allow This Crisis To Deepen – A Crisis Which Is Unraveling Homeownership, The Middle Class, And The American Dream Itself.”** OBAMA: “All of us will pay an even steeper price if we allow this crisis to deepen – a crisis which is unraveling homeownership, the middle class, and the American dream itself.” (President Barack Obama, [Remarks On The Home Mortgage Industry](#), Mesa, AZ, 2/18/09)

**FACT: Obama Promised His Foreclosure Prevention Program Would Help 9 Million Homeowners, But It Has Only Assisted About Two Million Homeowners.** “The foreclosure prevention fund was the heart of his promise. Obama originally pledged \$10 billion but ended up setting aside \$75 billion, using TARP funds. He predicted the money would assist 9 million homeowners. But after three years, only about 2 million people have won permanent mortgage help, according to the Department of Housing and Urban Development.” (Molly Moorhead, “President Barack Obama’s Efforts To Help Foreclosure Crisis Have Fallen Short,” [Politifact](#), 5/28/12)

- **“Obama Didn’t Deliver On His Vow That Day To Avert As Many As 9 Million Foreclosures.”** (Clea Benson, “Obama Housing Fix Faltered On Carrots-Not-Sticks Policy,” [Bloomberg](#), 6/11/12)

## **HOMEOWNERS REMAIN IN A CRISIS WITH MILLIONS EITHER FORECLOSED ON, IN DEFAULT, AND UNDERWATER ON THEIR MORTGAGES**

**RealtyTrac: Obama’s Housing Programs “Have Fallen Short By Overpromising And Underperforming” Meanwhile “4 Million Lost Their Homes To Foreclosure.”** “Obama’s foreclosure assistance efforts have fallen short by overpromising and underperforming. In 2008, Obama promised to help 4 million distressed borrowers, but instead his programs have helped fewer than 800,000 underwater borrowers avoid foreclosure though permanent loan modifications, while 4 million lost their homes to foreclosure.” (Octavio Nuiry, “Foreclosures And The Presidential Race,” [RealtyTrac](#), 8/15/12)

- **As Of August 2012, 5.45 Million Mortgages Are Either In 30 Or More Days Delinquent Or In Foreclosure.** (“LPS ‘First Look’ Mortgage Report: August Month-End Data Shows Continued Decline In Delinquencies,” [Lender Processing Services](#), 9/24/12)

**The Number Of Underwater Homeowners Is “Essentially Unchanged” When Compared To The Outset Of Obama’s Presidency.** “When Obama unveiled his first plan for the housing crisis at the outset

of his presidency, about one in five borrowers owed more on their mortgages than their homes were worth. That number is essentially unchanged, with 24 percent of borrowers underwater in the first quarter of 2012, according to the real estate data firm CoreLogic Inc.” (Hans Nichols, “Obama Campaign Detectives Hunt For Foreclosed Florida Voters,” [Bloomberg](#), 7/18/12)

- **As Of July 2012, 18 Percent Of Homeowners Who Are Current On Their Mortgage Are Underwater.** “Nationally, 18 percent of borrowers who are current on their loan payments are ‘underwater’ (owing more on the mortgage than the home’s current market value), ranging from a low of 0.4 percent in Wyoming to nearly 55 percent in Nevada. As negative equity increases, we see corresponding increases in the number of new problem loans. In Nevada and Florida, two of the states with the highest percentage of underwater borrowers, more than three percent of borrowers who were up to date on their payments are 60 or more days delinquent six months later. This suggests that further home price declines – should they occur – could jeopardize recent improvements.” (“LPS’ July Mortgage Monitor: 18 Percent Of Current Mortgages Underwater,” [Lender Processing Services](#), 9/10/12)
- **“There Are About 11 Million Underwater Homes In The Nation.”** (Alejandro Lazo, “Obama Touts Bill Offering Refinancing To Struggling Homeowners,” [The Washington Post](#), 8/21/12)
- **“To Date, Administration Programs Have Permanently Reduced The Debt Of Just One Tenth Of 1 Percent Of Underwater Borrowers.”** (Zachary A. Goldfarb, “Obama’s Efforts To Aid Homeowners, Boost Housing Market Fall Far Short Of Goals,” [The Washington Post](#), 10/23/11)

**In The First Half Of 2012, Homeownership Remains At Its Lowest Levels Since 1997.** (Press Release, “Residential Vacancies And Homeownership In The Second Quarter 2012,” [Census.gov](#), 7/27/12)

**“Investment In Housing, Which Grew An Average Of Nearly 34 Percent This Far Into Previous Postwar Recoveries, Is Up Just 8 Percent Since The April-June Quarter Of 2009.”** (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)

- **“The Housing Market Has Yet To Return To Anything Close To Full Health Even As Mortgage Rates Have Plunged To Record Lows.”** “Prices fell and remain depressed. The housing market has yet to return to anything close to full health even as mortgage rates have plunged to record lows.” (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)
- **“Home Equity Has Evaporated And Credit Cards Have Been Canceled. Falling Home Prices Have Slashed Home Equity 49 Percent, From \$13.2 Trillion In 2005 To \$6.7 Trillion Early This Year.”** “It’s no mystery why consumers are being frugal. Many have lost access to credit, which fueled their spending in the 2000s. Home equity has evaporated and credit cards have been canceled. Falling home prices have slashed home equity 49 percent, from \$13.2 trillion in 2005 to \$6.7 trillion early this year.” (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)

## **OBAMA’S FAILURE TO FIX THE HOUSING MARKET EXACERBATED THE ALREADY FEEBLE ECONOMY**

***The New York Times* Headline: “Cautious Moves On Foreclosures Haunting Obama”** (Binyamin Applebaum, “Cautious Moves On Foreclosures Haunting Obama,” [The New York Times](#), 8/19/12)

- **“Some Economists And Political Allies Say The Cautious Response To The Housing Crisis Was The Administration’s Most Significant Mistake.”** “The nation’s painfully slow pace of growth is now the primary threat to Mr. Obama’s bid for a second term, and some economists and political allies say the cautious response to the housing crisis was the administration’s most significant mistake.” (Binyamin Appelbaum, “Cautious Moves On Foreclosures Haunting Obama,” [The New York Times](#), 8/19/12)
- **Obama Was “Leaving Unspent Hundreds Of Billions Of Dollars That Congress Had Allocated To Buy Mortgage Loans, Even As Millions Of People Lost Their Homes And The Economic**

**Recovery Stalled Somewhere Between Crisis And Prosperity.** “During his first two years in office, Mr. Obama and his advisers repeatedly affirmed this carefully calibrated strategy, leaving unspent hundreds of billions of dollars that Congress had allocated to buy mortgage loans, even as millions of people lost their homes and the economic recovery stalled somewhere between crisis and prosperity.” (Binyamin Appelbaum, “Cautious Moves On Foreclosures Haunting Obama,” [The New York Times](#), 8/19/12)

**“But Perhaps Most Important Was The Simple Reality That Housing, Left To Fester, Had Become Mr. Obama’s Biggest Economic Problem.”** “Mr. Obama was particularly incensed by mounting evidence that mortgage companies were breaking the law in some foreclosure cases. There was also new research underscoring the costs of foreclosures and the benefits of measures like debt reduction. But perhaps most important was the simple reality that housing, left to fester, had become Mr. Obama’s biggest economic problem.” (Binyamin Applebaum, “Cautious Moves On Foreclosures Haunting Obama,” [The New York Times](#), 8/19/12)

**“Part Of The Current Economic Malaise Can Be Traced Directly To Treasury’s Betrayal Of Its Promise To Use TARP To ‘Preserve Homeownership.’”** (Neil Barofsky, *Bailout: An Inside Account Of How Washington Abandoned Main Street While Rescuing Wall Street*, 2012, p. 226)

**“Housing Has Blown A Giant Smoking Hole In The Middle Of Our Economy, And The Consequences Continue To Impede The Pace Of Recovery.”** “Here’s a reminder about a problem that still doesn’t get the attention that it deserves: Housing has blown a giant smoking hole in the middle of our economy, and the consequences continue to impede the pace of recovery.” (Binyamin Appelbaum, “Measuring Housing’s Drag On The Economy,” [The New York Times](#)’ “[Economix](#),” 2/24/12)

- **“Housing Is More Than Half Of Our Problem.”** “And, the paper [“Housing, Monetary Policy, and the Recovery”] says, ‘more than half the underperformance in this recovery is associated with housing-related sectors.’ Yes, that’s right. Housing is more than half of our problem.” (Binyamin Appelbaum, “Measuring Housing’s Drag On The Economy,” [The New York Times](#)’ “[Economix](#),” 2/24/12)

**Due To Obama’s Inability To Reign In The Recession, More Americans Are Sharing Households, Thus Decreasing Housing Demand And Placing A Bigger Drag On The Economy.** “Economists estimate that there are more than 2 million fewer occupied homes in the country than there would have been had Americans continued forming households at the rate they did before the recession. The slowdown has lowered demand for housing as well as for furnishings and appliances, placing a further drag on the economy.” (Michael A. Fletcher, “Census Bureau: Millions More Americans Shared Households In Face Of Recession,” [The Washington Post](#), 6/20/12)

## DEMOCRATS ARE FURIOUS WITH OBAMA’S FAILURES

**Obama Allies Admit His Housing Policies Have “Fallen Short.”** “The Obama administration has signaled to allies that it will take a more aggressive role this year in protecting homeowners from foreclosure, a posture that fits with Obama’s populist campaign stance. Housing is poised to become a significant issue in the 2012 campaign season and President Obama’s allies acknowledge the administration’s efforts to help homeowners, while well intentioned, have fallen short.” (Alexander Bolton, “White House Signals More Aggressive Stance To Protect Homeowners,” [The Hill](#), 1/15/12)

**Rep. Brad Miller (D-NC): “We Are Five Years Into The Housing Crisis, And We Have Yet To Break The Cycle Of Foreclosures And Declining Home Values.”** “We are five years into the housing crisis, and we have yet to break the cycle of foreclosures and declining home values. Foreclosures caused a decline in home values and the decline in home values caused more foreclosures. Vacant foreclosed homes stigmatized neighborhoods, pushing down home values and priced-to-sell foreclosed homes flooded the market.” (Rep. Brad Miller, “Timothy Geithner’s Secrecy Problem,” [Salon](#), 8/15/12)

- **“The Data Are Inexcusably Imprecise, But There Have Probably Been 3.5 Million Completed Foreclosures Since September 2008.”** (Rep. Brad Miller, “Timothy Geithner’s Secrecy Problem,” [Salon](#), 8/15/12)



- **“More Than 2 Million Mortgages Are In Foreclosure, And 3.8 Million Mortgages Are Delinquent, Almost Half Of Those Are Three Months Past Due.”** (Rep. Brad Miller, “Timothy Geithner’s Secrecy Problem,” [Salon](#), 8/15/12)
- **“In All, About 11.7 Percent Of Mortgages Are Delinquent Or In Foreclosure.”** (Rep. Brad Miller, “Timothy Geithner’s Secrecy Problem,” [Salon](#), 8/15/12)
- **“Home Values Have Dropped By 30 Percent, A \$7 Trillion Loss In Wealth For American Families.”** (Rep. Brad Miller, “Timothy Geithner’s Secrecy Problem,” [Salon](#), 8/15/12)
- **“Approximately One In Four Borrowers Is ‘Underwater,’ Or Owes More On His Or Her Home Than It Is Worth.”** (Rep. Brad Miller, “Timothy Geithner’s Secrecy Problem,” [Salon](#), 8/15/12)
- **“Almost All Middle-Class Families Have Had Their Life’s Savings Evaporate With The Decline In Equity In Their Home, And Families With Little Or No Life’s Savings Are Not Eager Consumers.”** (Rep. Brad Miller, “Timothy Geithner’s Secrecy Problem,” [Salon](#), 8/15/12)
- **“There Are Still Untold Millions Of Homes In The ‘Shadow Inventory,’ Homes Not Yet On The Market But Already Owned By Banks Or Hopelessly Delinquent And Destined For Foreclosure.”** (Rep. Brad Miller, “Timothy Geithner’s Secrecy Problem,” [Salon](#), 8/15/12)

**Rep. Zoe Lofgren (D-NC): Said That The Obama Administration Was “Not Aggressive In Taking The Steps That Could Have Been Taken.”** ““They were not aggressive in taking the steps that could have been taken,” said Representative Zoe Lofgren, chairwoman of the California Democratic caucus. ‘And as a consequence they did not interrupt the catastrophic spiral downward in our economy.’” (Binyamin Applebaum, “Cautious Moves On Foreclosures Haunting Obama,” [The New York Times](#), 8/19/12)

**Rep. Barney Frank (D-MA) Believes “The Administration Needs To Do Something Comprehensive On Housing.”** “Frank said the economy is showing good movement but argues to achieve a full recovery the administration needs to do something comprehensive on housing. ‘There’s a lot of conversation going on,’ Frank said of talks with the administration to find solutions that do not require the expenditure of taxpayer money, a constraint during a time of record budget deficits. He expressed disappointment the Department of Housing and Urban Development did not do more to take advantage of the \$1 billion Congress made available to it temporarily to help unemployed homeowners.” (Alexander Bolton, “White House Signals More Aggressive Stance To Protect Homeowners,” [The Hill](#), 1/15/12)

**Rep. Dennis Cardoza (D-CA): “The Administration Has Simply Not Done A Darn Thing To Help My Constituents.”** ““They don’t get it,’ Rep. Dennis Cardoza of Atwater said at a Capitol Hill news conference. ‘The administration has simply not done a darn thing to help my constituents.’” (Richard Simon and Jim Puzzanghera, “Do Something About Foreclosures, California Democrats Urge Obama,” [Los Angeles Times](#), 10/12/11)

- **Rep. Cardoza: The Administration Has “Not Gotten It Right Over And Over And Over” And Shows A “Total Lack Of Urgency.”** “Cardoza, whose Central Valley district has been especially hard hit by foreclosures, was among the harshest critics, saying the problem has been exacerbated by an administration that has ‘not gotten it right over and over and over.’ He complained that administration officials have displayed a ‘total lack of urgency’ in addressing the crisis.” (Richard Simon and Jim Puzzanghera, “Do Something About Foreclosures, California Democrats Urge Obama,” [Los Angeles Times](#), 10/12/11)

**Rep. Anna Eshoo (D-CA): “It’s Not Enough... There Are Two Million Underwater Homeowners In California Alone.”** Rep. Anna Eshoo (D-Calif.) said Obama ‘took a positive first step’ with the changes, but ‘it’s not enough.’ ‘Up to a million families nationally could be helped,’ Eshoo said in an email, ‘but there are two million underwater homeowners in California alone.’” (Mike Lillis, “Larson: More Needs To Be Done On Housing,” [The Hill](#), 10/25/11)

**Rep. Jim Costa (D-CA): “Tweaks Alone Will Not Solve The Housing Crisis.”** “Rep. Jim Costa agreed. The California Democrat, who represents a district that's been decimated by the housing bust, said the FHFA changes are ‘too little, too late.’ ‘Tweaks alone will not solve the housing crisis,’ Costa said Monday in a statement. ‘We need wholesale change to our disjointed housing policy.’” (Mike Lillis, “Larson: More Needs To Be Done On Housing,” [The Hill](#), 10/25/11)

- **Rep. Costa: “We're Sick And Tired Of The Administration's Inability To Provide Meaningful Fixes For The Housing Crisis.”** “‘He knows we're not satisfied,’ Costa said. ‘He knows we're sick and tired of the administration's inability to provide meaningful fixes for the housing crisis.’” (Michael Doyle, “Valley Dems Blast Federal Housing Official,” [The Fresno Bee](#), 10/6/11)

**“House Democrats, Including Reps. Dennis Cardoza, D-Merced, And Jim Costa, D-Fresno, Are Right To Be Steamed Over The Obama Administration's Lack Of Action On A Plan To Help Struggling Homeowners.”** “House Democrats, including Reps. Dennis Cardoza, D-Merced, and Jim Costa, D-Fresno, are right to be steamed over the Obama administration's lack of action on a plan to help struggling homeowners. In a private meeting last week with Edward DeMarco, the acting head of the Federal Housing Finance Agency, Costa, Cardoza and 15 other Democrats, mostly from California, demanded to know when a revamped housing program would be made available by the administration. The answer? In a few weeks.” (Editorial, “OUR VIEW: It's Past Time For Action To Help US Homeowners,” [The Bakersfield Californian](#), 10/8/11)

## II. OBAMA'S "ALPHABET SOUP" OF FAILED PROGRAMS

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**"The Alphabet Soup Of Housing Assistance Programs To Date -- HAMP, HARP, EHLP, 2MP -- Have Been Too Poorly Administered And Too Limited In Scope And Eligibility To Slow Or Halt The Slide In The U.S. Housing Market."** (Eric Wieffering, "Fixing Economy Requires More Work On Housing," [Star Tribune](#), 9/17/11)

- **"Every Program Has Fallen Far Short Of Goals."** "'Every program has fallen far short of goals. I can't think of one that's been largely successful,' says John Dodds, director of the Philadelphia Unemployment Project, a non-profit that's been involved in foreclosure prevention for decades." (Julie Schmit, "What Went Wrong With Foreclosure Aid Programs," [USA Today](#), 12/12/11)
- **"I Don't Think There's Much Doubt, Even Within The Administration, That The (Foreclosure Assistance) Programs Overpromised And Underperformed — Embarrassingly So,' Said Ken Harney, Who Writes A Weekly Syndicated Real Estate Column."** (Molly Moorhead, "President Barack Obama's Efforts To Help Foreclosure Crisis Have Fallen Short," [Politifact](#), 5/28/12)
- **Alex Schwartz, Author Of The Book *Housing Policy In The United States*: "Obama's Program Was Overly Complicated."** "'Obama's program was overly complicated, it was voluntary, it was at a retail level, requiring people to call in and work with individual servicers. It was a mess,' Schwartz said." (Molly Moorhead, "President Barack Obama's Efforts To Help Foreclosure Crisis Have Fallen Short," [Politifact](#), 5/28/12)

**Obama's Initiatives Were Ones "Whose Complexity Slowed Their Implementation And Whose Modesty Left Millions Of Mortgage Payers Without Adequate Support."** "All that the Administration then offered to those on the bitter receiving end of all this new financial rigor were a series of modest initiatives to help homeowners restructure their mortgage debt, initiatives whose complexity slowed their implementation and whose modesty left millions of mortgage payers without adequate support." (David Coates, "The Unfinished Business Of The Obama Administration: The Foreclosure Crisis," [The Huffington Post](#), 7/10/12)

### OBAMA CAME INTO OFFICE WITHOUT A PLAN TO AGGRESSIVELY TACKLE THE FORECLOSURE CRISIS

**During Discussions About The Stimulus, Obama Said, "We Will Not Roll Out An Aggressive Housing Plan."** "What about the thousands of homeowners who owed more on their mortgages than their homes were worth? asked Durbin. 'We will not roll out an aggressive housing plan,' Obama said, and it would not be part of the stimulus bill." (Bob Woodward, *The Price Of Politics*, 2012, p. 8)

- **"The Housing Problem Was Massive And Baffling, And None Of Them Had Solid Ideas For Fixing It."** (Bob Woodward, *The Price Of Politics*, 2012, p. 8)

**"For Thus Far, This Administration's Failures – In Domestic Policy At Least – Are More The Product Of Doing Too Little Too Late, Than Of Doing Too Much Too Soon. Nowhere Is That Failure Clearer Than In The Administration's Inept Handling Of The Home Foreclosure Crisis."** (David Coates, "The Unfinished Business Of The Obama Administration: The Foreclosure Crisis," [The Huffington Post](#), 7/10/12)

- **Foreclosures Soared "Only Because The Administration Failed To Act With A Speed And Effectiveness Appropriate To The Occasion. It Is A Failure That May Yet Bring A Heavy Electoral Price."** "The housing crisis then played itself out predominantly on Obama's own watch; with the numbers of foreclosures soaring as they did only because the Administration failed to act with a speed and an effectiveness appropriate to the occasion. It is a failure that may yet bring a heavy electoral price." (David Coates, "The Unfinished Business Of The Obama Administration: The Foreclosure Crisis," [The Huffington Post](#), 7/10/12)



- **“The Incoming Obama Administration Failed To Reset And Rescale Its Help To Struggling Homeowners When The Causes Of The Foreclosure Crisis Changed.”** “Hampered initially by moral hazard concerns -- reluctant, that is, to do more than marginally bailout homeowners who had foolishly borrowed more than they could ever hope to repay -- the incoming Obama Administration failed to reset and rescale its help to struggling homeowners when the causes of the foreclosure crisis changed.” (David Coates, “The Unfinished Business Of The Obama Administration: The Foreclosure Crisis,” [The Huffington Post](#), 7/10/12)

**Rep. Brad Miller (D-NC): “Team Geithner Opposed Every Policy Proposal That Would Have Relieved Homeowners Of Some Mortgage Debt To Avoid Foreclosure...”** “Team Geithner acknowledges the economic burden of the housing crisis, but argues that they really have tried everything. In fact, Team Geithner opposed every policy proposal that would have relieved homeowners of some mortgage debt to avoid foreclosure, beginning with amending the bankruptcy law to allow judicial modification of home mortgages, or ‘cramdown.’” (Rep. Brad Miller, “Timothy Geithner’s Secrecy Problem,” [Salon](#), 8/15/12)

- **“Team Geithner’s Response To The Banking Crisis Necessarily Made An Effective Response To The Housing Crisis Impossible, However.”** “Team Geithner’s response to the banking crisis necessarily made an effective response to the housing crisis impossible, however. It is hard to understand how the economy could get well with the housing sector that sick.” (Rep. Brad Miller, “Timothy Geithner’s Secrecy Problem,” [Salon](#), 8/15/12)
- **“Team Geithner Never Publicly Acknowledges The Fundamental Policy Choice Of Allowing Banks To Delay Recognizing Losses Over Helping Underwater Families Avoid Foreclosure.”** “Perhaps more important, the policy debate that Yglesias described has never occurred. Team Geithner’s policies may be defensible, but they have not been defended publicly. Team Geithner may acknowledge to some trusted reporters “on background” the reasoning behind their policy decisions, but Team Geithner never publicly acknowledges the fundamental policy choice of allowing banks to delay recognizing losses over helping underwater families avoid foreclosure.” (Rep. Brad Miller, “Timothy Geithner’s Secrecy Problem,” [Salon](#), 8/15/12)

## **OBAMA’S HOUSING POLICIES WERE “DESIGNED TO LOOK GOOD IN A PRESS RELEASE”**

**As Early As July 2009, Obama “Was Eager To Claim Credit” For Good Housing News, But “The Celebration Was Premature.”** “In late July, eager to claim credit, the president bounded onto a high school stage in Raleigh, N.C. ‘We knew that ending our immediate economic crisis would require ending the housing crisis, where it began, or at least slowing down the pace of foreclosures,’ he said. ‘We didn’t stop every foreclosure. We couldn’t help every single homeowner who had gotten overextended, but folks who could make their payments with a little bit of help, we were able to keep them in their homes.’ The celebration was premature.” (Binyamin Appelbaum, “Cautious Moves On Foreclosures Haunting Obama,” [The New York Times](#), 8/19/12)

**Former FDIC Chair Sheila Bair: “HAMP Was A Program Designed To Look Good In A Press Release, Not To Fix The Housing Market.”** “HAMP was a program designed to look good in a press release, not to fix the housing market. Larry and Tim didn’t seem to care about the political beating the president took on the hundreds of billions of dollars thrown at the big-bank bailouts and AIG bonuses, but when it came to home owners, it was a very different story. I don’t think helping home owners was ever a priority for them.” (Sheila Bair, *Bull By The Horns*, 2012, p. 153)

**Former SIGTARP Head Neil Barofsky: Treasury’s Modus Operandi Consisted Of “Announcements Intended To ‘Shock And Awe’ The Media That Made For Good Sound Bites But Were Not Particularly Well Thought Out; Then, Weeks Later, Scattered And Incomplete Details That Had To Be Reworked On The Fly.”** “That became Treasury’s modus operandi: first, announcements intended to

‘shock and awe’ the media that made for good sound bites but were not particularly well thought out; then, weeks later, scattered and incomplete details that had to be reworked on the fly. And finally, poor program execution that accomplished little, if any, of the originally announced goals.” (Neil Barofsky, *Bailout: An Inside Account Of How Washington Abandoned Main Street While Rescuing Wall Street*, 2012, p. 124)

- **Barofsky: HAMP’s New Initiatives “Bore The Marks Of Being Hastily Rushed Out For Political Purposes: They Were Incomplete And Poorly Thought Out, And The Treasury Officials Charged With Implementing Them Couldn’t Even Explain How Certain Aspects Of Them Would Work.”** “The new initiatives bore the marks of being hastily rushed out for political purposes: they were incomplete and poorly thought out, and the Treasury officials charged with implementing them couldn’t even explain how certain aspects of them would work, including answering basic questions about the HAMP incentive payments.” (Neil Barofsky, *Bailout: An Inside Account Of How Washington Abandoned Main Street While Rescuing Wall Street*, 2012, p. 196)

**The White House Often Had Overlapping Housing Initiatives.** “When the administration changed its programs in response to the complaints, not everyone viewed it as an improvement. Having a set of overlapping initiatives, each with its own regulations, was difficult enough.” (Clea Benson, “Obama Housing Fix Faltered On Carrots-Not-Sticks Policy,” [Bloomberg](#), 6/11/12)

- **Obama’s Housing Policy Changes “Were More Tweaks Than Sweeping Reforms.”** “The president’s speech all but acknowledged that the recent changes were more tweaks than sweeping reforms. He urged his audience to pressure lawmakers to allow underwater borrowers with privately backed mortgages to switch into cheaper government loans.” (Clea Benson, “Obama Housing Fix Faltered On Carrots-Not-Sticks Policy,” [Bloomberg](#), 6/11/12)
- **Obama’s Foreclosure Prevention Programs “Have Had Little Impact On The Overall Housing Sector.”** “The administration is already using taxpayer funds from its \$700 billion bank bailout program to help prevent foreclosures and give struggling Americans a reprieve on their mortgage payments. But the programs have had little impact on the overall housing sector.” (“White House Says Needs To Deal With Housing Problems,” [Reuters](#), 6/5/11)

**Georgetown Law Professor Adam Levitin Says “The Administration Has Done Nothing To Produce A Housing Policy Apparatus.”** “The lack of accountability for housing policy is especially galling in 2012 because for years we’ve had people saying ‘housing is at the center of our economic troubles,’ and yet the administration has done nothing to produce a housing policy apparatus. You can see this in where they put HAMP, they put this in Treasury. Prior to 2008, Treasury had zero experience in housing.” (Matt Stoller, “U.S. Housing Policy: ‘Absolutely Insane,’” [Salon](#), 8/3/12)

## **HOME AFFORDABLE MODIFICATION PROGRAM (HAMP)**

### **HAMP FAILED TO HELP ANYWHERE NEAR THE FOUR MILLION INTENDED AND MAY HAVE MADE SOME HOMEOWNERS WORSE OFF**

**Former SIGTARP Head Neil Barofsky: HAMP “Did Almost Nothing To Address Some Of The Most Fundamental Problems That Plagued The Housing Market.”** “When more details of the plan were finally announced, though, they didn’t include several of our recommendations, including up-front income and residence verifications. I could also see that the plan did almost nothing to address some of the fundamental problems that plagued the housing market. For example, although the problem of underwater mortgages was and continues to be at the heart of the foreclosure crisis, there was no component in HAMP that meaningfully addressed reducing the amount of principal owed by home owners on their mortgages. Nor was there relief for the unemployed borrowers; HAMP participants



needed to demonstrate a minimum income in order to participate.” (Neil Barofsky, *Bailout: An Inside Account Of How Washington Abandoned Main Street While Rescuing Wall Street*, 2012, p. 124)

**Only 1 Million Homeowners Have Received Loan Modifications Through Obama’s Housing Programs, Far Short Of Its Goal Of 3 To 4 Million.** “Only about 1 million homeowners have received permanent loan modifications through administration housing initiatives, which officials had hoped would modify 3 million to 4 million mortgages through 2012.” (Alejandro Lazo, “Obama Touts Bill Offering Refinancing To Struggling Homeowners,” [The Washington Post](#), 8/21/12)

**“As Of May, 4.3 Million People Had Applied For Aid, But Only One Million Had Received Government-Sponsored Modifications.”** “The result was a plan that failed to meet even its own modest goals, data shows. Mr. Obama said in Arizona a few weeks after taking office that the government would help ‘as many as three to four million homeowners to modify the terms of their mortgages to avoid foreclosure.’ As of May, 4.3 million people had applied for aid, but only one million had received government-sponsored modifications, according to the most recent data.” (Binyamin Applebaum, “Cautious Moves On Foreclosures Haunting Obama,” [The New York Times](#), 8/19/12)

- **“By The End Of 2010, Nearly Two Years Into The Program’s Operation, Only About 522,000 Successful Permanent Modifications Had Been Completed.”** “As we had predicted, the financial incentives were not enough. By the end of 2010, nearly two years into the program’s operation, only about 522,000 successful permanent modifications had been completed. The government had spent about \$2 billion on the program. The number of proprietary modifications—those that banks and servicers had done on their own outside of the program—was four times as high. (Of course, many of these provided no meaningful payment relief.) In the spring of 2011, Tim finally publicly acknowledged that the HAMP financial incentives were not strong enough to achieve the program’s ambitious objectives but failed to announce any meaningful reforms to the program. And he essentially blamed the servicers for the program’s failures. At the same time, neither Treasury nor the big servicers’ primary regulator, the OCC, took any effective action to punish those servicers and make them hire enough staff and training to execute the program effectively.” (Sheila Bair, *Bull By The Horns*, 2012, p. 152)

## **HAMP LEFT SOME HOMEOWNERS WORSE OFF THAN BEFORE**

**The HAMP Program Left Some Homeowners Worse Off Than Before.** “The government’s mortgage-modification program has left some struggling homeowners worse off than they were before. . . While awaiting answers, some borrowers keep making payments, exhausting their savings in what may be a futile effort to save their homes. They also incur fees from the banks and delay taking action that might give them a fresh start in a more affordable home.” (James R. Hagerty, “Loan Aid Leaves Some Worse Off,” [The Wall Street Journal](#), 5/18/10)

- **The Obama Administration Originally Pushed Banks To Modify Loans Before Checking If Homeowners Were Even Eligible.** “Eager for quick results, the Obama administration last year prodded banks to start people on trials without first obtaining documents proving they were eligible. That has led to many crushed hopes. The Treasury earlier this year changed its rules and told banks to start trials only after getting documents that proved borrowers qualified.” (James R. Hagerty, “Loan Aid Leaves Some Worse Off,” [The Wall Street Journal](#), 5/18/10)

**One In Five Borrowers Helped By HAMP Since 2009 Have Slipped Back Into Default.** “What the officials don’t emphasize is that one in five borrowers helped by the government’s mortgage modification program since 2009 has slipped back into default.” (Clea Benson, “Obama Housing Fix Faltered On Carrots-Not-Sticks Policy,” [Bloomberg](#), 6/11/12)

- **HAMP Re-Default Rates Remain Troubling.** “The program’s record has improved and re-default rates have dropped, but they’re still troubling. As of March, more than 19% of all borrowers with

HAMP modifications are at least two payments behind twelve months after their loans have been modified.” (Les Christie August, “Obama’s Housing Scorecard,” [CNN Money](#), 8/31/11)

## **HAMP WAS CREATED MORE FOR “SPLASH THAN SUBSTANCE”**

### **Former FDIC Chair Sheila Bair Said Tim Geithner And Larry “Created The Home Affordable Modification Program, Obama’s Main Plan To Aid Homeowners, More For Splash Than Substance.”**

“She said Geithner and Lawrence H. Summers, Obama’s former National Economic Council director, created the Home Affordable Modification Program, Obama’s main plan to aid homeowners, more for splash than substance.” (Zachary A. Goldfarb and Brady Dennis, “Sheila Bair, In New Book, Faults Obama And Bush Advisers During Financial Crisis,” [The Washington Post](#), 9/25/12)

**Treasury Rushed Out A “Poorly Designed Program” And Then Repeatedly Changed The Guidelines.** “Barofsky says Treasury had to have known that servicers were ‘totally unequipped’ to handle HAMP when it launched. Still, it rushed out a ‘poorly designed program,’ he says. Servicers say changing program guidelines made it tough to implement the government programs.” (Julie Schmit, “What Went Wrong With Foreclosure Aid Programs,” [USA Today](#), 12/12/11)

- **Treasury Made 100 Changes To The HAMP Program In A Three-Month Period.** “In a three-month period, Treasury made 100 changes to HAMP, making it ‘physically impossible’ for servicers to keep up, said Barbara Desoer, president of Bank of America Home Loans, in a recent speech to community leaders in San Francisco.” (Julie Schmit, “What Went Wrong With Foreclosure Aid Programs,” [USA Today](#), 12/12/11)

**Former SIGTARP Head Neil Barofsky: “Treasury Had Failed To Ensure That The Servicers Had The Necessary Infrastructure To Support A Massive Mortgage Modification Program.”** “We soon verified what we had suspected: Treasury had failed to ensure that the servicers had the necessary infrastructure to support a massive mortgage modification program.” (Neil Barofsky, *Bailout: An Inside Account Of How Washington Abandoned Main Street While Rescuing Wall Street*, 2012, p. 133)

- **On HAMP, “It Could Be More Profitable For A Servicer To Drag Out Trial Modifications And Eventually Foreclose Than To Award Borrowers Quick Permanent Modifications.”** “Aggravating the problem was that the design of the program potentially rewarded servicers who ‘lost’ documents: it could be more profitable for a servicer to drag out trial modifications and eventually foreclose than to award borrowers quick permanent modifications.” (Neil Barofsky, *Bailout: An Inside Account Of How Washington Abandoned Main Street While Rescuing Wall Street*, 2012, p. 152)

**Treasury Modified Its Original Goal Of Assessing The Progress Of HAMP From Helping “3 To 4 Million Home Owners” To Making “3 To 4 Million Offers For Trial Modifications.”** “After we sent a draft to Treasury, Allison made the absurd claim to us that the program had never been intended to help the 3 to 4 million home owners that the president cited in his speech announcing the program actually stay in their homes through permanent modifications. Instead, he said, the goal had always been to make 3 to 4 million offers for trial modifications.” (Neil Barofsky, *Bailout: An Inside Account Of How Washington Abandoned Main Street While Rescuing Wall Street*, 2012, p. 193)

**Mortgage Servicers Say That HAMP Is Not Working Because Of The “Numbing Complexity” Of The Program’s Requirements.** “Mortgage servicers on Thursday told U.S. House lawmakers that consecutive changes to the U.S. Treasury Department’s foreclosure prevention program have made it increasingly difficult to keep distressed borrowers in their homes. Real-estate financial services consultant Edward Pinto described the Home Affordable Modification Program in two words: ‘numbing complexity.’” (Darrell A. Hughes, “Mortgage Servicers Blast Administration’s Homeowner Aid Program,” [Dow Jones Newswires](#), 6/24/10)

- **Due To “Ever Changing Regulations” The “HAMP Pipeline Became Clogged.”** “At last count, HAMP had 800 requirements and servicers are expected to certify compliance,’ he said. ‘With ever changing regulations, a constant need to re-evaluate past decisions in light of new regulations, and



multiple appeals, it is no wonder that the HAMP pipeline became clogged through no substantial fault of servicers.” (Darrell A. Hughes, “Mortgage Servicers Blast Administration’s Homeowner Aid Program,” [Dow Jones Newswires](#), 6/24/10)

## **HOME AFFORDABLE REFINANCE PROGRAM (HARP)**

### **HARP 1.0 HELPED LESS THAN HALF THAT OBAMA HOPED IT WOULD**

**HARP Will Likely Help Less Than Half The Number Of Homeowners Than Intended.** “HARP was intended to help 4 million to 5 million homeowners. While it was recently overhauled to encourage more refinancings, federal officials now say it will help fewer than 2 million borrowers by the end of 2013, when it expires.” (Julie Schmit, “What Went Wrong With Foreclosure Aid Programs,” [USA Today](#), 12/12/11)

- **James Parrott, White House Economic Advisor: HARP “Hasn’t Worked.”** “So far, only 894,000 borrowers have used it, of which just 70,000 are significantly underwater. ‘It hasn’t worked,’ said James Parrott, a White House economic adviser, in a speech last month.” (Nick Timiraos, “Home Lending Revamp Planned,” [The Wall Street Journal](#), 10/24/11)
- **In The First Quarter Of 2012, HARP Helped 180,000 Homeowners, Yet Only 4,400 Of Those Where The Most Deeply Troubled Borrowers.** “A recent revamp of the separate refinancing program helped 180,000 homeowners in the first quarter of this year, but only 4,400 of them were the most deeply troubled borrowers -- those whose loans exceed the value of their homes by at least 25 percent.” (Clea Benson, “Obama Housing Fix Faltered On Carrots-Not-Sticks Policy,” [Bloomberg](#), 6/11/12)

**“The Latest Refinance Campaign Comes After Many Of The Administration’s Efforts To Stem Foreclosures And Aid Struggling Borrowers Stumbled.”** (Alejandro Lazo, “Obama Touts Bill Offering Refinancing To Struggling Homeowners,” [The Washington Post](#), 8/21/12)

- **“And Yet, Despite Years Of Effort, In The All-Important Domain Of Housing Finance, The White House Has Proven Itself Unable To Execute Its Agenda.”** “The collapse of the housing sector precipitated the economic crash. Fixing it is crucial to enabling a sustainable recovery. And yet, despite years of effort, in the all-important domain of housing finance, the White House has proven itself unable to execute its agenda.” (Andrew Leonard, “Obama’s Fannie Mae Failure,” [Salon.com](#), 6/15/12)

### **OBAMA’S HARP 2.0 CAME TOO LATE AND HELPED TOO FEW**

**Obama Announced Changes To HARP As Part Of His “We Can’t Wait” Initiative.** “President Barack Obama will announce on Monday new terms for a federal mortgage refinancing program to help homeowners facing foreclosure, an executive branch action that intends to address some economic challenges without having to deal with congressional Republicans. ‘Using the mantra ‘We Can’t Wait,’ the president will kick off an effort to put pressure on Congress to pass the American Jobs Act by highlighting a series of executive actions that his administration will take without help from Republicans in Congress,’ a White House official told POLITICO’s Playbook Monday.” (Tim Mak and Josh Boak, “Obama On Housing: ‘We Can’t Wait,’” [Politico](#), 10/24/11)

**HARP 2.0 Has Provided 25,000 Loans A Month; HARP 1.0 Provided 29,000 A Month.** “Between its inception in April 2009 and the third quarter of 2011, HARP has provided about 930,000 loans in total, or about 29,000 per month. Under HARP 2.0, which began to take effect in late December, the rate of new loans has been about 25,000 loans per month, based on Donovan’s numbers.” (Suzy Khimm, “Obama’s HARP 2.0 Hasn’t Achieved Lift-Off Yet,” [The Washington Post’s WonkBlog](#), 2/28/12)

- **“We’re Not Talking About A Program Going To Make A Significant Dent In The Market.”** “The large volume of new applicants could bump those numbers up significantly in the next few

months. But even if all 300,000 applicants received new loans, that's just a drop in the bucket, according to Chris Mayer, a Columbia real estate finance professor. He points out that there are about 25 million homeowners who could benefit from refinancing — 8 million if you whittle it down to the more distressed homeowners. 'If we're talking about millions, we're not talking about a program going to make a significant dent in the market,' he said." (Suzy Khimm, "Obama's HARP 2.0 Hasn't Achieved Lift-Off Yet," [The Washington Post's "WonkBlog,"](#) 2/28/12)

**HARP Revisions Will Help Only A Few Homeowners And Will Not Improve The Economy.** "In sum, the revised HARP program will help a few homeowners and investors at taxpayers' expense. It will release refinancing lenders from liability. And most disappointing, it may have no discernible effect on improving our economy." (Jerry Chautin, "HARP Is Harping On The Wrong Solution And Bilking Taxpayers," [The Huffington Post,](#) 11/29/11)

## **TARP'S HARDEST HIT FUND (HHF)**

### **HHF HAS NO GOALS NOR METRICS, AND MOST IMPORTANTLY, NO RESULTS**

**"Federal Bailout Funds That Went To The So-Called Hardest-Hit States To Develop Their Own Foreclosure Programs — California Was The Largest Recipient — Have Gone Largely Unspent."**

(Alejandro Lazo, "Obama Touts Bill Offering Refinancing To Struggling Homeowners," [The Washington Post,](#) 8/21/12)

**SIGTARP: "Treasury Obligated \$45.6 Billion To Housing Support Programs, Of Which \$4.5 Billion, Or 10%, Has Been Expended As Of June 30, 2012."** "Treasury obligated \$45.6 billion to housing support programs, of which \$4.5 billion, or 10%, has been expended as of June 30, 2012. However, some of the expended funds remain as cash on hand or paid for administrative expenses at state housing finance agencies ("HFAs") participating in the Hardest Hit Fund program." ("Quarterly Report To Congress," [Office Of The Special Inspector General For The Troubled Asset Relief Program,](#) p.65, 7/25/12)

- **Of The \$7.6 Billion Treasury Allocated To The Hardest Hit Fund, Only 5 Percent Of Those Funds Have Gone To Help 43,580 Homeowners.** "Treasury allocated \$7.6 billion to the Hardest Hit Fund. As of March 31, 2012, only 5% of those funds have gone to help 43,580 homeowners. HFAs have drawn down \$1.1 billion, as of June 30, 2012, but not all of that has gone to assist homeowners." ("Quarterly Report To Congress," [Office Of The Special Inspector General For The Troubled Asset Relief Program,](#) p.65, 7/25/12)

**HHF Has Spent Only 3 Percent Of The TARP Funds Allocated To It And Helped 7 Percent Of The Minimum Number Of Homeowners That State Housing Finance Agencies Estimate Helping Over The Life Of The Program.** "In its audit, SIGTARP reported that as of December 31, 2011, the latest data then available, HHF had spent only \$217.4 million to provide assistance to 30,640 homeowners — approximately 3% of the TARP funds allocated to HHF and approximately 7% of the minimum number of homeowners the state HFAs estimate helping over the life of the program." ("Quarterly Report To Congress," [Office Of The Special Inspector General For The Troubled Asset Relief Program,](#) p.183, 7/25/12)

**HHF Benefits Reached Just 54 Households in New Jersey By The End of 2011 And Only 4,357 In California, A State That Received 48,422 Foreclosure Notices In February Alone.** Thus, many of the state initiatives financed by the Hardest Hit Fund have failed to reach significant numbers of homeowners thus far. In New Jersey, for instance, just 54 households had benefited as of the end of 2011. In California, where 48,422 houses received a foreclosure notice in February alone, the program has aided just 4,357 homeowners. (Annie Lowrey, "Treasury Faulted In Effort To Relieve Homeowners," [New York Times,](#) 4/12/12)

**The Hardest Hit Fund Has Experienced Significant Delay In Providing Help To Homeowners.** "Under HHF, TARP dollars are meant to fund "innovative measures" developed by 19 state housing



finance agencies (“HFAs”). SIGTARP found that after two years, HHF has experienced significant delay in providing help to homeowners due to several factors, including a lack of comprehensive planning by Treasury and a delay and limitation in participation in the program by large servicers, and the GSEs Fannie Mae and Freddie Mac.” (“Quarterly Report To Congress,” [Office Of The Special Inspector General For The Troubled Asset Relief Program](#), p.183, 7/25/12)

**“Treasury Has Not Set Measurable Goals And Metrics That Would Allow Treasury, The Public, And Congress To Measure The Progress And Success Of HHF.”** “Treasury has not set measurable goals and metrics that would allow Treasury, the public, and Congress to measure the progress and success of HHF. Treasury does require states to estimate the number of households to be assisted by their HHF programs, but this number has limited usefulness because states can, and have, changed estimates, creating a shifting baseline that makes it difficult to measure performance against expectations.” (“Quarterly Report To Congress,” [Office Of The Special Inspector General For The Troubled Asset Relief Program](#), p.30, 7/25/12)

- **Treasury Has Not Adopted Nor Reported The States’ Measure For Estimating The Number Of Homeowners Assisted By HHF, Despite Evidence Of A Decrease In The Past Year.** “The states’ estimated number of homeowners to be assisted by the Hardest Hit Fund has steadily decreased over the last year. Treasury has not adopted this estimate or even reported it.” (“Quarterly Report To Congress,” [Office Of The Special Inspector General For The Troubled Asset Relief Program](#), p.30, 7/25/12)

TABLE 2.18

HHF FUNDING OBLIGATED AND DRAWDOWNS BY STATE, AS OF 6/30/2012		
Recipient	Amount Obligated	Amount Drawn*
Alabama	\$162,521,345	\$28,000,000
Arizona	267,766,006	21,255,000
California	1,975,334,096	217,490,000
Florida	1,057,839,136	89,800,000
Georgia	339,255,819	38,200,000
Illinois	445,603,557	96,500,000
Indiana	221,694,139	22,000,000
Kentucky	148,901,875	24,000,000
Michigan	498,605,738	47,317,776
Mississippi	101,888,323	7,641,624
Nevada	194,026,240	17,922,000
New Jersey	300,548,144	22,513,704
North Carolina	482,781,786	128,000,000
Ohio	570,395,099	96,100,000
Oregon	220,042,786	107,501,070
Rhode Island	79,351,573	26,000,000
South Carolina	295,431,547	40,000,000
Tennessee	217,315,593	31,315,593
Washington, DC	20,697,198	10,034,860
<b>Total</b>	<b>\$7,600,000,000</b>	<b>\$1,071,591,627</b>

Source: Treasury, response to SIGTARP data call, 7/5/2012.

\*Amount drawn includes funds for program expenses (direct assistance to borrowers), administrative expenses, and cash-on-hand.

“Quarterly Report To Congress,” Office Of The Special Inspector General For The Troubled Asset Relief Program, p.185, 7/25/12

**Accountability Of How TARP Funds Are Used.”** “However, HHF is a TARP program, the source of the funds is TARP, and Treasury is the steward over TARP. Congress and the public are rightfully entitled to increased transparency and accountability of how TARP funds are used.” (“Quarterly Report To Congress,” [Office Of The Special Inspector General For The Troubled Asset Relief Program](#), p.185, 7/25/12)

**Treasury Is Not Acknowledging That HHF Is Not Reaching Enough Homeowners, Nor Is It Setting Meaningful Goals For The Program And Judging Its Progress.** “Rather than acknowledge that after more than two years, HHF is not reaching enough homeowners and make changes suggested by SIGTARP that are designed to measure progress and ultimately reach those homeowners, Treasury is not adopting SIGTARP’s recommendation. Rather than set meaningful goals for HHF and measure progress against those goals, Treasury chooses instead to rely on its requirement that each state estimate the number of households to be assisted. This number has limited usefulness.” (“Quarterly Report To Congress,” [Office Of The Special Inspector General For The Troubled Asset Relief Program](#), p.183-184, 7/25/12)

- **“Congress And The Public Are Rightfully Entitled To Increased Transparency And**

## **EMERGENCY HOMEOWNER LOAN PROGRAM (EHLP)**

### **EHLP WAS BOTCHED BY THE OBAMA ADMINISTRATION AND HELPED LESS THAN HALF THEY HAS HOPED IT WOULD**

**The Emergency Homeowner Loan Program Was Botched By HUD And Helped Less Than 12,000 Of The 30,000 Originally Targeted.** “The \$1 billion Emergency Homeowner Loan Program was open to homeowners in 32 states who were ineligible for aid from a \$7.6 billion fund for homeowners in 18 states hardest hit by the recession and falling home prices. HUD took too long to launch the program, which didn't leave enough time to get applicants through an onerous application process, consumer advocates say. Instead of helping 30,000 homeowners as first intended, the program is on track to help fewer than 12,000, HUD's preliminary data show.” (Julie Schmit, “What Went Wrong With Foreclosure Aid Programs,” [USA Today](#), 12/12/11)

- **“That ‘Is An Absolute Disgrace,’ Says Ira Rheingold, Executive Director Of The National Association Of Consumer Advocates.”** (Julie Schmit, “What Went Wrong With Foreclosure Aid Programs,” [USA Today](#), 12/12/11)

**The Emergency Homeowners' Loan Program Is “The Most Recent Example Of Such An Effort Falling Short Of Goals.”** “A federal initiative that gives bridge loans to homeowners struggling to make mortgage payments will likely pay out less than half the \$1 billion that Congress allotted for the program, the most recent example of such an effort falling short of goals.” (Joseph De Avila, “Mortgage Aid Falls Short Of Its Goal,” [The Wall Street Journal](#), 9/29/11)

- **Only 10,000 To 15,000 Homeowners Qualify For Aid.** “Even after a Tuesday deadline for applicants to submit documentation was extended by two days, officials at the Department of Housing and Urban Development estimated that only about 10,000 to 15,000 homeowners will ultimately qualify. That would mean between \$500 million and \$670 million of the program's funds will be returned to the U.S. Treasury.” (Joseph De Avila, “Mortgage Aid Falls Short Of Its Goal,” [The Wall Street Journal](#), 9/29/11)

## **HUD'S HOME PROGRAM (HOME)**

### **MILLIONS SPENT UNDER LAX OVERSIGHT RESULTING IN “LITTLE OR NOTHING BUILT”**

**Despite Millions Spent, HUD's HOME Program Has Resulted In “Little Or Nothing Built.”** “Indeed, the delays vexing the HOME program are larger than previously reported. In recent weeks, local housing agencies have confirmed that about 75 construction projects drew and spent \$40 million in HOME funds with little or nothing built. That is in addition to the nearly 700 potentially delayed projects The Post identified earlier this year.” (Debbie Cenziper, “Finding More Flaws In HUD's Accounting Of HOME Program,” [The Washington Post](#), 11/6/11)

**HUD Reported Projects As Completed Which Fell Short Of Their Construction Promises.** “In its recent accounts to Congress, HUD reported as complete at least 17 construction projects that did not deliver all of the units that had been promised. One was in Newark, where a developer received nearly \$700,000 in HOME funding but completed only four of 11 units, leaving behind partially completed houses and barren lots, records and interviews show.” (Debbie Cenziper, “Finding More Flaws In HUD's Accounting Of HOME Program,” [The Washington Post](#), 11/6/11)

- **“We Would Not Have Characterized It As Satisfactorily Completed,’ Said Newark Housing Chief Michael Meyer.”** (Debbie Cenziper, “Finding More Flaws In HUD’s Accounting Of HOME Program,” [The Washington Post](#), 11/6/11)

**HUD Has Failed To Monitor Or Track Its Construction Projects.** “The Post study looked at only a subset of about 5,000 projects, those involving major construction or renovation. The lack of systematic monitoring by HUD makes it difficult for the public, Congress or HUD itself to track the pace of construction on a broad scale.” (Debbie Cenziper, “Finding More Flaws In HUD’s Accounting Of HOME Program,” [The Washington Post](#), 11/6/11)

- **“Not Knowing What’s Out There Is What Troubles Us,’ John Mc-Carty, HUD’s Acting Deputy Inspector General, Told Congress Last Week.”** (Debbie Cenziper, “Finding More Flaws In HUD’s Accounting Of HOME Program,” [The Washington Post](#), 11/6/11)

**Lax Or Zero Oversight Of HOME Has Been A Persistent Concern.** “Lax oversight - sometimes no oversight - of the multibillion-dollar federal HOME program has for years been a top concern of fraud investigators at the U.S. Department of Housing and Urban Development. Lightly watched by federal officials, almost all monitoring responsibility for the program that builds homes in poor neighborhoods is placed on state and local governments.” (Kimberly Miller, “Oversight An Issue With Housing Program,” [The Palm Beach Post](#), 12/11/11)

- **In The Past Three Years, 21 People Have Been Convicted Of Misusing HOME Money.** “But in the past three years, 21 people nationwide have been criminally convicted of misusing money from the nearly \$2 billion that HOME programs have received annually since at least 2004, according to congressional testimony.” (Kimberly Miller, “Oversight An Issue With Housing Program,” [The Palm Beach Post](#), 12/11/11)
- **HUD Acting Deputy Inspector General John McCarty: “Our Office Of Audit Has Found That, In Some Instances, No Monitoring Is Occurring, Particularly At The Sub-Recipient Level.”** “The inspector general has expressed a long-standing concern about monitoring in the HOME program,’ McCarty said. ‘Our office of audit has found that, in some instances, no monitoring is occurring, particularly at the sub-recipient level.’” (Kimberly Miller, “Oversight An Issue With Housing Program,” [The Palm Beach Post](#), 12/11/11)

**Timothy Truax, Found Guilty Of Defrauding HOME: “I Was The Master Of My Own Domain In That I Was Rarely Supervised And Inspected By HUD Only Once Every Three Years.”** “Timothy Truax, a former county housing administrator in Pennsylvania who pleaded guilty in July for defrauding the federal program and taking kickbacks from contractors, described how easy the theft was during the November congressional hearing. ‘Essentially, I was the master of my own domain in that I was rarely supervised and inspected by HUD only once every three years,’ Truax said.” (Kimberly Miller, “Oversight An Issue With Housing Program,” [The Palm Beach Post](#), 12/11/11)

- **Jojuana Meeks, Found Guilty Of Fraud: “We Used Contractors Who Did Not Have The Capacity To Carry Out The Work. They Were There Because Of Their Political Connections.”** “‘Testifying remotely was the former executive director of Indiana’s Gary Urban Enterprise Association. Identified as ‘Jane Smith’ at the hearing, former Director Jojuana Meeks was sentenced to nearly six years in prison in 2007 for helping divert more than \$1 million from the nonprofit group, including federal HOME funds. ‘We used contractors who did not have the capacity to carry out the work,’ she said. ‘They were there because of their political connections.’” (Kimberly Miller, “Oversight An Issue With Housing Program,” [The Palm Beach Post](#), 12/11/11)



# **FEDERAL HOUSING AUTHORITY'S (FHA) REFINANCE PROGRAM**

## **FHA HAS FALLEN SHORT OF HELPING HOMEOWNERS**

**As Of March 2012, FHA Has Reported Refinancing Only A Thousand Mortgages.** "The FHA Refinance Program began on September 7, 2010, and is to be available until December 31, 2014. As of the end of March 2012, FHA reported refinancing nearly a thousand mortgages through the program." (Baird Webel, "Troubled Asset Relief Program (TARP): Implementation And Status," [Congressional Research Service](#), 5/18/12)

**Of The Possible \$8.1 Billion, Only \$0.6 Billion Has Been Disbursed To The Short Refinance Program.** "On March 26, 2010, the Administration announced a new FHA Refinance Program for homeowners who owe more than their homes are worth. Detailed program guidance was released on August 6, 2010. ...Of the possible \$8.1 billion, \$0.06 billion has been disbursed." (Baird Webel, "Troubled Asset Relief Program (TARP): Implementation And Status," [Congressional Research Service](#), 5/18/12)

## **FHA'S ADMINISTRATOR HAS DRAWN FIRE FOR NEVER MEETING WITH A FORECLOSED HOMEOWNER**

**Rep. Eliajah Cummings (D-MD) Was "Shocked" That DeMarco Had Never Met A Foreclosed Homeowner.** "Cummings was similarly incredulous. 'The American people don't necessarily expect miracle workers, but they do expect people to feel their pain and give it everything they've got to do something about their pain,' Cummings said. 'When he told us that he had never talked to somebody who had been foreclosed upon — or was in danger of [being foreclosed upon] — to be honest with you, that shocked me.'" (Mike Lillis, "Frustrated Democrats Suggest Top Obama Housing Official Resign," [The Hill](#), 10/6/11)

**Rep. Barney Frank (D-MA) Believes FHA Administrator Edward DeMarco Should Be Replaced.** "Rep. Barney Frank has joined the growing chorus of Democrats calling for the removal of the nation's leading housing regulator. The Massachusetts Democrat said Edward DeMarco, head of the federal agency that oversees Fannie Mae and Freddie Mac, has been 'too rigid' in his approach to foreclosure prevention and should be replaced. 'He's been too rigid in refusing to help on foreclosures,' Frank, the ranking member of the House Financial Services Committee, said Wednesday. 'He's acting as if he was head of two private companies called Fannie and Freddie and not taking into account the impact this has on the economy, and I think he should be more cooperative with efforts to reduce foreclosures.' Asked if DeMarco should go, Frank said, 'Yes. ... Since he won't be more flexible, yes.'" (Mike Lillis, "Rep. Frank Joins Call For Top Fannie, Freddie Regulator To Be Replaced," [The Hill](#), 3/11/12)

**Rep. Dennis Cardoza (D-CA): It Is "Unacceptable" That DeMarco Has Never Met A Foreclosed Homeowner.** "That shows to me the lack of understanding [and] the lack of urgency that is being brought to this problem,' Cardoza said. 'The members of Congress are talking about 1 in 3 of their constituents who come to their office in tears telling us about their problems, and the person in charge of the program has never talked to a foreclosed Individual. That's Unacceptable.'" (Mike Lillis, "Frustrated Democrats Suggest Top Obama Housing Official Resign," [The Hill](#), 10/6/11)

**In A Letter, California Democrats "Expressed Disappointment" That DeMarco Has Not Been Replaced.** "The Democrats also expressed disappointment that Obama has so far resisted their calls to replace Edward DeMarco atop the FHFA, the independent agency that regulates Fannie Mae and Freddie Mac. With California reeling from the foreclosure crisis, they've argued that DeMarco has largely ignored the plight of struggling homeowners." (Mike Lillis, "California Dems Wary Of President Obama's New Housing Plan," [The Hill](#), 2/1/12)

- **"Acting Director DeMarco's Track Record Has Proven His Unwillingness To Act In The Best Interest Of Homeowners And Our Economy."** "Sadly, Acting Director DeMarco's track record has proven his unwillingness to act in the best interest of homeowners and our economy, to the

detriment of communities everywhere and our country's recovery,' the lawmakers said." (Mike Lillis, "California Dems Wary Of President Obama's New Housing Plan," [The Hill](#), 2/1/12)

- **"The Statement Was Spearheaded By Democratic Rep. Zoe Lofgren And Endorsed By 29 California Democrats."** (Mike Lillis, "California Dems Wary Of President Obama's New Housing Plan," [The Hill](#), 2/1/12)

## **OBAMA'S FINANCIAL CRIMES UNIT**

### **OBAMA ANNOUNCED A NEW FINANCIAL CRIMES UNIT TO INVESTIGATE MORTGAGE FRAUD IN HIS 2012 STATE OF THE UNION ADDRESS**

**In His 2012 State Of The Union, Obama Established The Financial Crimes Unit "To Crack Down On Large-Scale Fraud And Protect People's Investments."** OBAMA: "We'll also establish a Financial Crimes Unit of highly trained investigators to crack down on large-scale fraud and protect people's investments. Some financial firms violate major anti-fraud laws because there's no real penalty for being a repeat offender. That's bad for consumers, and it's bad for the vast majority of bankers and financial service professionals who do the right thing. So pass legislation that makes the penalties for fraud count." (President Barack Obama, [State Of The Union Address](#), Washington, D.C., 1/24/12)

- **Obama Asked The Attorney General To Establish The Financial Crimes Unit "To Expand Our Investigations Into The Abusive Lending And Packaging Of Risky Mortgages That Led To The Housing Crisis."** OBAMA: "And tonight, I'm asking my Attorney General to create a special unit of federal prosecutors and leading state attorney general to expand our investigations into the abusive lending and packaging of risky mortgages that led to the housing crisis." (President Barack Obama, [State Of The Union Address](#), Washington, D.C., 1/24/12)

### **OBAMA'S "NEW" FINANCIAL CRIMES UNIT IS NEARLY IDENTICAL TO THE ONE HE ESTABLISHED IN 2009**

**FLASHBACK: In 2009, Obama Established The Financial Fraud Enforcement Task Force In Order "To Investigate And Prosecute Significant Financial Crimes."** "By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to strengthen the efforts of the Department of Justice, in conjunction with Federal, State, tribal, territorial, and local agencies, to investigate and prosecute significant financial crimes and other violations relating to the current financial crisis and economic recovery efforts, recover the proceeds of such crimes and violations, and ensure just and effective punishment of those who perpetrate financial crimes and violations, it is hereby ordered as follows:" (Office Of The Press Secretary, Executive Order 13519 – Establishment Of The Financial Fraud Task Force, [The White House](#), 11/17/09)

- **The Financial Fraud Enforcement Task Force Was Created To Investigate And Prosecute "Cases Of Bank, Mortgage, Loan, And Lending Fraud."** "(a) provide advice to the Attorney General for the investigation and prosecution of cases of bank, mortgage, loan, and lending fraud; securities and commodities fraud; retirement plan fraud; mail and wire fraud; tax crimes; money laundering; False Claims Act violations; unfair competition; discrimination; and other financial crimes and violations (hereinafter financial crimes and violations), when such cases are determined by the Attorney General, for purposes of this order, to be significant;" (Office Of The Press Secretary, Executive Order 13519 – Establishment Of The Financial Fraud Task Force, [The White House](#), 11/17/09)
- **Obama's First Task Force Took Over The Work Of The Corporate Fraud Task Force Established In 2002.** "This Task Force shall replace, and continue the work of, the Corporate Fraud Task Force created by Executive Order 13271 of July 9, 2002. Executive Order 13271 is

## **WHAT DID OBAMA’S FIRST TASK FORCE ACCOMPLISH? NOT MUCH**

**CBS News: There Has “[Not] Been A Single Prosecution Of A High-Ranking Wall Street Executive Or Major Financial Firm ...”** “It’s been three years since the financial crisis crippled the American economy, and much to the consternation of the general public and the demonstrators on Wall Street, there has not been a single prosecution of a high-ranking Wall Street executive or major financial firm even though fraud and financial misrepresentations played a significant role in the meltdown.” (CBS’ [“60 Minutes,”](#) 12/11/11)

- **Justice Department Prosecutions Of Financial Crimes Have Fallen To A 20 Year Low.** “Financial criminals are facing the lowest number of federal prosecutions in at least 20 years, according to a new report. The government has filed 1,251 new prosecutions against financial institution fraud so far this fiscal year, according to the Transactional Records Access Clearinghouse at Syracuse University. If the same pace holds, federal attorneys will file 1,365 such cases by the end of the year -- the lowest number since at least 1991.” (Tiffany Hsu, “Federal Financial Fraud Prosecutions Tumble To Lowest Level In 20 Years,” [Los Angeles Times](#), 11/16/11)

## **DEMOCRATS AND HOUSING ADVOCATES ARE NOT IMPRESSED BY THE “NEW” TASK FORCE**

**“The Much-Ballyhooed Group Is Now Under Fire From Housing Advocates And Liberal Democrats.”** “President Barack Obama used his January State of the Union address to show he’s on top of the housing crisis, announcing a new ‘special unit’ to investigate mortgage fraud. But the much-ballyhooed group is now under fire from housing advocates and liberal Democrats who say it lacks the muscle and White House backing to take on Wall Street defendants who drove the economy off a cliff.” (Darren Samuelsohn, “Obama’s Mortgage Fraud Task Force Under Fire,” [Politico](#), 5/21/12)

- **The Mortgage Fraud Unit Is “The Latest Example Of The Administration’s Fitful Efforts To Take Command Of A Complex Crisis Involving Wall Street Shenanigans And Suffering Homeowners.”** “It’s the latest example of the administration’s fitful efforts to take command of a complex crisis involving Wall Street shenanigans and suffering homeowners. High-profile announcements haven’t always been followed by actions immediately obvious to voters, especially in battleground states with soaring foreclosure rates such as Nevada, Colorado, Florida, Ohio and Wisconsin.” (Darren Samuelsohn, “Obama’s Mortgage Fraud Task Force Under Fire,” [Politico](#), 5/21/12)
- **“Housing Advocates Aren’t Impressed.”** “But housing advocates aren’t impressed. They note the investigative team that dug into Enron had about 100 people, and the one for the Savings & Loan scandal had more than 1,000. ‘Put me in the camp who are pressing for more action, who are skeptical of it going fast enough but are willing to be surprised,’ said Massachusetts Institute of Technology professor Simon Johnson, a former chief economist at the International Monetary Fund.” (Darren Samuelsohn, “Obama’s Mortgage Fraud Task Force Under Fire,” [Politico](#), 5/21/12)

## **FANNIE MAE AND FREDDIE MAC**

### **FANNIE AND FREDDIE HAVE RECEIVED OVER \$170 BILLION IN TAXPAYER BAILOUTS WHILE EXECUTIVES TOOK LAVISH BONUSES**

**Fannie And Freddie Have Received \$170 Billion In Taxpayer Bailouts.** “Fannie and Freddie have received about \$170 billion in taxpayer support over the past three years and recently requested an



additional \$14 billion, sums that indicate a comparison with pay in the private sector is misguided, the report charges.” (Josh Boak, “Fannie CFO’s Signing Bonus: \$1.7 Million,” [Politico](#), 11/16/11)

**Fannie And Freddie Are Awarding Over \$12 Million In Bonuses To Ten Executives For Meeting “Modest Performance Targets.”** “The Federal Housing Finance Agency, the government regulator for Fannie and Freddie, approved \$12.79 million in bonus pay after 10 executives from the two government-sponsored corporations last year met modest performance targets tied to modifying mortgages in jeopardy of foreclosure.” (Josh Boak and Joseph Williams, “Fannie Mae, Freddie Mac Executives Get Big Housing Bonuses,” [Politico](#), 10/31/11)

**The Bonuses Come After Fannie And Freddie Have Received Nearly \$170 Billion In Taxpayer Aid.** “The executives got the bonuses about two years after the federally backed mortgage giants received nearly \$170 billion in taxpayer bailouts — and despite pledges by FHFA, the office tasked with keeping them solvent, that it would adjust the level of CEO-level pay after critics slammed huge compensation packages paid out to former Fannie Mae CEO Franklin Raines and others.” (Josh Boak and Joseph Williams, “Fannie Mae, Freddie Mac Executives Get Big Housing Bonuses,” [Politico](#), 10/31/11)

**Nearly \$100 Million Of Fannie And Freddie’s Bailout Went To “Lucrative Pay Packages For Top Executives.”** “Mortgage finance giants Fannie Mae and Freddie Mac received the biggest federal bailout of the financial crisis. And nearly \$100 million of those tax dollars went to lucrative pay packages for top executives, filings show.” (Chris Isidore, “Fannie, Freddie Execs Score \$100 Million Payday,” [CNN Money](#), 11/15/11)

- **In 2009 And 2010, Fannie’s Top Five Executives Received \$33.3 Million And Freddie’s Received \$28.1 Million.** “The top five executives at Fannie Mae received \$33.3 million in 2009 and 2010, while the top five at Freddie Mac received \$28.1 million. And each company has set pay targets of as much as \$17 million for its top managers for 2011.” (Chris Isidore, “Fannie, Freddie Execs Score \$100 Million Payday,” [CNN Money](#), 11/15/11)
- **Freddie Mac CEO Ed Haldeman Received A \$2.3 Million Bonus On Top Of His \$900,000 Salary.** “Securities and Exchange Commission documents show that Ed Haldeman, who announced last week that he is stepping down as Freddie Mac’s CEO, received a base salary of \$900,000 last year yet took home an additional \$2.3 million in bonus pay.” (Josh Boak and Joseph Williams, “Fannie Mae, Freddie Mac Executives Get Big Housing Bonuses,” [Politico](#), 10/31/11)

## **OBAMA CRITICIZED FANNIE AND FREDDIE BONUSES WHILE CAMPAIGNING IN 2008**

**“[T]he White House So Far Has Remained Largely Silent About Comparable Bonuses At Fannie Mae And Freddie Mac.”** (Josh Boak and Joseph Williams, “Fannie Mae, Freddie Mac Executives Get Big Housing Bonuses,” [Politico](#), 10/31/11)

- **Even Though Obama Was Troubled By Fannie And Freddie Handing Out “Multimillion-Dollar Severance Packages” To Top Executives, While On The Campaign Trail.** OBAMA: “I’ve always said that any action with respect to Fannie Mae and Freddie Mac needs to put taxpayers first and can’t under any circumstances bail out shareholders or senior management of that company -- those companies. As a consequence, I’m troubled by the news reports that the outgoing CEOs of Fannie and Freddie may be in line to receive multimillion-dollar severance packages as part of the Treasury plan.” (Senator Barack Obama, Press Conference, Riverside, OH, 9/9/08)
- **[Click To Watch Obama Attack Fannie And Freddie Bonuses In 2008](#)**
- **But The Obama Administration Hasn’t Released A “Long-Promised Plan For Winding Down Fannie Mae And Freddie Mac (FMCC).”** “In addition, Geithner hasn’t released a long-promised plan for winding down Fannie Mae and Freddie Mac (FMCC), the taxpayer-owned mortgage financiers that own or guarantee \$5 trillion in loans. The two companies have been operating under U.S. conservatorship since bad bets on risky loans drove them to the brink of insolvency in 2008.” (Clea Benson, “Obama Housing Fix Faltered On Carrots-Not-Sticks Policy,” [Bloomberg](#), 6/11/12)

### III. OBAMA'S SWING STATE HOUSING CRISIS

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#### **SWING STATES THAT ARE FUNDAMENTAL TO OBAMA'S REELECTION HAVE BEEN HIT PARTICULARLY HARD BY OBAMA'S FAILURE TO CURE THE HOUSING MARKET**

**"The Road To Victory Runs Through These Five Foreclosure Swing States" – Florida, Nevada, Ohio, Michigan, And Wisconsin – "Which Collectively Control 79 Electoral Votes."** "Nationally, five states — Florida, Nevada, Ohio, Michigan, and to a lesser extent, Wisconsin — have borne the brunt of the housing market's collapse. ... At this point, the 2012 election is shaping up to be much closer than 2008. Obama has the benefits of incumbency, but also a dismal economic record to run on. For Romney, the election is within his grasp, but the road to victory runs through these five foreclosure swing states, which collectively control 79 electoral votes." (Octavio Nuiry, "5 Foreclosure Swing States," [RealtyTrac](#), 9/5/12)

- **"The Roll-Call Of States In Foreclosure Crisis Reads Like An Election Map Of Battleground States ..."** "The roll-call of states in foreclosure crisis reads like an election map of battleground states: California, Nevada, Arizona, Florida, New Jersey and Illinois." (David Coates, "The Unfinished Business Of The Obama Administration: The Foreclosure Crisis," [The Huffington Post](#), 7/10/12)
- **States That Remain Mired In The Housing Crisis "Are Also Likely To Be A Major Part Of Obama's Electoral Math."** "The two states with the highest foreclosure rates — Nevada and Florida — are also two of the bigger swing state prizes on the 2012 presidential map. And other states that rank in the top ten in terms of home foreclosures — including Arizona, Colorado, Michigan and Ohio — are also likely to be a major part of Obama's electoral math." (Aaron Blake, "Obama And The Politics Of The Housing Foreclosure Crisis," [The Washington Post's "The Fix"](#), 10/24/11)

**"Obama Faces An Uphill Battle In Swing States Hurting From The Mortgage Crisis."** "Clearly, President Barack Obama faces an uphill battle in swing states hurting from the mortgage crisis. The foreclosure rates in those states are considerably higher than the national average." (Octavio Nuiry, "Foreclosures And The Presidential Race," [RealtyTrac](#), 8/15/12)

**All Five Of The States That Have "Borne The Brunt Of The Housing Market's Collapse" Are Important Battleground States.** "Nationally, five states — Florida, Nevada, Ohio, Michigan, and to a lesser extent, Wisconsin — have borne the brunt of the housing market's collapse. All of them are expected to be important battleground states in the presidential campaign." (Octavio Nuiry, "5 Foreclosure Swing States," [RealtyTrac](#), 9/5/12)

**In Swing States, "Obama Will Face Pointed Questions From Voters Who Think The Administration's Policies Have Done Little To Make Things Better."** "Reversing the economic decline fueled by the housing bust is a paramount test for President Obama as he campaigns for reelection. The president's challenge is particularly pressing in potential swing states such as Florida, Nevada and Arizona, where stubborn joblessness and the pain from the collapse in real estate is most acute. It is in these places where Obama will face pointed questions from voters who think the administration's policies have done little to make things better." (Michael A. Fletcher, "Swing States Still Struggling After Housing Bust Pose Challenges To Obama Reelection," [The Washington Post](#), 6/4/11)

### **FLORIDA**

**In August 2012, Florida Posted The Nation's Second Highest Foreclosure Rate, As One In Every 328 Housing Units Posted A Foreclosure Filing.** "Florida foreclosure activity in August increased on a year-over-year basis for the seventh time in the last eight months, helping the state post the nation's second highest foreclosure rate: one in every 328 housing units with a foreclosure filing. Florida foreclosure

starts increased 26 percent annually while scheduled foreclosure auctions were up 4 percent and bank repossessions were up 12 percent.” (Press Release, “August Foreclosure Activity Flat Nationwide, Spikes In Some States,” [RealtyTrac](#), 9/13/12)

**“Obama Carried Florida In 2008, But An Avalanche Of Foreclosures Has Devoured The Sunshine State’s Economy, And Voters Are Angry.”** “President Barack Obama carried Florida in 2008, but an avalanche of foreclosures has devoured the Sunshine State’s economy, and voters are angry. With 29 electoral votes, Florida is a big political prize. It has the third-highest foreclosure rate and almost half of all borrowers are underwater, meaning they owe more on their mortgage than their home is worth. Florida foreclosures are rising again as more than 12,000 homeowners started the foreclosure process in July 2012, up 20 percent from July 2011 and the ninth straight month where foreclosure starts increased from a year ago.” (Octavio Nuiry, “5 Foreclosure Swing States,” [RealtyTrac](#), 9/5/12)

**“As Obama Confronts A Housing Crisis That He’s Acknowledged Underestimating, His Campaign Is Facing A Different Kind Of Foreclosure Problem On The Streets Of Florida And Other Battleground States, Where Evictions Have Left Holes In Its Voter Lists.”** “As Obama confronts a housing crisis that he’s acknowledged underestimating, his campaign is facing a different kind of foreclosure problem on the streets of Florida and other battleground states, where evictions have left holes in its voter lists.” (Hans Nichols, “Obama Campaign Detectives Hunt For Foreclosed Florida Voters,” [Bloomberg](#), 7/18/12)

**In Florida, The Obama Campaign Is Knocking On Doors In Hispanic Neighborhoods With Foreclosure Rates As High As 30 Percent, “Where Once-Registered Democrats Have Been Evicted, Their Homes Now Owned By The Bank.”** “By day, Lynnette Acosta, a 34-year-old mother of two, is an information-technology manager in Orlando, Florida. By night, she’s a sleuth for President Barack Obama’s re-election campaign, scouring for potential voters. In central Florida, that means knocking on doors in Hispanic neighborhoods with foreclosure rates as high as 30 percent, where once-registered Democrats have been evicted, their homes now owned by the bank. Volunteers walk house-to-house to determine the number of empty homes per precinct, then look for contact information for voters who once lived in them.” (Hans Nichols, “Obama Campaign Detectives Hunt For Foreclosed Florida Voters,” [Bloomberg](#), 7/18/12)

- **“While Obama’s Campaign Works To Find Voters Who Have Been Forced From Their Homes, His Administration Has Struggled To Help Homeowners Who Remain In Theirs.”** “While Obama’s campaign works to find voters who have been forced from their homes, his administration has struggled to help homeowners who remain in theirs.” (Hans Nichols, “Obama Campaign Detectives Hunt For Foreclosed Florida Voters,” [Bloomberg](#), 7/18/12)
- **According To Darren Soto, Democrat State Representative, Convincing Hispanics In Central Florida That Obama’s Housing Policies Are Working “Is A Daunting Task.”** “‘At least in central Florida, he’s got to be at least 66, 67, 68 percent,’ among non-Cuban Hispanics, said Darren Soto, a Democratic state representative whose district includes parts of Osceola County, where the Puerto Rican population increased 138 percent in the last 10 years, according to U.S. Census data. ...Convincing Hispanics in central Florida that his housing prescriptions are working is a ‘daunting task,’ said Soto, who campaigned with Obama in 2008. ‘He’s not quite yet there.’” (Hans Nichols, “Obama Campaign Detectives Hunt For Foreclosed Florida Voters,” [Bloomberg](#), 7/18/12)
- **“On Trotters Circle In Kissimmee, A Block With Boarded-Up Homes At Each End, Obama Needs The Ballots Of Renters Like Loida Montalvo To Replace The Democrats Who Have Lost Their Homes.”** “On Trotters Circle in Kissimmee, a block with boarded-up homes at each end, Obama needs the ballots of renters like Loida Montalvo to replace the Democrats who have lost their homes. Ten houses down from her four-bedroom, \$1,000-a-month rambler, Bank of America has initiated foreclosure proceedings on a house that was registered to a Democratic primary voter, according to county records.” (Hans Nichols, “Obama Campaign Detectives Hunt For Foreclosed Florida Voters,” [Bloomberg](#), 7/18/12)



## OHIO

**In August 2012, Ohio Had The Nation's Seventh Highest Foreclosure Rate In The Nation, As One Out Of Every 556 Housing Units Posted A Foreclosure Filing.** "Other states with foreclosure rates among the nation's 10 highest were Arizona (one in every 360 housing units with a foreclosure filing), Nevada (one in 402 housing units), Georgia (one in 431 housing units), Ohio (one in 556 housing units), Michigan (one in 593 housing units), Delaware (one in every 610 housing units) and Colorado (one in every 617 housing units)." (Press Release, "August Foreclosure Activity Flat Nationwide, Spikes In Some States," [RealtyTrac](#), 9/13/12)

- **"Ohio Has Backed The Winning Candidate In The Past 12 Elections. But With Unemployment Painfully High, Obama Faces A Huge Challenge To Match His 2008 Performance In This Troubled Midwest State. And Foreclosures Are Rising Again."** "Hard-hit Ohio has the nation's eighth-highest foreclosure rate. With 18 electoral votes, the electorally rich Rust Belt state of Ohio is crucial to winning the White House. Ohio has backed the winning candidate in the past 12 elections. But with unemployment painfully high, Obama faces a huge challenge to match his 2008 performance in this troubled Midwest state. And foreclosures are rising again. While July 2012 foreclosure starts decreased after three straight months of increases, more than 2,300 Ohio homeowners lost their homes to foreclosure during the month, an increase of 25 percent from July 2011." (Octavio Nuiry, "5 Foreclosure Swing States," [RealtyTrac](#), 9/5/12)

## NEVADA

**In August Of 2012, Nevada Had The Nation's Fifth Highest Foreclosure Rate, As One In Every 402 Housing Units Having A Foreclosure Filing.** "Other states with foreclosure rates among the nation's 10 highest were Arizona (one in every 360 housing units with a foreclosure filing), Nevada (one in 402 housing units), Georgia (one in 431 housing units), Ohio (one in 556 housing units), Michigan (one in 593 housing units), Delaware (one in every 610 housing units) and Colorado (one in every 617 housing units)." (Press Release, "August Foreclosure Activity Flat Nationwide," [RealtyTrac](#), 9/13/12)

- **In The Second Quarter Of 2012, Nevada Had The Highest Percentage Of Negative Equity In The Nation, As 59 Percent Of Mortgaged Properties Are In Negative Equity.** "Nevada had the highest percentage of mortgaged properties in negative equity at 59 percent, followed by Florida (43 percent), Arizona (40 percent), Georgia (36 percent) and Michigan (33 percent). These top five states combined account for 34.1 percent of the total amount of negative equity in the U.S." (Press Release, "CoreLogic Reports Number Of Residential Properties In Negative Equity Decreases Again In Second Quarter Of 2012," [CoreLogic](#), 9/12/12)

***The Washington Post: "Nevada's Housing Crisis Leaves Obama Vulnerable"*** (Michael A. Fletcher, "Nevada's Housing Crisis Leaves Obama Vulnerable," [The Washington Post](#), 7/20/12)

- **Obama's Strategists Worry He Is In More Trouble In Nevada Than Any Other Battleground State.** "The ongoing economic problems have unsettled many voters, and Obama strategists quietly worry that their candidate is in more trouble here than in any other Western battleground state." (Michael A. Fletcher, "Nevada's Housing Crisis Leaves Obama Vulnerable," [The Washington Post](#), 7/20/12)

**In Nevada, Government Help Is Not Sufficient To Fix The Housing Problem.** "Still, the bitter reality for many Nevadans is that the government help is not sufficient to fix home purchases that have been transformed into ruinous investments by the downturn." (Michael A. Fletcher, "Nevada's Housing Crisis Leaves Obama Vulnerable," [The Washington Post](#), 7/20/12)

- **Obama's Housing Programs Have Failed To Reverse The Sharp Decline In Housing Values In Nevada.** "President Obama has rolled out programs that the administration says have touched thousands of homeowners in Nevada and more than 5 million nationally, but yet have failed to reverse the sharp decline in housing values." (Michael A. Fletcher, "Nevada's Housing Crisis Leaves Obama Vulnerable," [The Washington Post](#), 7/20/12)
- **Nevada Homeowner Amy Watt: "I Just Can't Do Obama Again."** "'I know Obama was left with a lot, but he sure hasn't made it better,' said Amy, 63. 'I voted for him last time. But I just can't do Obama again.'" (Michael A. Fletcher, "Nevada's Housing Crisis Leaves Obama Vulnerable," [The Washington Post](#), 7/20/12)

## **MICHIGAN**

**In August Of 2012, Michigan Had The Nation's Eighth Highest Foreclosure Rate, As One In Every 593 Housing Units Having A Foreclosure Filing.** "Other states with foreclosure rates among the nation's 10 highest were Arizona (one in every 360 housing units with a foreclosure filing), Nevada (one in 402 housing units), Georgia (one in 431 housing units), Ohio (one in 556 housing units), Michigan (one in 593 housing units), Delaware (one in every 610 housing units) and Colorado (one in every 617 housing units)." (Press Release, "August Foreclosure Activity Flat Nationwide," [RealtyTrac](#), 9/13/12)

- **In The Second Quarter Of 2012, Michigan Had The Second Highest Percentage Of Negative Equity In The Nation, As 33 Percent Of Mortgaged Properties Are In Negative Equity.** "Nevada had the highest percentage of mortgaged properties in negative equity at 59 percent, followed by Florida (43 percent), Arizona (40 percent), Georgia (36 percent) and Michigan (33 percent). These top five states combined account for 34.1 percent of the total amount of negative equity in the U.S." (Press Release, "CoreLogic Reports Number Of Residential Properties In Negative Equity Decreases Again In Second Quarter Of 2012," [CoreLogic](#), 9/12/12)

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