



They Said It!

Rep. Brad Miller (D-NC) Takes Obama And Geithner To Task For Their Failed Housing Policies

“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)

OBAMA’S TREASURY “OPPOSED EVERY POLICY PROPOSAL” THAT WOULD HAVE EASED THE FORECLOSURE CRISIS

“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 Opposed Those Policies Because The Policies Were In Irreconcilable Conflict With Team Geithner’s Effort To Restore ‘A Well-Capitalized Banking System In Order To Boost The Broader Economy.’” “Yglesias is correct that Team Geithner opposed those policies because the policies were in irreconcilable conflict with Team Geithner’s effort to restore ‘a well-capitalized banking system in order to boost the broader economy.’ The policies would not really have imposed losses on the biggest banks, but would have revealed losses. Many underwater homeowners could not pay their mortgages and avoid foreclosure, but pretending otherwise allowed the biggest banks to delay recognizing their losses. Immediate recognition of losses on mortgage-based assets would have revealed many of the biggest banks to be very thinly capitalized, maybe even insolvent.” (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)