

## Opening Statement of Ranking Member Spencer Bachus, Full Committee Markup, H.R. 5818, the "Neighborhood Stabilization Act of 2008"

April 23, 2008

Mr. Chairman, I want to express my opposition to H.R. 5818, which would authorize a total of \$15 billion in loans and grants to states and cities to fund the purchase of foreclosed and vacant properties. While I appreciate the sincere commitment of the gentlewoman from California to stabilizing those communities that are dealing with elevated levels of foreclosures, I believe that H.R. 5818 is the wrong approach and has the potential to do as much harm as good.

Putting aside the issue of how a large new federal program with a price tag of approximately \$15 billion would be paid for, the bill's ultimate beneficiaries are likely to be the lenders, investors and speculators who own the vacant or foreclosed properties that government funds would be used to purchase. Indeed, as FHA Commissioner Brian Montgomery stated in testimony before the Committee on this legislation, "it may have the unintended consequence of making foreclosure a more attractive option for lenders," thereby compounding the very problem of rising foreclosures that the bill purports to address by accelerating the number of foreclosures.

For these reasons, Mr. Chairman, I urge opposition to this very expensive measure and yield back the balance of my time.