

Public Outcry Mounts as Democrats Advance Housing Bailout

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VIDEO: 'The government is promoting bad behavior... do we really want to subsidize the losers' mortgages... This is America! How many of you people want to pay for your neighbor's mortgage? President Obama are you listening? How about we all stop paying our mortgage! It's a moral hazard'... MORE...

TRADERS REVOLT: CNBC HOST CALLS FOR NEW 'TEA PARTY';

CHICAGO FLOOR MOCKS OBAMA PLAN

Also, Major Newspapers Take Aim

- "By investing in failure, the Administration will also prolong the housing downturn"

• "This plan is a sop to the irresponsible and a kick in the teeth for the responsible, who will ultimately be forced to cover the subsidies and handouts advocated by the president"

• "Congressional Democrats continue to ignore their role in encouraging -- and even demanding -- that lenders issue home loans to people with sketchy credit histories"

Wall Street Journal: "Dukes of Moral Hazard ... Re-default rates are 55% after six months ... By investing in failure, the Administration will also prolong the housing downturn and make financing a home purchase more difficult for future borrowers. Meanwhile, the plan isn't likely to slow the continuing decline in housing prices. ... Sadly for those who deferred the gratification of homeownership, the 20% down payment has now become industry standard. But at least their taxes will allow other people to stay in homes they can't afford. ... we can say with certainty that the unscrupulous will be among those rescued. ... Mr. Obama's mortgage plan is his third big economic rescue proposal in a month, and perhaps someone in the White House has noticed that financial markets haven't exactly cheered. ... What investors, businesses and working Americans want to hear is a President with ideas to spur economic recovery. What they've been getting are plans for a long national Chapter 11 workout." (Editorial, 2/19/09)

Las Vegas Review-Journal: "Home alone ... Obama foreclosure plan yet another taxpayer rescue ... Barack Obama has one word for those who didn't get in over their heads during the recent housing boom and have paid their mortgages on time: Suckers! ... The plan represented a stark contrast to Mr. Obama's inaugural speech, in which he vowed to preside over 'a new era of responsibility.' ... This plan is a sop to the irresponsible and a kick in the teeth for the responsible, who will ultimately be forced to cover the subsidies and handouts advocated by the president. ... It would offer incentives to mortgage lenders -- read: cash, courtesy of taxpayers -- to allow some 4 million homeowners to lower their monthly mortgage payments if the payments currently exceed a certain percentage of their income. ... The plan will encourage mortgage companies to unload more shaky loans on the two quasi-government boondoggles known as Fannie Mae and Freddie Mac in order to allow some 13 million homeowners who are upside down to refinance their properties. ... A great many of those the president seeks to bail out have either spent themselves into oblivion or used an unwise mortgage plan...to purchase homes they otherwise might never have been able to afford, betting that housing prices would continue to skyrocket. ... Congress will soon get into the act. At a hearing last week of Barney Frank's House Financial Services Committee, majority Democrats made it clear they favor a number of other proposals, including a toxic measure to allow bankruptcy judges to rewrite mortgage contracts.... Meanwhile, congressional Democrats continue to ignore their role in encouraging -- and even demanding -- that lenders issue home loans to people with sketchy credit histories, raising the spectre of an eventual repeat of the current mess unless these underlying factors are addressed. ... the price for all this will be borne by the many Americans who played by the rules and lived within their means. And they're supposed to grin and bear it, according to supporters of housing handouts...." (Editorial, 2/19/09)

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