

WHAT THEY ARE SAYING: Like the American People, News Outlets Coast to Coast Oppose Bailing Out Irresponsible Homeowners

February 20, 2009

• "Obama's proposal solves few problems, if any, and has the potential to create many new ones"

• "Why should homeowners who were fiscally responsible subsidize those who weren't? What's the incentive for doing the right thing, or the disincentive for doing wrong?"

- "The president's mortgage foreclosure bailout in essence takes the worries of many people who bought houses they couldn't afford, and places them on the taxpayers"

- "[Obama] seeks to rescue reckless lenders and borrowers while responsible people help foot the bill for excesses not their own"

The National Review: "Housing Flop ... The relatively small group of in-deep but creditworthy homeowners who could be helped by Obama's plan already are positioned to refinance at better rates, or to move from variable-rate loans to low-drama fixed-rate mortgages, without a \$475 billion government intervention. Many of them already have done so. With that in mind, Obama's proposal solves few problems, if any, and has the potential to create many new ones, as other government attempts to manage the real-estate market reliably have done. Obama says he believes in 'what works.' This doesn't." (Editorial, 2/20/09)

Panama City News Herald: "Mortgage mayhem ... [Obama's] policy likely would perpetuate the conditions that got the nation into this mess. He might soften the pain for some homeowners, but by doing so he could stretch out the process of recovering for everyone else. ... Why should homeowners who were fiscally responsible subsidize those who weren't? What's the incentive for doing the right thing, or the disincentive for doing wrong? Obama's plan would keep bad debts on the books and home values artificially inflated when the housing market desperately needs the opportunity to expunge bad debt and reset prices to match demand. The sooner that happens, the sooner the recovery begins." (Editorial, 2/20/09)

Rochester (MN) Post-Bulletin: "Home equity not being addressed ... Here's a news flash: On the day when President Obama launched his \$75 billion mortgage relief initiative, the vast majority of American homeowners weren't on the verge of losing their houses. Yes, foreclosures are up, and nearly 14 million homeowners -- 27 percent nationwide -- owe more on their homes than they could sell them for in today's market. But most of these people aren't trying to sell their homes. They still have jobs and are making their payments, and look forward to the day when housing values begin to rise." (Editorial, 2/20/09)

The Findlay (OH) Courier: "Mortgage fix ... Remember the You-Tube video of the woman rejoicing because, she believed, Barack Obama's election would mean she wouldn't have to worry about paying her mortgage? It seems she was right. The president's mortgage foreclosure bailout in essence takes the worries of many people who bought houses they couldn't afford, and places them on the taxpayers. ... As with the stimulus plan, the government doesn't have the money to put this plan into effect. It will have to be borrowed or printed, further weakening the economy." (Editorial, 2/20/09)

The News Virginian: "Superprez saves day ... Crowding at the window to look in while Obama works his magic are the millions of homeowners who foolishly took loans they could afford and then proceeded to make their payments on time and millions of other people who wanted a home but decided against buying when they couldn't make loan terms work within their budgets. Now their tax money can rescue others less prudent. ... Taxpayers could be liable for still billions of dollars more. ... Thirty days into his presidency, Obama has approved initiatives that could cost taxpayers more than \$1 trillion, or a third of this year's federal budget. He championed the need to rejuvenate the economy, then presented a package laden with pork. Next he seeks to rescue reckless lenders and borrowers while responsible people help foot the bill for excesses not their own." (Editorial, 2/20/09)

NOTE: A recent Rasmussen poll showed that a clear majority of Americans "oppose the federal government subsidizing mortgage payments for financially troubled homeowners."

###