

AP: Irresponsible Homeowners Who Lied Eligible For Bailout Under House-Passed Bill

Flashback: President Obama: "The plan I'm announcing focuses on rescuing families who have played by the rules and acted responsibly"

Associated Press Excerpts

Q. What if you lied on your mortgage application?

A. The [Democrat-written] measure doesn't bar people who got their loans in the past without submitting complete or accurate financial documentation.

NOTE: [Click here to view the article.](#)

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BACKGROUND: Congressman Spencer Bachus (R-AL), the Financial Services Committee Republican said, "This was another missed opportunity for House Democrats to work with Republicans to achieve the President's goals of protecting responsible homeowners", after House Democrats rejected a Republican proposal to meet the President's goals. Specifically, the GOP motion would have:

- Prohibited taxpayer assistance to any borrower that misrepresented or lied about their income on their mortgage application;
- Prohibited taxpayer assistance to any lender that failed to follow proper underwriting standards;
- Prohibited taxpayer funds from being used as incentives to lenders to rework loans for irresponsible borrowers; and
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Prohibited taxpayer funds from being used unless the President submits a plan that provides equitable treatment of all mortgagors.

President Obama: "The plan I'm announcing focuses on rescuing families who have played by the rules and acted responsibly. ... I also want to be very clear about what this plan will not do: It will not rescue the unscrupulous or irresponsible by throwing good taxpayer money after bad loans. It will not help speculators who took risky bets on a rising market and bought homes not to live in but to sell. It will not help dishonest lenders who acted irresponsibly, distorting the facts and dismissing the fine print at the expense of buyers who didn't know better. And it will not reward folks who bought homes they knew from the beginning they would never be able to afford." (Remarks by the President on the mortgage crisis, 2/18/09)

