

Bachus: "This was a vote on fairness"

Democrats Reject Motion to Ensure Irresponsible Actors Are Not Bailed Out

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WASHINGTON - Congressman Spencer Bachus (R-AL), the top Financial Services Committee Republican, issued this statement following the Democrat's housing bailout and mortgage cram-down vote today:

"While there are elements in this legislation that I support, such as permanently increasing deposit insurance coverage limits to \$250,000 and a safe harbor for mortgage servicers, unfortunately, the House missed a critical opportunity today to safeguard taxpayers from bailing out irresponsible homeowners and lenders that helped create the housing crisis.

"This was a vote on fairness. The Republican motion to recommit - led by Rep. Tom Price - would have protected taxpayers from bailing out borrowers who lied about their income on mortgage applications and unscrupulous lenders who failed to follow appropriate lending standards. Our motion also called for the President to submit a plan to Congress ensuring that tax dollars must be used fairly for all homeowners - not just some.

"We all know that these are difficult times for American families. But merely throwing good taxpayer money after bad is not the solution to our economic problems. This was another missed opportunity for House Democrats to work with Republicans to achieve the President's goals of protecting responsible homeowners."

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NOTE: The Republican Motion to Recommit, which failed on a largely party line vote of 182 to 242, would have met the President's goals by:

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Prohibiting taxpayer assistance to any borrower that misrepresented or lied about their income on their mortgage application;

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Prohibiting taxpayer assistance to any lender that failed to follow proper underwriting standards;

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Prohibiting taxpayer funds from being used as incentives to lenders to rework loans for irresponsible borrowers; and

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Prohibiting taxpayer funds from being used unless the President submits a plan that provides equitable treatment of allmortgagors.

President Barack 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)