

## Deputy Ranking Member Randy Neugebauer (TX) Opening Statement at the Hearing on "U.S. Department of Housing and Urban Development Budget Request for FY 2008"

Wednesday, March 14, 2007

Let me begin by welcoming Secretary Jackson back to the Committee to discuss the state of America's housing markets and to report on the President's budget proposal for the Department of Housing and Urban Development. One of Secretary Jackson's main priorities since assuming his responsibilities in 2004 has been to make HUD programs function in a more cost-effective and efficient manner while still serving those in need. The recent decision by the Government Accountability Office to remove both HUD's single family mortgage insurance and rental housing assistance programs from GAO's list of government programs at "high risk" for waste, fraud, abuse and mismanagement demonstrates that the Secretary's efforts are making a real difference in changing the culture at HUD.

Secretary Jackson should also be commended for his continued leadership in helping Americans realize the dream of homeownership. Over the last several years, the Administration has sought to change the direction of many of our nation's housing programs. Rather than merely addressing symptoms, the Administration has proposed changes designed to promote economic opportunity and ownership, and encourage greater self-sufficiency among our citizens. This budget continues the President's commitment to increasing homeownership and to fostering an "ownership society."

The housing market has driven the nation's economy over the last several years, as Americans bought and refinanced homes in record numbers. Today, nearly 70 percent of all American families own their homes. The benefits of homeownership are well documented. Homeownership is not only the key to financial independence, but it creates stakeholders who tend to be active in charities, churches, and other civic-minded pursuits. Homeowners are more likely to vote and take an interest in local issues, and families owning a home are often in a better position to offer children a stable living environment.

While highlighting the many benefits of homeownership, we must also acknowledge that there are many in today's society who are not yet ready to own a home. Mr. Secretary, I appreciate your efforts on both of these fronts-to expand homeownership and to assist those who are not yet equipped to take this big step.

The President's budget also continues to emphasize improvements to the FHA program designed to increase homeownership in low-income communities. Since 1934, more than 34 million Americans have become homeowners through FHA. However, in recent years, the FHA program has not kept pace with changing technology or the needs of the many families it was chartered to serve.

The House approved bipartisan legislation last Congress to allow FHA to engage in risk-based premium pricing; boost the amount available for an FHA-insured mortgage; and provide more downpayment options. These important reforms would expand the reach of the FHA program, so that more families have access to homeownership.

Mr. Secretary, once again, we are very pleased to have you here before this Committee and look forward to working with you throughout the coming year.

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