

Rep. Danny K. Davis Statement in response to President Bush's Foreclosure Relief Plan

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For Immediate Release:

Contact: Ira Cohen December 6, 2007

Washington, D.C. - Congressman Danny K. Davis released the following statement in regards to the foreclosure crisis.

"A few months ago, I along with State Representative La Shawn K. Ford and a coalition of neighborhood groups and community organizations called for a 90 day moratorium on foreclosures. This 90 day period would provide an opportunity for lenders and mortgagees to work towards solutions which could forestall further action and total disruption.

I am pleased to note that President Bush has a plan to deal with this issue; however, it seems to me that the President's plan will help some but not all Americans. Next year, Approximately 2,000,000 sub prime loans will reset. Most of these are sub prime loans, which are devastating minority and low-income communities. What people need most is time and money to pay their mortgages. Because when these loans reset, almost all of these mortgage payments will increase, double and in some cases triple.

Under the administration plan, the rate freeze will apply to loans made at the start of 2005 through July 30 of this year and will cover loans that had been scheduled to rise to higher rates between Jan. 1, 2008, and July 31, 2010.

The mortgage rate freeze will bring the nation closer to a Foreclosure Moratorium. Our proposal for a 90 day moratorium is simply asking lenders and financial institutions to give all stakeholders 90 days to look for long term and far reaching solutions. We need solutions that will benefit all Americans."