



CALL TO ACTION

Protect the Economy By Keeping Mortgage Finance Available

Housing has historically led economic recovery in this country. To help our economy recover, we need to work to stabilize the housing market. Mark Zandi, Chief Economist of Moody's Analytics has recently issued a special report entitled, "To Shore Up the Recovery, Help Housing," where he argues that:

- "The five-year-old housing crash continues to threaten the U.S. economic expansion."
- "Falling house prices and the resulting hit to household wealth remain a serious problem."
- "Falling house prices could threaten the economic expansion if they become self-reinforcing, pushing more homeowners under water, prompting more mortgage defaults and more distress sales and thus more price declines."

In order to support the economic recovery, one of the solutions Dr. Zandi calls for is to ensure the FHA and GSE loan limits remain at current levels. He argues, "the outcome will be worse if policymakers stand by while a weakening housing market undermines the economic expansion."

While some might think that the impact of the loan limit decline is only for a small part of the country, the truth is that the scheduled decline in loan limits will negatively impact 669 counties in 42 states and the territories. We believe it is imperative to the stability of the housing market that Congress act immediately to stop the FHA and conforming loans limits from declining on September 30. In order for the overall economy to recover, potential homebuyers need access to stable mortgage credit. Now is not the time to cause potential homebuyers to experience a dramatic reduction in the availability of mortgage credit; our housing market is too fragile to allow this change to occur.

WHAT YOU CAN DO

To keep affordable mortgage finance available, **please call the California Republicans below** and ask them to join Gary Miller in signing a letter to Speaker Boehner, Financial Services

Committee Chairman Bachus, Appropriations Chairman Rogers and T-HUD Subcommittee Chairman Latham urging them to act immediately to stop the September 30 decline in loan limits.

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