



# SAVE AMERICA'S NEIGHBORHOODS

ENACT COMMUNITY STABILIZATION FUNDING NOW!

July 22, 2008

Dear Madam Speaker, Minority Leader Boehner, Chairman Frank, and Ranking Member Bachus:

The Save America's Neighborhoods Campaign strongly urges prompt enactment of H.R. 3221, the Housing and Economic Recovery Act of 2008, including the \$3.9 billion in neighborhood stabilization funding.

The neighborhood stabilization funding is not a bailout for the banks. In fact, no one wins from foreclosures. After a foreclosure, the lender incurs significant losses, as much as 50 cents on the dollar. And those losses do not include legal, insurance, holding, and other expenses associated with foreclosure. The bill also requires the funds only be used to purchase *discounted* properties at below current market-appraised values, leading to yet further lender losses. Additionally, funds would be targeted to the hardest-hit communities, where property values have decreased the most and the lenders' losses are the greatest. With that in mind, the lender will have already taken significant financial losses and will not view this funding as an incentive to foreclose.

The funding will help communities hit hard by foreclosures to gain desperately needed economic stability. This one-time infusion of funds would enable the purchase and rehabilitation of discounted foreclosed homes in targeted areas. In turn, the funding would help stabilize communities, create rental and homeownership opportunities for low- and moderate-income families and stop the cycle of disinvestment.

This funding will not create an ongoing obligation for the federal government. This is a singular and finite use of discretionary funds to address a crisis situation. The funding is temporary and targeted at a specific problem that needs a quick federal response. We estimate that these resources will also:

- Generate at least \$10 billion in economic activity nationwide;
- Create more than 32,000 jobs;
- Generate more than \$800 million in one-time revenue for all levels of government; and
- Restore nearly \$60 million per year in real estate tax collections by local governments.

Our nation and our communities can't afford to wait any longer. We urge you to support prompt enactment of HR 3221.

Sincerely,

ACORN

American Federation of State, County and Municipal Employees

California Housing Consortium

California Housing Partnership

CDFI Coalition

Center for American Progress Action Fund

Center for Responsible Lending

City and County of San Francisco

Citizens' Housing and Planning Association

City of Milwaukee

Council of State Community Development Agencies

Enterprise Community Partners  
Habitat for Humanity International  
Housing Assistance Council  
Housing Partnership Network  
League of California Cities  
Local Initiatives Support Corporation  
Los Angeles County Community Development Commission  
Low Income Investment Fund  
Miami-Dade County  
National Alliance of Community Economic Development Associations  
National Association of Counties  
National Association for County Community Development  
National Association of Housing and Redevelopment Officials  
National Association of Local Housing Finance Agencies  
National Coalition for Asian Pacific American Community Development  
National Community Land Trust Network  
National Council of State Housing Agencies  
National League of Cities  
National Low Income Housing Coalition  
National Housing Conference  
National Housing Institute  
National NeighborWorks Association  
National Vacant Properties Campaign  
NCB Capital Impact  
Rebuilding Together  
Service Employees International Union  
Smart Growth America  
Wisconsin Partnership for Housing Development  
U.S. Conference of Mayors