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CARDIN URGES QUICK ACTION ON FORECLOSURE PREVENTION BILL; ANNOUNCES TAX CREDIT PROPOSAL FOR FIRST-TIME HOME BUYERS

“We need to encourage prospective buyers to get off the sidelines”

Washington, DC – **U.S. Senator Benjamin L. Cardin (D-MD)** reiterated his support for the foreclosure prevention legislation being considered by the full Senate and announced his plan to introduce a *First-Time Home Buyer Tax Credit*. The tax credit would provide a targeted, timely and temporary stimulus to the housing market by offsetting down payment or closing costs for prospective home buyers with a refundable tax credit.

“Whole communities are affected by the housing crisis, not just the individual homeowner who may lose his or her home,” said **Senator Cardin**. “The mortgage crisis is at the epicenter of a ‘perfect storm’ roiling our economy and hurting millions of hard-working Americans and their families and communities. It’s complex, multi-faceted problem that will require a comprehensive solution.

“Most people want to believe in the American Dream, and they think that home ownership is a big part of achieving it. But for too many people, the mortgage crisis has shaken their belief in the American Dream and home ownership has become a foreclosure nightmare.

“We need to stimulate the housing market. There are people reluctant to buy a home, but they're worried that the value may decline. I believe that if we give a tax credit – put money on the table – I think it's much more likely that individuals will want to move forward with a purchase.

“A tax credit to spur home ownership will help stimulate the economy in the sector that triggered our current economic downturn. Today, it’s estimated that 40% of the market is first-time home buyers. In Baltimore, two-thirds are first-time home buyers. Let's re-energize the market and help families buy a home.

“Based on a successful federal program to encourage first-time home buyers in the Nation’s Capital, the legislation that I will offer will be for principal residences only. To ensure we reach the middle class, it will have an income cap. And it will be temporary, because we need to encourage prospective buyers to get off the sidelines and back into the market now.

“Congress needs to act. The Fed acted quickly to protect Wall Street. We have to act quickly to protect Main Street. Middle class families caught in this economic downturn are in danger of losing their homes if Congress does not act quickly.”

The current legislation under consideration in the Senate is based on the ***Foreclosure Prevention Act***, which Senator Cardin co-sponsored. Among other important provisions, the bill would expand funding for pre-foreclosure counseling; expand revenue bond authority to restructure subprime and adjustable rate mortgages; provide community development block grants to allow communities to purchase, rehabilitate, rent, or re-sell or otherwise re-develop foreclosed properties; and help avoid future foreclosures with more transparent mortgage documents and pre-mortgage counseling.

Video and full text of Senator Cardin's remarks will be available at www.cardin.senate.gov

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