



CONGRESSMAN GARY G. MILLER

PRESS RELEASE

CALIFORNIA'S 42ND DISTRICT



FOR IMMEDIATE RELEASE
July 28, 2011

CONTACT: Megan McCormack
(202) 225-3201

CONGRESSMAN GARY MILLER INTRODUCES THE NEIGHBORHOOD PRESERVATION ACT

WASHINGTON, DC –This week, Congressman Gary G. Miller introduced H.R. 2636, the Neighborhood Preservation Act, to ease the pressure that foreclosed homes are putting on the housing market. This legislation will address the persistence of foreclosures and large unsold housing inventories in order to give families a chance to stay in their homes, stabilize home values, and restore overall confidence in the housing market.

“The sizeable inventory of unsold homes and high number of distressed sales continue to be a drag on the housing market and the overall economy, said Congressman Miller. “In June, distressed home sales accounted for 69 percent of single-family home sales in San Bernardino County, and nearly half of all sales in Los Angeles County. Something must be done to reduce the inventory of available homes and stop the further decline in home prices.”

To address the inventory surplus and help stabilize the housing market, the Neighborhood Preservation Act will allow a bank or mortgage servicer to enter into a long-term lease for properties acquired through foreclosure with an individual or the prior homeowner of a foreclosed property. By reducing the number of homes entering the housing inventory, the Neighborhood Preservation Act will help restore confidence in the housing market. Allowing foreclosed and distressed properties to be leased rather than remain vacant will also reduce blight and stabilize home values in neighborhoods hardest hit by the housing crisis. A similar bill championed by Congressman Miller in the 111th Congress (H.R. 2529) passed the House by a bipartisan voice vote, but was never acted on by the Senate.

In addition, H.R. 2636 would allow Fannie Mae and Freddie Mac to lease real-estate owned properties for up to five years. Taxpayers stand to save significant amounts of money by this provision, which will allow the GSEs to sell properties in a stable market. Furthermore, the Neighborhood Preservation Act directs the Federal Housing Finance Agency to set standards for determining if a property is eligible for leasing. Leasing eligibility standards must consider mitigating losses to taxpayers and stabilizing home prices.

“In the end, the Neighborhood Preservation Act will reduce the number of houses coming into the housing inventory and will preserve the physical condition of foreclosed properties, which will ultimately help stabilize the aesthetic and economic values of homes and neighborhoods,” added Congressman Miller. “As Americans across the country are affected by this unrelenting foreclosure crisis, it is imperative that Congress address this issue and restore overall confidence in the housing sector.”

The Neighborhood Preservation Act is cosponsored by Financial Services Committee Chairman Spencer Bachus, Ranking Member Barney Frank, and Rep. Carolyn McCarthy.

###