



CONGRESSMAN GARY G. MILLER

PRESS RELEASE

CALIFORNIA'S 42ND DISTRICT



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Congressmen Miller and Sherman Praise Senate Approval of Higher Conforming Loan Limits

Washington DC – Today, Congressman Gary G. Miller (R-CA) and Congressman Brad Sherman (D-CA), both senior members of the House Financial Services Committee, praised the Senate for passage of the Menendez/Isakson Amendment reinstating higher limits on loans made in high-cost areas that are purchased by Fannie Mae and Freddie Mac (GSEs) or that are insured by the Federal Housing Administration (FHA).

“I am extremely pleased that the Senate has recognized the importance of reinstating higher mortgage loan limits to stabilizing our nation’s housing market,” said Congressman Miller. “Allowing the loan limits to be reduced while private mortgage capital remains scarce has made it increasingly difficult for potential homebuyers in California and other high-cost areas to obtain mortgage credit. This reduction in credit availability comes at the worst possible time for our housing market. Housing is vital to our nation’s economic recovery, and we must reinstate the loan limits. I will continue to work with my colleagues in the House to send this extension to the President’s desk as soon as possible. Without it, our fragile economic recovery will be dealt a devastating blow.”

In 2008, Congressmen Miller and Sherman were successful in creating a high-cost area conforming loan limit, which allowed for higher loan limits in areas that have median home prices above \$417,000. Those limits, which were set at 125 percent of the area median home price, capped at \$729,750, expired on September 30, 2011, and the formula for calculating each area’s loan limit dropped overnight from 125 to 115 percent of the area median home price. The maximum loan limit also decreased from \$729,750 to \$625,500. The Menendez/Isakson Amendment, which passed the Senate by a vote of 60-38, restored the conforming loan limits to their pre-September 30, 2011 levels.

“The Senate has taken a positive step to help housing prices, and I am committed to doing everything I can to push the House to support restoring the higher conforming loan limits within the 2012 appropriations process,” said Congressman Sherman. “Increased conforming loan limits are critical to supporting current housing prices and our overall economic recovery, and they don’t cost the government a dime.”

In May of this year Congressmen Miller and Sherman introduced H.R. 1754, the *Preserving Equal Access to Mortgage Finance Programs Act*, legislation that makes the higher conforming loan limits permanent.

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