
CAPITOL CONNECTION

A Weekly Update of News and Views
For Opinion Shapers and Policy Makers

Congressman Gary G. Miller
42nd District, California



May 9, 2008

House Approves Housing Stimulus Package

On Thursday, the House approved legislation that would improve the ability of homeowners to refinance into safe Federal Housing Administration (FHA) backed mortgages. Under the proposal, lenders would have to take a significant loss on the homeowner's debt in return for federal mortgage insurance coverage. In order for the homeowner to participate in the new program they would have to demonstrate their ability to repay the loan, accept increased mortgage insurance premiums, and share a substantial portion of the profit with the government if they sell their home. The nonpartisan Congressional Budget Office estimates this bill will prevent approximately half a million foreclosures. Also included in the bill is a provision long championed by Congressman Miller that would permanently increase the loan limits for Fannie Mae, Freddie Mac, and the FHA. By law, the FHA is prevented from insuring mortgages above a certain size. Fannie Mae and Freddie Mac are similarly barred from purchasing loans above a certain dollar amount. When the Economic Stimulus Act was signed into law earlier this year, the loan limit for both programs was temporarily increased to a maximum of \$730,000. The provision authored by Congressman Miller would prevent that increase from expiring at the end of this year, ensuring that Southern Californians are able to continue having access to safe, affordable mortgages. With home prices fluctuating, credit tightening, and foreclosures going up, he is firmly committed to bringing stability back to the housing market without bailing out speculators or homebuyers who made bad decisions.

Congressman Miller Opposes \$15 Billion Housing Bailout

The House on Thursday approved a separate housing bill that would establish a \$15 billion federal program to provide states and localities with funds to purchase and rehabilitate foreclosed properties. Half of that amount would come in the form of grants to states and localities, the other half would come in the form of loans. While the intent of the bill is to stabilize housing markets that are experiencing high levels of foreclosure, Congressman Miller is concerned that the program will actually create an incentive for lenders to foreclose on properties rather than attempting to work with struggling homeowners. He strongly opposed this costly legislation which will only exacerbate problems in the housing market and further delay economic recovery.

Congressman Miller Unveils the Free Way Act

Recently, the Los Angeles Metropolitan Transportation Authority (LAMTA) announced a plan to start charging for access to 183 miles of now free carpool lanes in exchange for \$213.6 million in federal funding to buy more buses and build more park-and-ride lots. In response, Congressman Miller, this week introduced the Free Way Act to prohibit states and localities from charging carpoolers to access now free carpool lanes built with federal taxpayer money. By charging for the use of carpool lanes, the LAMTA is proposing to double-dip into the pockets of hardworking Americans. We have already paid for these roads through federal, state, and local taxes. Why should we pay again? In addition to the cost to taxpayers, the proposal will actually increase Southern California's already severe congestion by driving carpoolers into regular lanes or onto surface streets. He introduced the Freeway Act to put an end to this foolish plan and put the free back in freeway.

House Votes to Expand State Criminal Alien Assistance Program

The House this week approved legislation coauthored by Congressman Miller that would require the federal government to more fully reimburse states for the cost of detaining illegal aliens charged with crimes. The measure approved this week would expand the State Criminal Alien Assistance Program (SCAAP) to compensate states not only for incarcerating illegals who have been convicted of a felony or two or more misdemeanors, but also for the costs incurred for those charged with an offense. According to one study, during Fiscal Year 2006 the cost of illegal immigration to California's border counties was over \$82 million for law enforcement expenses alone. During that same time period, the federal government reimbursed those same counties only \$2.4 million for the cost of jailing illegal aliens. Congressman Miller firmly believes that the federal government should cover the costs associated with apprehending and detaining illegal immigrants and will continue to work with his colleagues to see that our nation's immigration laws are fully and aggressively enforced.

The Capitol Connection Newsletter is published at the end of every week in which Congress is in session. Please send correspondence to CapitolConnectionNewsletter@mail.house.gov with your name and residential address. To subscribe or unsubscribe to this newsletter send an email to CapitolConnectionNewsletter@mail.house.gov or call (202) 225-3201.