

PRESS RELEASE

Congressman Gary G. Miller
42nd District, California



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Reps. Miller and Green Respond to Court Decisions Striking Down HUD Downpayment Assistance Rule

Washington, DC – On October 1, 2007, the Department of Housing and Urban Development (HUD) issued a rule barring downpayment assistance providers from participating in the Federal Housing Administration program. In response to a pair of federal court decisions this week striking down the HUD rule, Representatives Gary G. Miller and Al Green issued the following statement:

“This week’s rulings give legitimate downpayment assistance programs a new lease on life. Together these crucial programs have helped more than a million low and middle income families achieve the dream of home ownership. Rather than eliminate downpayment assistance providers altogether, as the HUD rule would have done, Congress is currently working within the context of FHA modernization legislation to develop criteria by which these programs can continue to operate while ensuring the FHA insurance fund is not placed at risk.”

“Because of a few bad actors, HUD decided last October to effectively bring these programs to an end. That was the wrong decision and we are deeply gratified that it has been overturned. This week’s court rulings allow seller-funded downpayment assistance programs to continue to serve our communities. We strongly support these decisions and will continue to fight every effort to eliminate rather than reform this vital program which has helped build strong communities for years. Because of the availability of downpayment assistance, hundreds of thousands of people have become homeowners with safe, stable mortgages.”

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