



CONGRESSMAN GARY G. MILLER

## PRESS RELEASE

CALIFORNIA'S 42<sup>ND</sup> DISTRICT



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### **House Unanimously Passes the Neighborhood Preservation Act**

WASHINGTON, DC – Today, the House of Representatives unanimously passed H.R. 2529, the Neighborhood Preservation Act. This legislation, authored by Reps. Gary Miller (R-CA) and Joe Donnelly (D-IN), 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 American economy is currently suffering from an overburdened inventory of available houses for sale, roughly estimated to be a ten-month supply,” said Congressman Miller. “Distressed sales represent approximately 86 percent in San Bernardino County, 65 percent in Los Angeles County, and almost 50 percent in Orange County—all of which are driving down home and neighborhood values. In fact, foreclosures have caused prices to decline in California alone by about thirty percent in recent months, and distressed sales continue to be a problem.”

To address this inventory surplus and help stabilize the housing market, the Neighborhood Preservation Act will allow a bank or mortgage servicer to temporarily enter into a five-year lease for properties acquired through foreclosure with an individual or the prior homeowner of a foreclosed property. Under the bill, the prior homeowner will have the option to lease the property with the opportunity to buy back their home. This legislation will also enable the lender to sell the property within five years into a more stable market, and thereby potentially recover all or part of the losses that would otherwise have occurred due to an immediate sale in a saturated market.

“At no cost to the taxpayer, 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, I am pleased the House has passed this critical piece of legislation. The Neighborhood Preservation Act will give struggling families an opportunity to stay in their homes while riding out the housing crisis, and will be instrumental in alleviating the overall crisis in the housing sector.”

Introduced by Reps. Gary Miller (R-CA) and Joe Donnelly (D-IN), the Neighborhood Preservation Act is cosponsored by Reps. Spencer Bachus (R-AL) and Barney Frank (D-MA).

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