

PRESS RELEASE

Congressman Gary G. Miller
42nd District, California



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CONTACT: Jessica Baker (Miller)
(202) 225-3201
Samantha Slater (Donnelly)
(202) 225-3915

Reps. Gary Miller and Joe Donnelly Introduce the Neighborhood Preservation Act

WASHINGTON, DC – Today, Reps. Gary Miller (R-CA) and Joe Donnelly (D-IN) introduced the Neighborhood Preservation Act. 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 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 are up 87 percent in San Bernardino County, 69 percent in Los Angeles County, and 57 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 forty percent in recent months, and there are no signs of this trend stopping.”

To address this 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. Under the bill, the prior homeowner would 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 loss that would otherwise have been lost due to immediate sale in a saturated market.

“During these tough economic times, we should do everything we can to help keep folks in their homes,” Donnelly said. “The economic downturn has pushed a lot of Hoosiers either into or to the brink of foreclosure. By allowing a family to lease a property rather than abandon it, we would be giving that family a chance to remain in their home until they have the means to own again, thereby reducing the oversupply of foreclosed homes in the market and minimizing the negative impact on surrounding homes in the neighborhood.”

“The Neighborhood Preservation Act would give homeowners an alternative to giving up their homes,” Donnelly added. “I will continue to work along with my colleagues in Congress to do everything in our power to reduce the number of foreclosures and, as a result, stabilize our neighborhoods.”

“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.”

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