

FOR IMMEDIATE RELEASE

Contact: Jacob Hay, LIUNA at (202) 942-2285, (202) 445-4788 or jhay@liuna.org

Homeowners Join With Labor, Economic Policy and Community Organizations Calling on U.S. House to Fix Foreclosure Prevention Act

Washington, D.C. (April 15, 2008) – A broad coalition of homeowners, labor, economic policy and community organizations joined together to call on the House of Representatives to fix the Senate’s Foreclosure Prevention Act, which not only fails to adequately help struggling homeowners, but also contains a \$25 billion taxpayer funded handout for corporate homebuilders and those on Wall Street who helped cause the mortgage and housing crisis.

“Corporate homebuilders won in the Senate and struggling homeowners and working people lost,” said Terence M. O’Sullivan, LIUNA General President. “We believe the House of Representatives can correct that and we are going to keep fighting on this issue until the Foreclosure Prevention Act lives up to its name.”

This crisis has caused real pain across America. More than 350,000 construction workers have lost jobs due to the crisis, including 51,000 in March alone. Nearly 3 million Americans are facing foreclosure or have already lost their homes. Americans are seeing their retirement security threatened by tainted mortgage investments. Home values - the primary investment for most Americans – are in severe decline.

“All I wanted was to own my own home. That is part of the American dream. Now my dream has become a nightmare,” said Rosa Garcia, an Arizona Homeowner, currently facing foreclosure.

“Many of the people in my community are facing serious difficulties,” said Rick Fernandez, a community leader in Buckeye, Arizona. “We need leadership and accountability to solve this crisis. Instead of rewarding the same companies who caused the crisis in my community and many others across the country, Congress should get to work helping struggling homeowners.”

Last week the Senate passed a Foreclosure Prevention Act that focuses more on giving handouts to those at fault than helping the struggling homeowners – the real victims of the housing and mortgage crisis. While there are provisions in the bill that will address the needs of homeowners, the bulk of the bill’s spending is taken up with a \$25 billion handout for corporate homebuilders and those on Wall Street who are responsible for this mess. At the same time, the Senate’s bill failed to include important measures to help struggling homeowners, such as a provision which would allow bankruptcy judges to modify mortgage terms in order to achieve and affordable payment.

“The Senate’s Foreclosure Prevention Act includes tax provisions that are likely to help large corporate homebuilders and yet do little for ordinary Americans who are either struggling to keep their homes or who are hurt by the downturn in the home construction industry,” said Robert McIntyre, Director, Citizens for Tax Justice.

(more)

“It is disappointing that at a time when we are seeing 20,000 foreclosures a month, the Senate responds with legislation that mostly provides tax breaks to homebuilders and fails to include a provision allowing bankruptcy judges to modify loan terms for principle residences,” said Reverend Gloria Swieringa, ACORN Maryland President. “We call on Congress to wake up and realize that they need to side with us, workers and consumers alike, rather than the same industries that got us into this mess in the first place.”

“We are particularly concerned about the unwarranted and unlimited tax breaks being offered to homebuilders and financial institutions that reaped windfall profits as they offered borrowers unsustainable loan products,” said Andrew Jakabovics, Center for American Progress Action Fund, Associate Director.

“There are many actions that the federal government could productively take to deal with the housing, credit, financial and economic problems this country faces,” said Michael Ettlinger, Economic Policy Institute, Director of Economic Analysis and Research. “Unconditionally handing out billions of dollars to corporations is not one of them.”

###

The half-million members of LIUNA – the Laborers’ International Union of North America – are on the forefront of the construction industry, a powerhouse of 10 million workers who build America.