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John T. Woolley & Gerhard Peters • Santa Barbara, California

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• William J. Clinton

Remarks on the National Homeownership Strategy

June 5, 1995

Look at it this way, Jean, all your other speeches will be easier now. *[Laughter]* You did very well, and I thank you and Jim for coming.

Ladies and gentlemen, I have looked forward to this day for a long time, and I care a lot about this issue. I'm glad to see so many distinguished Americans here. I welcome Congressman Bono, who was, before he became a Congressman, a mayor and therefore has an intimate personal experience with this whole issue. And I'm, of course, delighted to see my good friend Millard Fuller here, who has done as much to make the dream of homeownership a reality in our country and throughout the world as any living person. And we thank you, sir, for your work.

Before I get into my remarks, I think it's important for me to make a brief reference to another subject. Congress is coming back to work today after a break, and the anti-terrorism bill that I sent to Congress is being considered in the Senate. It will give law enforcement the tools it needs to crack down on terrorists that they, people in law enforcement, asked me to seek from Congress, first a couple of months before the Oklahoma City tragedy, to deal especially with the problems of international terrorism coming into the United States, and then some more things that were asked for in the wake of Oklahoma City.

This is very, very serious legislation. The Congress not only has the right, it has the responsibility to review the bill and to hear those who think that in some ways its law enforcement provisions are too tough. There ought to be a full debate. But we cannot afford to let scores of unnecessary amendments drag down this process. In that I agree with the statements made by the majority leader of the Senate, Senator Dole. So I call upon my fellow Democrats and Republicans to limit amendments, curb politics, ignore narrow interests, to agree to the simple pact that there should be no excuses, no games, no delays. The time is now to enact this important legislation.

You can be sure that terrorists around the world are not delaying their plans while we delay the passage of this bill. It is within our reach now to dramatically strengthen our law enforcement capabilities and to enhance the ability of people in law enforcement to protect all kinds of Americans. We have an obligation to do that. And so I would urge the Congress to take this bill up and to get on with it, to limit the number of amendments as soon as possible so that we can go forward.

Now, let me get back to the subject at hand. I am delighted to be here. You might ask, why do I care about home ownership? After all, I live in America's finest public housing. *[Laughter]* The answer is, I once had a life, and I hope to have one again some day. *[Laughter]* When I was 19, I built a home as part of what I did that summer.

When I was trying to coax my wife into marrying me, we were both living in Fayetteville, Arkansas, teaching at the University of Arkansas. And I had not gotten a definite answer; I think that's the most delicate way I can put this. *[Laughter]* And Hillary had to go away to somewhere—I can't remember where she was going now, but anyway she was taking a trip on an airplane, so I was driving her to the airport. And we drove by this wonderful old house. It was an old, old, very small house, and she said, "Boy, that's a beautiful house." And I noticed that there was a little "For Sale" sign on it. So I took her to the airport, went back, and bought the house. And when she came home after the trip, I drove by the house. I said, "See that house you liked? I bought it while you were gone. Now you have to marry me." *[Laughter]* And it worked; 20 years ago this fall, it worked. Most people do it the other way around, but you know—*[laughter]*

I still remember that home cost \$20,500. It had about 1,100 square feet. And I had about a \$17,500 mortgage on it, and my payments were about \$176 a month, as I remember, something like that. And that was 20 years ago this fall that I signed that fortuitous contract.

Those prices aren't very much available anymore, but the objective for young people, with their futures before them and their dreams fresh in their minds, starting out their families, to be able to own their home and to start a family in that way, that's a worthy objective—just as worthy today and, I would argue to you, more important today than it was 20 years ago, more important today than it was 20 years ago. We just had a report come out last week asserting that it may be that up to one-third of our children are now born out of wedlock. You want to reinforce family values in America, encourage two-parent households, get people to stay home? Make it easy for people to own their own homes and enjoy the rewards of family life and see their work rewarded. This is a big deal. This is about more than money and sticks and boards and windows. This is about the way we live as a people and what kind of society we're going to have.

And I cannot say enough in terms of my appreciation to Secretary Cisneros, who is a genuine visionary, to the Vice President for all the work he and the National Performance Review have done on this, and to all of our partners who are here, all the people in public and private life whose work is home ownership. Since the day I asked Secretary Cisneros

to build this strategy, he has done about everything a human being could do. And I can say without knowing that I'm overstating it, that if we succeed in doing this, if we succeed in making that number happen, it will be one of the most important things that this administration has ever done, and we're going to do it without spending more tax money.

Two years ago, I met a couple having their own first home dream come true. They're here today. Patty and Matt Murray had just bought a home in Frederick, Maryland, where I was visiting, promoting my economic plan along with the realtors to bring down the deficit, to bring down interest rates, to bring down home mortgage rates so people can afford to buy their own home. Now they have a stake in a better life, and I'm glad that they're here today. I would like to ask them to stand. I would also like to ask now all the other young couples that came here—I just want you to see them. That's where I was 20 years ago. I want all of you to stand here, all these first-time homebuyers that we invited to come here. [Applause]

We have to remember that there are millions of people just like them who believe that home ownership is out of reach. They may be paying monthly rents that could cover a mortgage payment. They may scrape to save, but a downpayment is still out of reach. They are locked out by rigid restrictions or by a home-buying system just, as Jean said, too difficult or too frightening. And that is not right.

One of the great successes of the United States in this century has been the partnership forged by the National Government and the private sector to steadily expand the dream of home ownership to all Americans. In 1934, President Roosevelt created the Federal Housing Administration and made home ownership available to millions of Americans who couldn't afford it before that.

Fifty-one years ago just this month, Harry Truman rewarded service men and women with the GI bill of rights, which created the VA Home Loan Guarantee Program. That extended the dream of home ownership to a whole new generation of Americans. For four decades after that, in the greatest period of expansion of middle class dreams any country has ever seen anywhere in human history, home ownership expanded as incomes rose, jobs increased, the educational level of the American people improved.

But in the 1980's, as the Vice President said, that dream began to slip away. I ran for President in large measure because I wanted to restore that dream, to grow the middle class, shrink the under class, promote the mainstream values of work and responsibility, family and community, and reform Government in a way that would enhance opportunity and shrink bureaucracy.

We've made good progress, but we have to do a lot more. I ask all of you just one more time to look at that chart. And I wish I had a lot of other charts to show you that would reinforce that. Home ownership declines, then stabilizes at a lower level. At the same time, more and more American families working harder for the same or lower wages every year, under new and difficult stresses. It seems to me that we have a serious, serious unmet obligation to try to reverse these trends. As Secretary Cisneros says, this drop in home ownership means 1.5 million families who would now be in their own homes if the 46 years of home ownership expansion had not been reversed in the 1980's.

Now we have begun to expand it again. Since 1993, nearly 2.8 million new households have joined the ranks of America's homeowners, nearly twice as many as in the previous 2 years. But we have to do a lot better. The goal of this strategy, to boost home ownership to 67.5 percent by the year 2000, would take us to an all-time high, helping as many as 8 million American families across that threshold.

This is the new way home for the American middle class. We have got to raise incomes in this country. We have got to increase security for people who are doing the right thing, and we have got to make people believe that they can have some permanence and stability in their lives even as they deal with all the changing forces that are out there in this global economy.

No person, even the President, can look at these young people and say, I will guarantee you, no matter what happens in the global economy, you will always have the job you have today, and you'll make more money next year than you did this year. You know no one can guarantee that in the global economy. That's not the way the world works anymore.

But we can guarantee to people that we're going to empower them to help themselves. We'll make home ownership more accessible. We'll make lifetime education and training more accessible. We'll make the things that make life work for people who are trying to do the best they can for themselves there. We have to begin with the basic things that make it worth doing.

As the Vice President and I said in a book we put out in the election campaign in 1992, our economic strategy includes a commitment to work to provide decent, safe, affordable homes to all Americans and to do it with an alliance of the public and private sector.

I want to say this one more time, and I want to thank again all the people here from the private sector who have worked with Secretary Cisneros on this: Our home ownership strategy will not cost the taxpayers one extra cent. It will not require legislation. It will not add more Federal programs or grow Federal bureaucracy.

It's 100 specific actions that address the practical needs of people who are trying to build their own personal version of the American dream, to help moderate income families who pay high rents but haven't been able to save enough for a

downpayment, to help lower income working families who are ready to assume the responsibilities of home ownership but held back by mortgage costs that are just out of reach, to help families who have historically been excluded from home ownership. Today, all across the country, I say to millions of young working couples who are just starting out: By the time your children are ready to start the first grade, we want you to be able to own your own home.

All of our country will reap enormous benefits if we achieve this goal. Home ownership encourages savings and investment. When a family buys a home, the ripple effect is enormous. It means new homeowner consumers. They need more durable goods, like washers and dryers, refrigerators and water heaters. And if more families could buy new homes or older homes, more hammers will be pounding, more saws will be buzzing. Homebuilders and home fixers will be put to work. When we boost the number of homeowners in our country, we strengthen our economy, create jobs, build up the middle class, and build better citizens.

I thank Millard Fuller especially for the work that Habitat for Humanity has done in building better citizens. I remember the day we dedicated the very first Habitat house built in my home State, that went to a woman who went to church with me and worked for the State government and still her income was so low she was eligible to be considered there. And I was so proud of her because she and her children, for the first time, felt that all these incredible years of sacrifice and labor she had endured were about to be rewarded. And it made her a better citizen, and it made everybody that put a hammer to a nail a better citizen, and it made all of us who saw it unfold better citizens.

H.L. Mencken once wrote that "A home is not a mere transient shelter, its essence lies in its permanence, in its quality of representing in all its details the personalities of the people who live in it."

What we are doing today will allow more homes to be blessed by more families. I hope it will start all these young people on a path that will take them to great joys in their personal lives, and perhaps to other homes, but something they will always know that their country wanted them to have because they were entitled to it as a part of the American dream.

Thank you very much.

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