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Remarks By Treasurer Anna Escobedo Cabral on Housing

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U.S. DEPARTMENT OF THE TREASURY

Press Center



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Before the National Association of Hispanic Real Estate Professionals

Washington – Thank you, Chairman DeHerrera, for the kind introduction and strong leadership. I am pleased to be here with all of you today for the 2008 Legislative Conference.

Thank you, Chairman DeHerrera, for the kind introduction and strong leadership. I am pleased to be here with all of you today for the 2008 Legislative Conference.

I send my most sincere thanks to NAHREP President and CEO Timothy Sandos, incoming Chair Rebecca Gallardo-Serrano, Legislative Conference Committee Chair Alex Chaparro, the panelists representing many distinguished organizations in the housing sector and last, but certainly not least, those representatives from NAHREP's 60 local affiliate chapters for making the trip to DC today.

Together, you create a resounding, powerful voice on issues that affect Hispanic homeownership throughout our nation.

As we gather today, during the opening days of spring, we have much work to do. Despite the homeownership challenges we face, the majority of homeowners in the country are not experiencing serious housing problems. For the 92 percent of homeowners who pay their mortgages on time, the sun is shining. But for those remaining families who are at risk of foreclosure, are struggling to make payments, or have lost their homes, their spring has yet to come.

Many struggling to stay in their homes face constant worry, causing some to declare that "Home is where the *mortgage* is."

Minority homeownership in this country has risen to historic levels -- above 50 percent -- since the President took office. But, the housing crisis hit the Hispanic community especially hard and too many families in this country face a time when they are watching their dreams fade into a not-so-distant past.

Solutions to complex housing and economic problems do not come easily, nor swiftly, but there are ways we can help people keep their homes. The Administration is taking many steps to ensure that our nation works through this difficult period.

First, as many of you know, the President signed into law an economic growth package that will provide rebates payments to more than 130 million Americans and tax incentives to businesses. These funds will create a temporary, meaningful boost to our economy as we weather the housing correction. (And, it will put extra spending money in your pockets!)

The President is also working closely with Secretary Jackson at HUD to assist those homeowners in danger of foreclosure and to make necessary changes to the home buying process including:

- Promoting FHA Secure, which has helped more than 130,000 current and delinquent homeowners nationwide to refinance into a safer, more secure FHA loan;
- Reforming RESPA, which will ensure that the process of signing a mortgage is clear and understandable; and
- Pushing Congress to act on important issues like GSE reform and FHA Modernization.

I know your luncheon speaker today, Secretary Jackson, is going to delve much deeper into those issues.

At Treasury, we are equally committed to an ownership society and to helping homeowners. We know that government works best when it joins together with the private sector to solve problems. This is why Secretary Paulson and Secretary Jackson, at the behest of the President, have partnered with the private sector in an evolving voluntary industry effort to build back the housing market.

The HOPE NOW Alliance – made up of our nation's leading counselors, servicers, and investors – has been critical in bolstering our efforts to vulnerable homeowners. Representing more than 70 percent of the mortgage industry and 90 percent of the subprime mortgage industry, HOPE NOW has implemented a variety of outreach services, including a direct mail campaign and a centralized hotline. We know that half of borrowers who foreclosed on a home never reached out to their lender or housing counselor to ask for the crucial help they need. We must work to encourage those families who fall behind that they can't avoid the letters. They can't avoid the phone calls. They can't avoid the problem.

We need your help in spreading the word. If you know a homeowner who needs assistance, and they are not comfortable calling their mortgage lender directly, please encourage them to call the HOPE NOW hotline at: 1-888-995-HOPE. That's 1-888-995-4673, or HOPE. At the other end of that line will be a housing counselor – people who have the training, tools, and know-how to help keep people in their homes.

As Treasurer, I have made it a priority to help educate the public about how to make important decisions about their finances, from understanding the importance of having a bank account to knowing how to use credit to your advantage to knowing the terms of your mortgage.

Sometimes it is easier to see the value of financial education when it is not there. In the past few years, too many individuals entered into mortgages that they didn't understand or couldn't manage. For most Americans, buying a home is the biggest, most important purchase of a lifetime. In the Hispanic community, where home equity accounts for the majority of household wealth, this is especially true. I would encourage all Americans to use the financial education resources available to their advantage and to use housing counselors.

I know that the members of NAHREP are lending a hand during this challenging time. Your members are vital to this effort, because you work closely with communities. You build trust. And, you assist those with language barriers to become, and remain, homeowners. The organization's historic growth in membership in the past six years is sure to further enhance its ability to make an even greater impact in the Hispanic community.

Let me close with this: President Bush has worked hard to break down barriers to homeownership and expand the dream of owning a home to more Americans. It is all of our responsibilities to help protect and preserve this dream. At the end of the day, the more families we place and keep in homes improves lives and strengthens our nation's economy. Working together, I'm confident we can move forward to brighter days ahead and preserve the American Dream of homeownership for all Americans.

Thank you.