Assistance for Those Whose Home Ownership is Threatened by Inability to Repay Loans Made with Sub-Prime Lending Rates

WHEREAS millions of lower and middle income families are in danger of losing their homes because they are unable to make their house payments as the variable rate of their home loans increases sharply;

WHEREAS the loss of homes causes tremendous suffering to those who lack resources to buy or rent another home;

WHEREAS foreclosure and eviction lead to a drastic decline in the value of other homes in the area, as empty houses deteriorate and invite vandalism and illicit use;

WHEREAS the inability of large numbers of homeowners to pay their loans, threatens the solvency of lending institutions; and

WHEREAS the federal government has already invested billions in subsidizing lending institutions directly;

THEREFORE BE IT RESOLVED that Congress support a bill which provides funds at a lower interest rate through the FHA to states and cities so they can enable those in danger of losing their homes and able to make reduced house payments, to keep their homes. This in turn would prevent the deterioration in value of other homes in the neighborhood, and would stabilize the lending institutions;

THEREFORE BE IT FURTHER RESOLVED that Congress enact legislation which provides for much more stringent regulation of lending institutions; and

THEREFORE BE IT FINALLY RESOLVED that the Washington State Democratic Central Committee forward this resolution to the Washington State Delegation to the US Congress.

Submitted by the Walla Walla County Democrats to the Democratic Central Committee for consideration at its June 14 convention in Spokane. (Date Submitted 4/28/2008)

The Resolutions Committee "AMENDED THIS RESOLUTION AND RECOMMENDED A PASS" at its May 31, 2008 meeting in Ellensburg.

The Washington State Democratic Convention "PASSED" this resolution at its June 14, 2008 meeting in Spokane.