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Local Initiatives Support Corporation (LISC) Statement on Obama Foreclosure Plan

NEW YORK (February 18, 2009)—The Obama Administration took a decisive step today to help stabilize communities stung by foreclosures and give millions of families the chance to stay in their homes. A foreclosure crisis of the magnitude we now face does not just impact individual homeowners. It pushes whole neighborhoods toward significant blight and crime. In low-income areas, in particular—where the economic margins are so thin—it can reverse years of progress. Rampant foreclosures erase opportunities. It is clear that we can not reverse our economic decline if we don't deal directly with our critical housing problems.

The President's Homeowner Affordability and Stability Plan – in combination with key provisions in the recent stimulus package, and particularly the \$2 billion in funding for the Neighborhood Stabilization Program—offers a strategy that can help reduce new foreclosures and mitigate some of those that have already occurred. It will give some homeowners the chance to refinance their mortgages and reduce their payments, and in doing so should offer more certainty to lenders/servicers eager to stabilize their portfolios.

"The best news in this package is that we are finally tackling our housing problem straight-on in a thoughtful, serious way," commented Michael Rubinger, president and CEO of the Local Initiatives Support Corporation (LISC). "This is something we haven't had thus far, a plan that goes to the root of the current economic crisis. Certainly, the President's proposal cannot alone solve all the financial challenges that we face today. But, it is an important, positive step toward alleviating some of the debilitating pressure facing families and communities in this environment," he said.

About LISC

The Local Initiatives Support Corporation (LISC) combines corporate, government and philanthropic resources to help nonprofit community development corporations revitalize distressed neighborhoods. Since 1980, LISC has raised more than \$9 billion to build or rehab more than 244,000 affordable homes and develop 36 million square feet of retail, community and educational space nationwide. LISC support has leveraged nearly \$28 billion in total development activity. For more information, visit www.lisc.org.

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