

**Opening Statement of Congressman Gary C. Peters
House Committee on Financial Services
Promoting Bank Liquidity and Lending Through Deposit Insurance,
Hope for Homeowners, and other Enhancements
February 3, 2009**

Thank you Mr. Chairman, and thank you to the witnesses appearing before the Committee today. There is perhaps no more important issue for us to address right now than foreclosure mitigation. In the state of Michigan, there were over 150,000 foreclosures last year, and millions more Americans nationwide will lose their homes in the coming years if we don't act to stem the tide of foreclosures.

The human cost of this problem is obvious, and we can all sympathize with a family that is forced to move from their home. But as we all know, foreclosures are not just a personal tragedy for the homeowners that lose their homes, but a real problem for entire communities. Foreclosures drive down the values of other homes in the neighborhood, empty and abandoned homes are an eyesore for neighbors and a public safety concern, and a home without an owner means less property tax revenue for state and local governments and less money for our schools, our police and fire departments, and for other essential services.

The Committee will be considering legislation later this week that will improve on existing programs for homeowners, shield loan servicers from legal liability when they seek to help a homeowner stay in his or her home, and increase the federal deposit insurance limits at our banks and credit unions. I am interested in hearing what the witnesses have to say about these measures, but I am also particularly interested in hearing from the witnesses any ideas they may have for programs that would help homeowners who are facing a temporary loss of income.

Michigan not only has one of the highest foreclosure rates in the nation, it also has the nation's highest unemployment rate. When a person loses his or her job in a high unemployment state like Michigan, it can be very difficult for that person to find another job in their home community. At the same time, if a jobless individual owes more on their home than it is currently worth, they cannot afford to move. This can lock families into an often irresolvable hardship. As more and more Americans find themselves out of work, we need to begin to think about ways to help these families stay in their homes

until the economy recovers and Americans get back to work. I look forward to hearing what the witnesses have to say about this, and I thank Chairman Frank for his leadership on this critical issue.