



JOINT ECONOMIC COMMITTEE  
SENATOR CHARLES E. SCHUMER  
CHAIRMAN



**For Immediate Release**  
September 18, 2007

**Contact:** Israel Klein or  
Kim Magee (202) 224-5171

## **ON HEELS OF FORECLOSURE SPIKE AND REGARDLESS OF WHAT FED DOES TODAY, SCHUMER CALLS ON BUSH ADMINISTRATION TO FINALLY DEPLOY TOOLS TO CALM FORECLOSURE STORM**

*August Foreclosure Filings up 115% Since Last Year, Marking Highest Number of Filings on Record According to RealtyTrac, Inc.*

*Joint Economic Committee Hearing Tomorrow Will Examine Depth of Housing Market Crisis with CBO and Housing Experts*

*Bad Housing and Economic News Sets Table for FOMC Meeting*

Washington, D.C. – U.S. Senator Charles E. Schumer (D-NY), Chairman of the Joint Economic Committee (JEC), today reacted to RealtyTrac Inc's announcement that home foreclosure filings surged to 243,947 in August, up 115 percent from August 2006 and 36 percent from July, marking the highest number of foreclosure filings since RealtyTrac began tracking monthly filings. The JEC will be holding a hearing tomorrow morning to examine the depth of the housing market crisis.

**"The Federal Reserve has its hands full considering August's bad economic news - zero job growth, a weakening housing market, and a severe spike in foreclosures,"** Schumer said. **"The White House needs to back off its ideological opposition to using Fannie and Freddie to provide meaningful relief to struggling homeowners, which would help both calm the foreclosure storm and assuage the foundering credit markets."**

According to RealtyTrac Inc., the foreclosure filing rate nationally is now one in every 510 homes. Bank repossessions numbered 42,789 in August, up from 26,842 in July, and more than double from August 2006, when filings numbered 20,116.

Over the next two years, nearly 2 million homeowners with adjustable-rate mortgages will experience payment shocks as their loans reset in a weakening housing market, a harbinger of more foreclosures to come.

Schumer and the Joint Economic Committee will hold a hearing, “*Evolution of an Economic Crisis?: The Subprime Lending Disaster and the Threat to the Broader Economy*” to take a closer look at the direct and indirect economic shocks resulting from the deterioration of the housing market, on **TOMORROW, September 19, 2007 at 9:30am in Room 216 of the Hart Senate Office Building.**

**The hearing witnesses will be:**

- **The Honorable Peter R. Orszag, Director, Congressional Budget Office**
- **Dr. Robert J. Shiller, Stanley B. Resor Professor of Economics, Yale University**
- **Mr. Martin Eakes, Chief Executive Officer, Center for Responsible Lending**
- **Mr. Alex J. Pollock, Resident Fellow, American Enterprise Institute**

Senator Schumer has been at the forefront of Congressional efforts to contain the subprime market crisis and ensure that irresponsible underwriting of this magnitude is not allowed to happen again. This month, Senator Schumer introduced legislation to lift the GSE conforming loan limit to above the current \$417,000 maximum and to temporarily lift the portfolio caps on Fannie Mae and Freddie Mac, allowing them to provide liquidity in the mortgage market. Senator Schumer also fought for \$100 million in funding to housing non-profits that help negotiate between borrowers and lenders to keep families in their homes, which passed the full Senate last week.

In May, Schumer introduced sweeping legislation to deal with unscrupulous lending practices this Congress, the Borrowers Protection Act, which would upgrade standards that mortgage brokers and originators must abide by when making new loans to borrowers.

*The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.*

**[www.jec.senate.gov](http://www.jec.senate.gov)**

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