



NEW YORK STATE SENATOR

Malcolm Smith

Senate Democratic Leader Malcolm A. Smith Urges President-elect Obama To End Christmas Holiday For Banks, Protect Homeowners From Foreclosure

MALCOLM A. SMITH December 23, 2008

(New York, NY)- In a letter to President-elect Barack Obama, Senate Democratic Leader Malcolm A. Smith urged President-elect Obama to include greater federal protection for homeowners to stem the tide of the subprime mortgage crisis.

In part, Smith stated, "it is outrageous for banks to be given taxpayer money without the precondition of assisting homeowners in foreclosure."

Smith added, "The implementation of the second part of the federal assistance package for financial institutions must be contingent upon the establishment of adequate provisions to protect homeowners". He asked President-elect Obama and the New York Congressional Delegation "not to support any further assistance to our financial institutions unless the following conditions are met: 1) banks and other lenders must be required to use a portion of the funding for a temporary moratorium on foreclosures while borrowers are provided the opportunity to renegotiate the terms of their loans; and 2) banks and other lenders must commit that a substantial percentage of the funds they receive will be used to renegotiate mortgages for those already in foreclosure and to avoid foreclosure for those at risk."

Joined by Congress Members Jerrold Nadler, Yvette Clarke and Edolphus Towns and State Senators Jeff Klein and Diane Savino, Smith recently had the opportunity to meet with a family who was forced into foreclosure and dealing with a lender that is unwilling to work with them. Even after enlisting the assistance of ACORN Housing Corp. to help mediate their rates, the bank continued proceedings to evict and repossess their home.

Smith concluded the letter, "The devastating effects of the subprime mortgage crisis have prevented millions of families in New York and across the nation from being home for the holidays. I urge you to insist that there is greater federal protection for homeowners in the next bailout so families can remain where they belong- in their homes- this holiday season. There should be no more holiday gifts for banks from our taxpayer dollars."

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