

The President's Weekly Address

September 29, 2012

Hi, everybody. Four years ago this month, a crisis that started out on Wall Street almost brought down our entire economy. The Nation's biggest banks were days away from failing. The stock market and millions of American retirement accounts were in free fall. Credit froze, lending stopped, and businesses, large and small, didn't even know if they'd be able to make payroll. It was a moment the likes of which few Americans had seen before.

Today, we know the biggest cause of that crisis was reckless behavior in the housing market. Millions of Americans who did the right and responsible thing—who shopped for a home, secured a mortgage they could afford, and made their payments on time—were badly hurt by the irresponsible actions of others: by lenders who sold loans to families who couldn't afford them and buyers who knew they couldn't afford them, by speculators who were looking just to make a quick buck, and by banks that packaged and sold those risky mortgages for phony profits. When the party stopped and the housing bubble burst, it pushed our entire economy into a historic recession and left middle class families holding the bag.

Four years later, the housing market is healing. Home sales and construction are up. Prices are beginning to rise. And more than a million families who began this year owing more on their mortgages than their homes are worth are now back above water.

So we're moving in the right direction. But we're not there yet. There are still millions of Americans who are struggling with their mortgages, even at a time of historically low rates.

Now, I know there are some who think that the only option for homeowners is to just stand by and hope that the market has hit bottom. I don't agree with that. That's why my administration teamed up with State attorneys general to investigate the terrible way many homeowners were treated and secured a settlement from the Nation's biggest banks—banks that were bailed out with taxpayer dollars—to help families stay in their homes.

And that's why we announced new steps to help responsible homeowners refinance their mortgages. Already, hundreds of thousands of Americans who were stuck in high interest rate loans have been able to take advantage of lower rates and save thousands of dollars every year. That's not only good for those families, it's also good for our economy. When folks are spending less on mortgage payments, they're spending more at local businesses. And when those businesses have more customers, they start hiring more workers.

But we can do even more if Congress is willing to do their part. Back in February, I sent Congress a plan to give every responsible homeowner the chance to save about \$3,000 a year on their mortgages by refinancing at lower rates. It's a plan that has the support of independent, nonpartisan economists and leaders across the housing industry. But Republicans in Congress worked to keep it from even getting to a vote. And here we are, 7 months later, still waiting on Congress to act.

This makes no sense. Last week, mortgage rates were at historic lows. But instead of helping more and more hard-working families take advantage of those rates, Congress was away on break. Instead of worrying about you, they'd already gone home to worry about their campaigns.

The truth is, it's going to take a while for our housing market to fully recover. But it's going to take a lot more time and cause a lot more hurt if Congress keeps standing in the way. If you agree with me, I hope you'll make your voices heard. Call your Representative, send them an e-mail, show up in their town hall, and tell them that when Congress comes back to Washington, they better come back ready to work. All of you are doing everything you can to meet your responsibilities. I think it's time Congress did the same.

Thanks and have a great weekend.

NOTE: The address was recorded at approximately 3:35 p.m. on September 27 in the Diplomatic Room at the White House for broadcast on September 29. The transcript was made available by the Office of the Press Secretary on 28, but was embargoed for release until 6 a.m. on September 29.

Categories: Addresses and Remarks : Weekly addresses.

Locations: Washington, DC.

Subjects: Business and industry : Home loan industry; Economy, national : Economic concerns; Economy, national : Strengthening efforts; Housing : Foreclosure avoidance efforts; Housing : Housing market :: Decline; Housing : Housing market :: Improvement; Housing : Housing market :: Strengthening efforts; Housing : Mortgage refinancing programs; Housing : Mortgage refinancing regulations.

DCPD Number: DCPD201200766.