



07/23/2008

## House expected to vote on Housing Bill

The FHA rescue program, which the White House was initially hesitant to send through fearing it would be a burden on the government and too risky for taxpayers, is expected to be voted on by the House today. If passed, it could become law as early as this week.

Treasury Secretary Henry M. Paulson made an urgent request to “throw Fannie Mae and Freddie Mac a federal lifeline” which acted as a strong motivating factor in making a deal.

Democrats, Republicans and the Bush Administration came together and addressed the concerns of each party. CNN Money reported that Democrats’ top priorities-federal help for homeowners facing foreclosure and \$3.9 billion for neighborhoods hit hardest by the housing crisis – were met as well as Republicans’ goal of reigning in Fannie Mae, and Freddie Mac while reassuring financial markets of their stability.

The independent Congressional Budget Office estimated on Tuesday the rescue would cost \$25 billion, but also predicted there’s a chance it won’t be needed at all.

The New York Times reported that Senator Jim DeMint, Republican of South Carolina, had doubts about the \$25 billion estimate. “Everyone knows it’s just a wild guess,” Mr. DeMint said. “We are either going to spend zero or we’re going to spend a whole lot more than they are talking about.”