

VENI, VIDI, VICI - OBAMA'S FORECLOSURE REVEAL IN PHOENIX

✖ As you may know, President Obama came to Phoenix in order to roll out his \$75 Billion Plan to Fight Home Foreclosures. This was exciting for me, because Obama spent last night at a resort, Montelucia, about 3/4 of a mile from my house. Lots of excitement; even more jammed up traffic yesterday afternoon and evening. Still, all in all, pretty exciting for an old desert dweller. Our dog, Kiki, is *still* barking at all the helicopters. Interlaced into this post will be a series of pictures taken by various Phoenicians and submitted to the Arizona Republic for open use on their website. I would have taken proprietary photos for Emptywheel, especially of the shots going down the road right by my house and entering Montelucia, but, alas, I was tied up with conference calls with multiple attorneys, all of whom are every bit as annoying as I am. Trust me on the latter.

✖ From the New York Times:

President Obama pledged on Wednesday to help as many as 9 million American homeowners refinance their mortgages or avert foreclosure, an initiative he said would shore up distressed housing prices, stabilize neighborhoods and slow a downward spiral that he said was "unraveling homeownership, the middle class, and the American Dream itself."


The plan, more ambitious than many housing analysts had expected, was unveiled by Mr. Obama in a high school gymnasium here, in a community that is among the nation's hardest hit by the foreclosure crisis. ✖

"This plan will not save every home, but

it will give millions of families resigned to financial ruin a chance to rebuild," the president told the crowd. "It will prevent the worst consequences of this crisis from wreaking even greater havoc on the economy. And by bringing down the foreclosure rate, it will help to shore up housing prices for everyone."

In a nutshell from the LA Times, the plan would:

- Remove restrictions on Fannie Mae and Freddie Mac that prohibit the institutions, both taken over by the government last year, from refinancing mortgages they own or have guaranteed when more is owed on a home than it is worth. The White House says this could reduce monthly payments for up to 5 million homeowners.

-  • Create incentives for lenders to modify subprime loans at risk of default or foreclosure. For lenders that agree to reduce rates to levels borrowers can afford, the government will make up part of the difference between the old monthly payment and the new payment. Participating lenders also will be required to cut payments to no more than 31 percent of a borrower's income. Up to 4 million homeowners could benefit.

- Keep mortgage rates low for millions of middle-class families seeking new mortgages. Using money already approved by Congress for this purpose, the Treasury Department and the Federal Reserve will continue to buy Fannie and Freddie mortgage-backed securities to maintain stability and liquidity in the marketplace. The department, through its existing authority, will provide up to \$200 billion in capital for this purpose.



- Pursue reforms to help families avoid foreclosure. The administration will continue to support changing bankruptcy rules so judges can reduce mortgages on primary homes to their fair market value, as long as the borrower sticks to a court-ordered repayment plan. As part of the \$787 billion stimulus package that Obama signed into law on Tuesday, the administration will award \$2 billion in competitive grants to communities experimenting with innovative ways to prevent foreclosures.

Here is the detailed plan (pdf) as put out by the White House. Obama was wildly received by the audience from the video I caught, and there were people camping out in line outside the high school he spoke at over a day ahead of his appearance. There was only one serious group of protesters, and they were not anti-Obama. They were demanding justice against our locally oppressive and deadly Sheriff Joe Arpaio. Ya gotta love that.

All in all, a short, but victorious, visit from the President of the United States.