

June 18, 2008

Dear Members of Congress:

**As Congress considers legislative responses to the subprime mortgage crisis, the undersigned organizations urge lawmakers to include at least \$4 billion in emergency neighborhood stabilization funding as a crucial part of the housing relief package that Congress should enact immediately.**

While we agree Congress should continue to move forward with its commendable efforts to prevent future foreclosures, we also strongly believe passage of neighborhood stabilization funding is crucial to the overall effort to stem the tide of foreclosures and stabilize the financial well-being of communities hit hardest by this crisis.

In communities with large numbers of foreclosures, homes stand vacant, create crime and arson hazards, and drag down prices area-wide. **Everyone loses—the lender, the homeowner, the renter and the neighborhood, including those families who have played by the rules in buying a home they could afford and paying the mortgage on time, but whose neighbors have lost their homes to foreclosure.**

By giving grants to states and localities with the greatest level of need, this funding would help to arrest and reverse the downward cycle of property abandonment, declining property values, shrinking tax base and community asset deterioration through concentrated revitalization efforts and the alignment of lender, investor, borrower, neighborhood and local government interests. Neighborhood stabilization funding would provide a desperately needed economic stimulus, enable communities and families to regain their balance and contribute to the economic well-being of the country once again.

Foreclosures are rampant, up 75 percent nationally last year over 2006, and the number of lender-owned homes nearly doubled in the fourth quarter of 2007 over the same period last year. This rapid increase in foreclosures has already damaged communities nationwide. The Joint Economic Committee estimates that more than **\$736 billion** in housing wealth has already been lost. It predicts that more than **\$1.14 trillion** will be lost by the end of 2008 and another **\$748 billion** in 2009.

Using construction activity multipliers developed by Texas A&M University and the National Association of Home Builders, researchers estimate that a \$4 billion investment will generate at least \$10 billion in direct and "ripple effect" economic activity nationwide, create more than 32,000 jobs, generate more than \$800 million in one-time revenue for all levels of government, and restore nearly \$60 million per year in local government real estate tax collections.

Now is the time to act. The undersigned organizations urge you to include neighborhood stabilization funding in a broader foreclosure relief package.

Sincerely,

ACORN  
CDFI Coalition  
Center for American Progress Action Fund  
Council of State Community Development Agencies

Enterprise Community Partners  
Habitat for Humanity International  
Housing Assistance Council  
Housing Partnership Network  
Local Initiatives Support Corporation  
Low Income Investment Fund  
National Alliance of Community Economic Development Associations  
National Association of Housing and Redevelopment Officials  
National Coalition for Asian Pacific American Community Development  
National Community Development Association  
National Community Land Trust Network  
National Council of La Raza  
National Council of State Housing Agencies  
National Housing Conference  
National Housing Institute  
National League of Cities  
National NeighborWorks Association  
National Vacant Properties Campaign  
NCB Capital Impact  
Rebuilding Together  
Self-Help  
Smart Growth America  
U.S. Conference of Mayors