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Press Release

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Chairman Hensarling Opposes Obama Administration Decision to Extend Failed HAMP

WASHINGTON -- Financial Services Committee Chairman Jeb Hensarling (R-TX) expressed his strong opposition to President Obama's decision to extend the Home Affordable Modification Program (HAMP), a failed and costly program that has been shown to actually hurt struggling homeowners.

"This decision solidifies the Obama administration's place atop the list of the nation's biggest subprime lenders," said Chairman Hensarling. "HAMP is a costly and abject failure that takes money from hardworking taxpayers, bails out banks that made bad loans, and forces Americans who struggle to pay their own mortgages to also pay their neighbor's. The TARP inspector general, the Government Accountability Office, the Congressional Oversight Panel – all have confirmed that HAMP has not only failed to work but it actually hurts struggling homeowners."

The Obama administration promised the program would help up to 4 million homeowners, yet it has come nowhere close to that goal. Only 862,000 active permanent mortgage modifications have taken place through HAMP since the program began in 2009.

The Special Inspector General for the Troubled Asset Relief Program (SIGTARP) reports that the number of homeowners who have redefaulted on a HAMP permanent mortgage modification is increasing "at an alarming rate." According to the SIGTARP's [most recent quarterly report](#), "the longer a homeowner remains in HAMP, the more likely he or she is to redefault out of the program."

"Redefaulted HAMP modifications often inflict great harm on already struggling homeowners," the SIGTARP report states.

Chairman Hensarling said that rather than extend the failed program, the administration should work with Congress to terminate HAMP, rescind its unspent funds and use those billions of dollars for deficit reduction.

"The best foreclosure prevention program is a job – it's a paycheck, not a government check," said Chairman Hensarling. "If we are to have a healthy economy, Washington must stop spending money it doesn't have. We must eliminate expensive government programs like HAMP that have failed the American people."

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