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**Remarks of President Barack Obama on Responsible Homeownership - As Prepared  
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Over the past couple weeks, I've been visiting towns like this talking about what we need to do as a country to secure a better bargain for the middle class – a national strategy to make sure everyone who works hard has a chance to succeed in the 21<sup>st</sup> century economy.

For the past four and a half years, we've been fighting our way back from a devastating recession that cost millions of Americans their jobs, their homes, and their savings – a recession that laid bare the long erosion of middle-class security.

Together, we took on a broken health care system and a housing market in freefall. We invested in new American technologies to reverse our addiction to foreign oil. We changed a tax code that had become tilted in favor of the wealthiest at the expense of working families. We saved the auto industry, and now GM plans to hire 1,000 new workers right next door in Chandler to make sure we build some of the most high-tech cars in the world right here in America.

Today, our businesses have created 7.3 million new jobs over the last 41 months. We now sell more products made in America to the rest of the world than ever before. We produce more renewable energy than ever, and more natural gas than anyone. Health care costs are growing at the slowest rate in 50 years. And our deficits are falling at the fastest rate in 60 years.

Thanks to the grit and resilience of the American people, we've cleared away the rubble from the financial crisis, and begun to lay a new foundation for stronger, more durable economic growth. But as any middle-class family will tell you, we're not where we need to be yet. Even before the crisis hit, we were living through a decade where a few at the top were doing better and better, while most families were working harder and harder just to get by.

Reversing this trend must be Washington's highest priority. It's certainly my highest priority. But for most of this year, an endless parade of distractions, political posturing, and phony scandals have shifted focus from what we need to do to shore up the middle class. And as Washington heads towards another budget debate, the stakes could not be higher.

That's why I'm laying out my ideas for how we must build on the cornerstones of what it means to be middle class in America. A good job with good wages. A home to call your own. A good education. Affordable health care that's there for you when you get sick. A secure retirement even if you're not rich. And more chances for folks to earn their way into the middle class as long as they're willing to work for it.

Last Tuesday, I went to Tennessee to talk about that first cornerstone, and lay out a grand bargain for middle-class jobs. And today, I've come to Phoenix to talk about that second, most tangible cornerstone at the heart of middle-class life: the chance to own your own home.

A home is supposed to be our ultimate evidence that in America, hard work pays off, and responsibility is rewarded. I think of my grandparents' generation. After my grandfather served in World War II, this country gave him the chance to go to college on the GI Bill, and buy his first home with a loan from the FHA. To him, and to generations of Americans before and since, a home was more than just a house. A home was a source of pride and security. It was a place to raise children, put down roots, and build up savings for college, or a business, or retirement. And buying a home required responsibility on everyone's part - banks were supposed to give you a fair deal, with terms you could understand, and buyers were supposed to live within their means. In my grandfather's America, houses weren't for flipping - they were for living in.

But over time, responsibility too often gave way to recklessness - on the part of lenders who sold loans to people who couldn't afford them, and buyers who knew they couldn't afford them. And when the housing bubble burst, triggering the recession, millions of Americans who had done everything right were hurt badly by the actions of others. By the time I took office, home values had fallen almost 20% from the year before. New housing starts had fallen nearly 80% from their peak. Hundreds of thousands of construction workers had lost their jobs. A record number of people were behind on their mortgages. And the storm hit harder here in Phoenix than almost anywhere.

So less than a month after I took office, I came here to Arizona and laid out steps to stabilize the housing market and help responsible homeowners get back on their feet. And while it's been a long, slow process that's taken longer than any of us would like, we've helped millions of Americans save an average of \$3,000 each year by refinancing at lower rates, and we've helped millions of responsible homeowners stay in their homes.

And where Congress wouldn't act, we did. Over the past few years, the Department of Justice stood up for buyers who were discriminated against or conned by predatory lenders, winning more money for victims of discrimination last year alone than in the

previous 23 combined. We worked with states to force big banks to repay more than \$50 billion dollars to more than 1.5 million families – the largest lending settlement in history. We’ve extended the time folks who’ve lost their jobs can delay payments on their mortgages while they keep looking for work. And we’ve cracked down on the bad practices that led to the crisis in the first place – because if something is called a “liar’s loan,” it’s probably a bad idea.

Today, our housing market is healing. Home prices are rising at the fastest pace in 7 years. Sales are up nearly 50%. Construction is up nearly 75%. New foreclosures are down by nearly two-thirds. Millions of families have been able to come up for air, because they’re no longer underwater on their mortgages. And even though we’re not where we need to be yet, Phoenix has led one of the biggest comebacks in the country. Home prices have risen by nearly 20% over the last year. New home sales are up by more than 25%. A company I visited this morning, Erickson Construction, shrank to less than 100 workers during the worst years of the crisis. Today they employ 580 people – and they’re hiring even more.

Now we have to build on this progress. We give to more hard-working Americans the chance to buy their first home. We have to help more responsible homeowners refinance their mortgage. And above all, we have to turn the page on the bubble-and-bust mentality that created this mess, and build a housing system that’s durable and fair and rewards responsibility for generations to come.

Some of the ideas I put forward today will be new. Some will be old ideas Congress hasn’t acted on yet. But like the other actions we’ve taken, these will not help the neighbors down the street who bought a house they couldn’t afford, then walked away and left a foreclosed home behind. It won’t help speculators who bought multiple homes just to make a quick buck.

What these ideas will do is help millions of responsible, middle-class homeowners who still need relief, and working Americans who dream of owning their own home fair and square. And there are immediate actions we can take, right now, that would make a difference.

Step one is for Congress to pass a good, bipartisan idea, and allow every homeowner to save thousands of dollars a year by refinancing their mortgage at today’s rates. Let’s get that done.

Step two: now that we’ve made it harder for reckless buyers to buy homes they can’t afford, let’s make it easier for qualified buyers to buy homes they can. We should simplify overlapping regulations and cut red tape for responsible families who want to get a mortgage, but who keep getting rejected by banks. And we should give well-

qualified Americans who lost their jobs during the crisis a fair chance to get a loan if they've worked hard to repair their credit.

Step three is something you don't always hear about when it comes to the housing market – and that's fixing a broken immigration system. It's pretty simple: when more people buy homes, and play by the rules, home values go up for everybody. According to one recent study, the average homeowner has already seen the value of their home boosted by thousands of dollars, just because of immigration. Now, with the help of your Senators, John McCain and Jeff Flake, the Senate has already passed a bipartisan immigration bill that's got the support of CEOs, labor, and law enforcement. And considering what this bill can do for homeowners, that's just one more reason Republicans in the House should stop dragging their feet and get this done.

Step four: we should address the uneven recovery by rebuilding the communities hit hardest by the housing crisis, including many right here in Arizona. Let's put construction workers back to work repairing rundown homes and tearing down vacant properties. Places facing a longer road back from the crisis should have their country's help to get there.

Step five: we should make sure families that don't want to buy a home, or can't yet afford to buy one, have a decent place to rent. In the run-up to the crisis, banks and the government too often made everyone feel like they had to own a home, even if they weren't ready. That's a mistake we shouldn't repeat. Instead, let's invest in affordable rental housing. And let's bring together cities and states to address local barriers that drive up rent for working families.

Helping more Americans refinance. Helping qualified families get a mortgage. Reforming our immigration system. Rebuilding the hardest-hit communities. Making sure folks have a decent place to rent. These steps will give more middle-class families the chance to buy their own home, more relief to responsible homeowners, and more options for families who aren't yet ready to buy. But as home prices rise, we can't just re-inflate a housing bubble. That's the second thing I'm here to talk about today: laying a rock-solid foundation to make sure the kind of crisis we just went through never happens again.

That begins with winding down the companies known as Fannie Mae and Freddie Mac. For too long, these companies were allowed to make big profits buying mortgages, knowing that if their bets went bad, taxpayers would be left holding the bag. It was "heads we win, tails you lose." And it was wrong.

The good news is that there's a bipartisan group of Senators working to end Fannie and Freddie as we know them. I support these kinds of efforts, and today I want to lay out four core principles for what I believe this reform should look like.

First, private capital should take a bigger role in the mortgage market. I know that must sound confusing to the folks who call me a raging socialist every day. But just like the health care law that set clear rules for insurance companies to protect consumers and make it more affordable for millions to buy coverage on the private market, I believe that while our housing system must have a limited government role, private lending should be the backbone of the housing market, including community-based lenders who view their borrowers not as a number, but as a neighbor.

Second, no more leaving taxpayers on the hook for irresponsibility or bad decisions. We encourage the pursuit of profit – but the era of expecting a bailout after your pursuit of profit puts the whole country at risk is over.

Third, we should preserve access to safe and simple mortgage products like the 30-year, fixed-rate mortgage. That’s something families should be able to rely on when they make the most important purchase of their lives.

Fourth, we have to keep housing affordable for first-time homebuyers and families working to climb into the middle class. We need to strengthen the FHA so it gives today’s families the same kind of chance it gave my grandparents, and preserves that rung on the ladder of opportunity. And we need to support affordable rental housing and keep up our fight against homelessness. Since I took office we’ve helped bring one in four homeless veterans off the streets. Here in Phoenix, thanks to the hard work of everyone from Mayor Stanton to the local United Way to US Airways, you’re on track to end chronic homelessness for veterans by 2014. But we have to keep going, because nobody in America, and certainly no veteran, should be left to live on the street.

Putting these principles in place will protect our entire economy, but we also need to do more to give individual homeowners the tools they need to protect themselves. The Consumer Financial Protection Bureau we created is laying down new rules of the road that every family can count on when they’re shopping for a mortgage. They’re designing a new, simple mortgage form in plain English, with no fine print, so you know before you owe. And I’m glad the Senate finally confirmed Richard Cordray as the head watchdog at the CFPB, so he can aggressively protect homeowners and consumers.

But when it comes to some of the other leaders we need to look out for the American people, the Senate still has to do its job. Months ago, I nominated a man named Mel Watt to be our nation’s top housing regulator. Mel’s represented the people of North Carolina in Congress for 20 years, and in that time, he worked with banks and borrowers to protect consumers and help responsible lenders provide credit. He’s the right person for the job, and Congress should give his nomination an up-or-down vote without any more obstruction or delay.

Now I want to be clear: no program or policy will solve all the problems in a multi-trillion dollar housing market. The heights the housing bubble reached before it burst were unsustainable, and it will take time to fully recover. But if we take the steps I put forward today, then I know we will restore not just our home values, but our common values. We'll make owning a home a symbol of responsibility and a source of security for generations to come, just like it was for my grandparents, and just like I want it to be for our grandchildren.

And if we follow the strategy I am laying out for our entire economy: for jobs, housing, education, healthcare, retirement, and climbing the ladders of opportunity, then I have no doubt we will secure that better bargain where hard work is once again rewarded with a shot at a middle-class life. More Americans will know the pride of that first paycheck. More will know the satisfaction of flipping the sign to "Open" on their own business. More will know the joy of etching a child's height into the door of their new home.

We can do all this if we work together. It won't be easy, but if we're willing to take a few bold steps - and if Washington will just end the gridlock and set aside the kind of slash-and-burn partisanship we've seen these past few years - our economy will be stronger a year from now. And five years from now. And ten years from now. And as long as I have the privilege of serving as your President, I'll spend every minute of every day I have left in this office doing everything I can to build that better bargain for the middle class and make this country a place where everyone who works hard can get ahead.

Thank you, Arizona. God bless you, and God bless the United States of America.