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For Homeowners

Home foreclosures reached 1.5 million in 2007 and are predicted to rise to 2.5 million in 2008. Home prices have fallen for 18 straight months, to a level that is 17 percent below a year ago. That is why the Financial Rescue Package includes major efforts to stem the tide of foreclosures:

- The government must implement a plan to reduce foreclosures as it buys troubled financial assets like mortgage backed securities.

- To help keep more families in their homes, the bill substantially expands eligibility for badly-needed mortgage refinancing under the FHA's Hope for Homeowners program

- As

the new owner of a stake in hundreds of thousands of mortgages, the government can now work more directly and effectively with loan servicers to make problem loans more affordable (by reducing principal or interest rates, or lengthening the time to pay back the mortgage).

- The

bill requires the Treasury, Federal Housing Administration, Federal Reserve and FDIC to work together on opportunities to increase loan modifications for at-risk mortgages.

- So that families are not taxed if they lose their

home, the bill extends provisions enacted earlier in this Congress to stop tax liability on mortgage foreclosures.

For Community Banks and the Small Businesses They Serve

The Financial Rescue Package

helps small businesses and families that need credit by aiding smaller banks hurt by the mortgage crisis. Approximately 800 community banks will be able to deduct losses from their investments in Fannie Mae and Freddie Mac stocks, preventing insolvency and strengthening the financial health of Main Street America.

Retirement Savings

To shore up the retirement saving of millions of Americans, the Financial Rescue Package will help stabilize the financial markets and allows the government to purchase troubled assets from pension plans.

State and Local Governments

The package helps shore up the fiscal soundness of state and local governments, struggling to provide front-line services to Americans. It allows the Treasury to purchase troubled assets from local governments.

For
Minority- and Women-Owned Businesses

The Financial Rescue Package encourages Treasury to buy assets from financial institutions serving low- and moderate-income population and underserved communities. It requires Treasury to set and follow standards for involving minority and women-owned businesses in contracts for asset management and other services