

WASHINGTON – Today, Rep. Earl Blumenauer (OR-3), a senior member of the House Budget and Ways and Means Committees and the Congressional Progressive Caucus (CPC), joined advocates in New York, Washington, D.C. and Southern California in calling on Edward DeMarco, the Acting Director of the Federal Housing Finance Agency, which oversees Fannie Mae and Freddie Mac, to write down mortgage principal amounts for struggling homeowners.

“Nearly one in four Oregon homeowners owe more on their mortgage than their home is worth,” **said Blumenauer**

. “Nationwide, homeowners are underwater to the tune of \$700 billion and millions of people have already lost their homes to foreclosure. The government should be doing everything in its power to help families stay in their homes and turn the economy around. Economists and housing finance experts from across the political spectrum agree that reducing the principal balance of underwater mortgages is the single best way to keep families in their homes and to stem the tide of foreclosures that are holding back the economic recovery. Yet FHFA Acting Director DeMarco has refused to take this step for the millions of mortgages that are owned by Fannie Mae and Freddie Mac.

“I have joined my colleagues on several occasions to urge Mr. DeMarco to allow for principal reduction, which will help struggling families now and save taxpayers money in the long-term,” **he continued**

. “This is win-win for homeowners and for the economy. I am once again calling on Acting Director DeMarco to help end the foreclosure crisis, and I will continue to do so until the millions of homeowners drowning under water get relief.”

Combined, Freddie Mac and Fannie Mae own or guarantee more than half of all mortgages in the country. DeMarco has faced criticism for refusing principal reduction for Freddie and Fannie mortgage holders. Protests were held yesterday at regional Freddie Mac offices demanding fair negotiations for themselves and other Americans who have been evicted from their homes.

Rep. Blumenauer is also the author of the Bankruptcy Equity Act, which would afford homeowners [the same bankruptcy protections that businesses receive](#), allowing bankruptcy judges to align a homeowner's mortgage to its current value and reduce foreclosures.