

March 10, 2011

Dear Representative,

On behalf of over one million FreedomWorks members nationwide, I urge you to vote YES on H.R. 836 the Emergency Homeowner Relief Program Termination Act. Introduced by Rep. Jeb Hensarling (R-TX), the bill would end HUD's Emergency Homeowners Relief Program to save taxpayers \$1 billion. The program is bad for both taxpayers and homeowners.

The Emergency Homeowners Relief Program provides loans or credit advances to people who cannot afford to pay their mortgages. In the Obama Administration's 2012 budget proposal, it estimates that the program has a 98 percent subsidy rate. This means that the taxpayers lose 98 cents for every \$1 spent on the program. Since it increases the debt of borrowers, they are unlikely to pay back the loans made under the program. The HUD's Emergency Homeowners Relief Program gives the federal government a new role as a community bank.

The federal government already has too large of a role in the housing market. Evidence shows that the federal government played a major role in creating the recent housing bubble. The government-sponsored enterprises (GSE) Fannie Mae and Freddie Mac were at the center of the collapse. Since Fannie Mae and Freddie Mac knew they had an implicit taxpayer bailout guarantee, they took more risks than they otherwise would. One of the main reasons for the massive amount of foreclosures was loose lending requirements pushed by Fannie Mae and Freddie. This distorted the market and tempted individuals to buy homes that they could not afford to buy. It will only make things worse if politicians attempt to solve the problems that they themselves created.

We will count your vote on H.R. 836 Federal Housing Assistance Program Termination Act as a KEY VOTE when calculating the FreedomWorks Economic Freedom Scorecard for 2011. The Economic Freedom Scorecard is used to determine eligibility for the Jefferson Award, which recognizes members of Congress with voting records that support economic freedom.

Sincerely,



Matt Kibbe
President and CEO
FreedomWorks



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