

**Assembly Joint Resolution**

**No. 20**

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**Introduced by Assembly Member Caballero**

May 28, 2009

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Assembly Joint Resolution No. 20—Relative to the federal Housing Opportunity and Mortgage Equity Act.

LEGISLATIVE COUNSEL'S DIGEST

AJR 20, as introduced, Caballero. The federal Housing Opportunity and Mortgage Equity Act.

This measure would urge the Congress to enact H.R. 230 to provide all homeowners, including those in California, the opportunity to refinance their current home loans with a lower interest rate and to assist qualified home buyers with mortgage financing.

Fiscal committee: no.

1 WHEREAS, Increasingly difficult economic conditions in  
2 California are putting enormous pressure on housing markets, and  
3 particularly, on individual households; and  
4 WHEREAS, Many working families find that serious declines  
5 in real estate markets have left them owing more on their homes  
6 than the homes are worth; and  
7 WHEREAS, Many of these same families face additional  
8 economic pressure as the interest rates on their mortgages are  
9 scheduled to rise; and  
10 WHEREAS, These conditions, coupled with rising  
11 unemployment in California, which now stands at over 11 percent,  
12 have contributed to the high number of home foreclosures in the  
13 state; and

1 WHEREAS, It is projected that nearly 350,000 homes will be  
2 lost to foreclosure in California through the end of 2009; and

3 WHEREAS, In addition to the destructive impacts on the state  
4 and local economies and on individual neighborhoods, these  
5 foreclosures shatter the lives of residents by uprooting families  
6 from their homes and placing a lasting stain on their credit history;  
7 and

8 WHEREAS, While steps have been taken to reduce the rate of  
9 foreclosures, they cannot keep pace with a continuing rise in the  
10 number of troubled loans and defaults; and

11 WHEREAS, If this pace continues, the state and the nation could  
12 likely face a collapse of the real estate market from which it may  
13 take decades to recover; and

14 WHEREAS, Legislation has been introduced in the United States  
15 House of Representatives which is aimed at preventing families  
16 from defaulting on their home mortgages and thereby arrest the  
17 growing rate of destructive foreclosures; and

18 WHEREAS, The proposed Housing Opportunity and Mortgage  
19 Equity Act (H.R. 230), by Congressman Dennis Cardoza, would  
20 give Californians an opportunity to refinance these troubled home  
21 loans to lower their interest rates; and

22 WHEREAS, Specifically, H.R. 230 would use a below-market  
23 interest rate on fixed-term loans of up to 40 years to refinance  
24 these troubled loans; and

25 WHEREAS, Refinancing these troubled loans would not only  
26 serve to prevent foreclosures, but would serve to help stabilize  
27 California's real estate market and, particularly, home prices; and

28 WHEREAS, The Legislature recognizes that Congress is now  
29 considering a variety of approaches to dealing with the nation's  
30 credit and real estate crises; now, therefore, be it

31 *Resolved by the Assembly and the Senate of the State of*  
32 *California, jointly*, That the Legislature respectfully encourages  
33 the Congress of the United States to enact H.R. 230 to provide all  
34 homeowners, including those in California, the opportunity to  
35 refinance their current home loans with a lower interest rate and  
36 to assist qualified home buyers with mortgage financing; and be  
37 it further

38 *Resolved*, That the chief Clerk of the Assembly transmit copies  
39 of this resolution to the President and Vice President of the United  
40 States, to the Speaker of the House of Representatives, to the

- 1 Majority Leader of the Senate, and to each Senator and
- 2 Representative from California in the Congress of the United
- 3 States.

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