

Senator Tim Johnson
Senate Committee on Banking, Housing and Urban Affairs
“Preserving Homeownership: Progress Needed to Prevent Foreclosures.”
July 16, 2009

These are difficult times for homeowners no matter where you live. My state has been more fortunate than most in that our housing market didn't experience the boom that other parts of the country did and South Dakota banks didn't sell as many exotic loan products as bankers in other regions sold. That said, with the housing market still in free fall in parts of our country, and the unemployment rate ticking upward, the housing situation continues to be troubling. Even in places where home values have remained relatively stable during this period of turbulence are now experiencing the effects.

We all know that widespread foreclosures have negative consequences on our communities. The Administration and Congress have taken many steps to create programs to aid financial institutions in helping keep responsible families in their homes—an important goal for preserving both neighborhoods and homeownership. Yet, we are still seeing rising foreclosure numbers. We need to know if the programs need to be improved and if the financial institutions need to do more. I look forward to hearing more from today's witnesses about the progress being made to modify and refinance home loans, including the successes and the challenges.