

## **HOUSE COMMITTEE PASSES RELIEF BILL FOR LOCALITIES HIT BY FORECLOSURES**

WASHINGTON, DC – On Thursday a congressional panel passed legislation, H.R. 5818, the Neighborhood Stabilization Act, aimed at establishing a \$15 billion loan-and-grant program to help stabilize communities that have been hit hard by foreclosures. The funds would help municipalities and states buy and rehabilitate foreclosed properties.

During committee consideration of the measure, Representative Brad Miller (D-NC) secured approval of an amendment that expanded assistance under the bill from the 25 largest cities in the nation to all municipal jurisdictions with a population of 50,000 or more and a foreclosure rate of 125 percent or more of the statewide average of the state in which the municipality is located.

“Foreclosure rates do not necessarily correspond to population, but touch communities across the nation both large and small,” said William Ferguson, Jr, CEO, of The Ferguson Group, which worked on behalf of its 70 local government clients across the country to secure the support for the Miller amendment to direct foreclosure relief to localities that need it the most, regardless of population.

“Without Representative Miller’s amendment, there would have been no guarantee that localities experiencing high rates of foreclosure would receive any of the resources provided through this Act,” added Ferguson.

For communities, the word foreclosure means a loss of property tax revenue, which often correlates to reductions in municipal services. Through H.R. 5818, the Neighborhood Stabilization Act, the Secretary of Housing and Urban Development is directed to create a grant and loan program to assist communities with the fallout associated with home mortgage foreclosures. The funds are required to be equally divided between grants and loans.

Representative Miller’s amendment was agreed to without objection. H.R. 5818 passed the House Committee on Financial Services by a vote of 38 – 26 and now goes to the full House of Representatives for consideration.

For more information about this legislation or housing and community issues being impacted by federal policies, contact Melissa Hyman, The Ferguson Group, at (202) 331-8500 or [mhyman@tfgnet.com](mailto:mhyman@tfgnet.com). The Ferguson Group provides federal government advocacy and consulting for local governments and other clients seeking resources, legislative solutions, regulatory changes, and other assistance for community revitalization. Find out more about The Ferguson Group at [www.fergusongroup.us](http://www.fergusongroup.us).