



SENATOR HARRY REID, MAJORITY LEADER FIGHTING FOR NEVADA HOMEOWNERS



Nevada remains among the states hardest hit by the housing downturn and continues to lead the nation among foreclosure rates. Senator Reid has worked hard to keep this problem from growing by creating the Hope for Homeowners program at the Federal Housing Administration, amending the tax code, creating incentives for investment in the housing market, and providing billions of dollars in resources to housing counselors and local communities to help keep families in homes and stabilize communities.

Senator Reid’s Office Provides Direct Assistance for Struggling Homeowners.

Senator Reid hears from struggling homeowners every day about their frustrating experiences in trying to communicate with their lenders when requesting help from their bank. When the housing market first started to decline, Senator Reid recognized Nevada’s tremendous need for extra assistance and immediately took action by sponsoring several foreclosure prevention workshops along with the Nevada Attorney General’s office and the U.S. Department of Housing and Urban Development (HUD). These events brought Nevadans face to face with mortgage servicers, lenders, and HUD approved housing counselors to help them avoid foreclosure and begin the process of refinancing, modifying, or finding other workout options on their home loan. The number one complaint from Nevadans at these workshops was the inability to reach banks and lenders over the phone, which is why Senator Reid has devoted several staff in his local offices to assist struggling homeowners. Senator Reid’s staff is working hard to facilitate better communication between the homeowner and lender in these difficult times. While Senator Reid understands that his staff will not be able to help everyone, he knows that his team will do their best to provide the help Nevada homeowners’ need.

Senator Reid is Fighting to Stop Foreclosures and Keep Nevadans in Their Homes.

Nevada remains among the states hardest hit by the housing downturn and continues to lead the nation among foreclosure rates, which is why Senator Reid made foreclosure prevention a priority and has worked hard to keep this problem from growing. Senator Reid has called on the Obama Administration to establish more aggressive housing programs, helped create incentives for investment in the housing market, provided billions of dollars in resources to housing counselors and local communities to help keep families in homes and stabilize neighborhoods, and is working hard to reform the financial services industry to prevent fraud and unnecessary foreclosure in the future.

HIGHLIGHTS OF SENATOR REID’S HOUSING RECORD

- ★ Senator Reid’s Office Provides Direct Assistance for Struggling Homeowners
- ★ Senator Reid is Fighting to Stop Foreclosures and Keep Nevadans in Their Homes
- ★ Senator Reid Supported Tax Credits and Initiatives for Underwater Homeowners and First-Time Home Buyers
- ★ Senator Reid Worked to Expand Housing for Members of the Military and Veterans
- ★ Senator Reid Supports Grant Programs that Help Rebuild and Develop Communities
- ★ Senator Reid Has Fought to Direct Millions of Dollars back to Nevada for Housing Projects and Grant Programs
- ★ Senator Reid is Fighting for Affordable Homeownership

- ***Senator Reid Demands Real Help for Nevada.*** Hearing firsthand many complaints from Nevadans about Bank of America’s responsiveness to struggling homeowners, Senator Reid urged the CEO of Bank of America to allocate more resources to Nevada. In response, Bank of America agreed to set up a 1-800 hotline exclusively for Nevada homeowners who have a mortgage with Bank of America, open three homeownership resource centers in Henderson, Las Vegas, and Reno for customers struggling with their mortgage, and devote a team of Bank of America loan specialists to work alongside Senator Reid’s staff on housing casework.
- ***Senator Reid Fought for Foreclosure Mitigation Initiatives to Help Distressed Homeowners.*** Senator Reid urged the Obama Administration to provide additional resources to states hardest hit by the housing crisis, which resulted in the creation of the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (“HFA Hardest Hit Fund”). In the first round of the program, the Administration allocated \$1.5 billion to five states, including Nevada, where the housing prices have fallen more than 20%. The Nevada Housing Division will receive \$102.8 million to design and fund programs to assist unemployed home owners as well as borrowers who owe more than their home is now worth. [Letter to Secretaries Geithner and Donovan,12/18/09]
- ***Senator Reid Helped Homeowners Facing Negative Equity.*** The Hope for Homeowners (H4H) Program is the first federal initiative addressing the negative equity that so many Nevadans face and several experts consider a driving force behind foreclosures. In 2009, Senator Reid supported broadening the H4H Program and providing legal safe harbor for all servicers to modify loans without facing frivolous lawsuits in the *Helping Families Save Their Homes Act*. [H.R. 3221, Senate Vote 186, 07/26/08, P.L. 110-289; S. 896, Senate Vote 271, 05/19/09, P.L. 111-022]
- ***Senator Reid Fought for Homeowners in Bankruptcy.*** To help distressed homeowners that turn to bankruptcy as a last resort, Senator Reid voted to include provisions in important housing legislation that would permit bankruptcy judges to modify mortgages on primary residences. [S.Amdt. 4388, Senate Vote 88, 04/03/08; S.Amdt. 1014, Senate Vote 174, 04/30/09]
- ***Senator Reid Stood Up for Main Street.*** When the Bush Administration requested that Congress pass the *Emergency Economic Stabilization Act* to bailout Wall Street, Senator Reid fought to include foreclosure relief provisions to help homeowners on Main Street. These provisions paved the way for the Obama Administration to initiate the Making Home Affordable Program and the HFA Hardest Hit Fund. [S.Amdt. 5685, Senate Vote 212, 10/01/08; H.R. 1424, Senate Vote 213, 10/01/08, P.L. 110-343]
- ***Senator Reid Provided Aid to Homeowners Seeking Short Sales.*** Senator Reid also garnered support to provide homeowners seeking a short-sale resolution a tax income exemption for mortgage debt forgiveness discharged between January 1, 2007, and December 31, 2012. [H.R. 3648, Unanimous Consent, 12/14/07, P.L. 110-142; H.R. 1424, Senate Vote 213, 10/01/08, P.L. 110-343]
- ***Senator Reid Repeatedly Increased Funding for Housing Counseling Services.*** In an effort to help distressed homeowners to better withstand the housing crisis, Senator Reid has fought to increase funding to housing counseling agencies. In 2008, Senator Reid voted in support of increasing housing counseling resources by \$100 million. In 2009, Senator Reid helped direct \$50 million for the Department of Housing and Urban Development (HUD) HUD Housing Counseling Assistance Program, and \$20 million for other additional resources and counseling agencies. He insisted that

up to \$5 million of the latter sum be used for advertisements that will bring greater awareness to the mortgage crisis in non-English speaking communities, and \$5 million be used for additional personnel in the Office of Fair Housing and Equal Opportunity. [S.Amdt. 4397, Senate Vote 89, 04/03/08; S. 896, Senate Vote 185, 05/06/2009, P.L. 111-022]

- ***Senator Reid Fought for Neighborhood Stabilization Funds.*** Senator Reid urged HUD Secretary Shaun Donovan to allocate additional Neighborhood Stabilization resources to southern Nevada after the community failed to secure a second round of funds. This effort resulted in a commitment of up to \$1.3 million in emergency technical assistance to Las Vegas and Clark County in order to ensure the effectiveness of their neighborhood stabilization programs. Senator Reid also worked with Secretary Donovan to get additional Neighborhood Stabilization funds redirected from other locations to Nevada, resulting in a commitment of an additional \$60 million in needed resources. [Letter to Secretary Donovan, 01/14/10]
- ***Senator Reid is Committed to Reforming the Financial Services Industry to Prevent Fraud and Unnecessary Foreclosures.*** In an effort to strengthen the federal criminal laws to prosecute those involved in the financial and mortgage fraud that contributed to the global financial crisis, Senator Reid shepherded passage of the *Fraud Enforcement and Recovery Act*. He also increased resources for law enforcement personnel to combat these crimes. To help understand the causes of the financial crisis and prevent it from occurring again in the future, Senator Reid supported establishing the Financial Markets Commission to examine all causes, domestic and global, of the current financial and economic crisis in the U.S. [S. 386, Senate Vote 171, 04/28/09, P.L. 111-021; Senate Vote 161, S.Amdt. 995, 04/22/09]

Senator Reid Supported Tax Credits and Initiatives for Underwater Homeowners and First-Time Home Buyers. Senator Reid has worked hard to confront the housing crisis by ensuring Nevada receives tens of millions of dollars through assistance for housing counselors and neighborhood stabilization programs, establishing a number of federal foreclosure-prevention programs, and providing tax relief for first-time homebuyers and homeowners that receive a principal reduction.

- ***Senator Reid Eliminated the Tax Penalty for Homeowners Restructuring Their Mortgages.*** The housing crisis has been especially hard on Nevada. In response, Senator Reid led efforts to eliminate the income tax penalty for homeowners who are successful in negotiating a lower mortgage with their lender. [H.R. 3648, Senate Vote 948, 10/04/10, P.L. 110-142]
- ***Senator Reid Supported Nevada's Housing Market with the Homebuyer Tax Credit.*** In an effort to spur investment in the housing market and support home values, Senator Reid led efforts to create a tax incentive for first-time homebuyers. Initially, first-time homebuyers were given a tax credit of up to \$7,500 for residences purchased between April 9, 2008, and June 30, 2009. Senator Reid spearheaded efforts to improve the tax credit by eliminating the requirement that the credit be repaid by the homebuyer, increasing the credit to \$8,000, extending the credit to homes purchased through April 30, 2010, increasing the income eligibility thresholds for qualifying for the credit, and providing a \$6,500 credit for existing homeowners purchasing a new home. Additionally, in response to growing concerns that homebuyers that met the contract deadline would not qualify for the credit because of the time it takes banks to close transactions, Senator Reid extended the deadline for closing home purchases to September 30, 2010. [H.R. 3221, Senate Vote 186, 07/26/08, P.L. 110-289; H.R. 1, Senate Vote 64, 02/13/09, P.L. 111-005; H.R. 3548, Senate Vote 334, 11/04/09, P.L. 111-092 ; H.R. 5623, Unanimous Consent, 06/30/10, P.L. 111-198]

Senator Reid Worked to Expand Housing for Members of the Military and Veterans. For our dedicated military families, Senator Reid has made substantial efforts to relieve some of the unique financial and housing burdens that members of our Armed Services endure.

- ***Senator Reid Supported the Military Homeowner Assistance Program.*** Congress created the Homeowner Assistance Program (HAP) under the Department of Defense in 1966 to compensate eligible military and civilian Federal employee homeowners when the real estate market declines as a result of base closures. Senator Reid led the way for the passage of the *American Recovery and Reinvestment Act of 2009* (Recovery Act), which included \$555 million to expand HAP to any individual who has received Permanent Change of Station (PSC) orders, or has incurred a service caused-condition during deployment that caused retirement due to disability, to further assist service members and surviving spouses weather the downturn in the housing market. Additionally, the *Worker, Homeownership, and Business Assistance Act of 2009* exempted expanded Homeowner Assistance Program benefit payments from being taxed. [H.R. 1, Senate Vote 64, 02/13/09, P.L. 111-005; H.R. 3548, Senate Vote 334, 11/04/09, P.L. 111-092]
- ***Senator Reid Directed Millions of Dollars to Nevada to Improve Military Housing.*** These funds include \$200,000 for transitional housing for veterans in Reno, more than \$5 million for family housing at Nellis Air Force Base and Fallon Naval Air Station, and \$250,000 for veteran housing in Sparks. [Veterans Affairs-HUD, FY1995, FY2002; Military Construction, FY2001, FY2003]

Senator Reid Supports Grant Programs that Help Rebuild and Develop Communities. Senator Reid fought to establish and support the Neighborhood Stabilization Program, and to protect funds allocated to Community Development Block Grants (CDBG) Programs. He also helped secure funding for low income housing developments and assisted living facilities for seniors.

- ***Senator Reid Fought to Establish the Neighborhood Stabilization Program (NSP).*** The NSP helps stabilize communities, like Las Vegas and Reno, which have been blighted by foreclosures and abandonment. Senator Reid allocated \$2 billion for NSP grants and revised key elements of the program to strengthen its implementation. To make sure that communities have the resources they need, Senator Reid urged HUD Secretary Shaun Donovan to allocate additional funding to Southern Nevada, resulting in a commitment of up to \$1.3 million in emergency technical assistance to Las Vegas and Clark County, including teams of experts to help improve the effectiveness of neighborhood stabilization programs that will remain at least through September 30, 2012. Additionally, after agreeing to reallocate unspent funds from the first round of NSP to the hardest hit communities this fall, HUD estimates that Clark County, Las Vegas, Henderson and the State of Nevada will receive \$25-62 million. [H.R. 3221, Senate Vote 186, 07/26/2008, P.L. 110-289; H.R. 1, Senate Vote 64, 02/13/09, P.L. 111-005; Letter to Secretary Donovan, 01/14/10]
- ***Senator Reid Fought to Protect Funds Allocated to the Community Development Block Grants (CDBG) Programs.*** CDBG Programs are used to provide services for the growing number of low income families hurt by the economic crisis, such as child care subsidies, job skills training, and food pantry assistance. [H.R. 1335, Senate Vote 84, 03/29/93. Senate Vote 85, 03/30/93, Senate Vote 86, 03/30/93, Senate Vote 87, 03/30/93; Senate Vote 89, 03/31/93, P.L. 103-024; H.R. 2491, Senate Vote 279, 09/22/93, P.L. 103-124; S.Amdt. 1226, Senate Vote 268, 08/02/01]

Senator Reid Helped Secure Funding for Low-Income Housing Developments and Assisted Living Facilities for Seniors. In order to ensure Nevadans have access to low-income housing, Senator Reid provided grant funding to better manage low-income housing developments and he also introduced a provision to lower the cost of assisted housing for seniors. [S.Amdt. 5191, Senate Vote 271, 09/05/96; S.Amdt. 72, Senate Vote 47, 03/31/87]

- ***Senator Reid Helped Stabilize Funding for Low-Income Housing.*** To stabilize the equity markets for low-income housing development, Senator Reid helped create a temporary program allowing State housing agencies to convert a portion of their low-income housing tax credits to direct grants. [H.R. 1, Senate Vote 64, 02/13/09, P.L. 111-005]

Senator Reid Has Fought to Direct Millions of Dollars back to Nevada for Housing Projects and Grant Programs. During his time in Washington, Senator Reid has directed millions of dollars to housing programs in Nevada, including \$750,000 to the Reno Housing Authority, more than \$1 million to the Oliver-Montello Affordable Housing Project in Washoe County, \$50,000 for Washoe County’s Mentally Ill Offender Housing Project, and more than \$800,000 for the Nevada Fair Housing Foreclosure Effort. Senator Reid has also fought to effectively and efficiently fund Department of Housing and Urban Development programs in Nevada. Since 1993, Nevada has received more than \$2 billion in direct payments, grants, and procurement contracts through HUD. During that time, Nevada has also benefited from close to \$25 billion in HUD guaranteed loans. [Veterans Affairs-HUD, FY2002; Transportation-HUD, FY2008, FY2009; Commerce, FY2006; HUD Appropriations, FY1988-FY2010]

Senator Reid is Fighting for Affordable Homeownership. Senator Reid helped secure funding for the Federal Housing Administration, Fannie Mae and Freddie Mac to help ensure access to affordable housing. He also provided tax relief to help make homeownership more affordable.

- ***Senator Reid Help Strengthen the Federal Housing Administration (FHA).*** To protect families that depend on the FHA, Senator Reid opposed a provision that would allow the FHA Commissioner to abruptly suspend requirements, programs, or laws that threaten the solvency of the FHA. Senator Reid also helped increase access to FHA programs by lowering the mortgage insurance cash downpayment from 3 percent to 1 percent. [S.Amdt. 1017, Senate Vote 177, 05/04/09; S. 2338, Senate Vote 432, 12/14/07]
- ***Senator Reid Help Strengthen Fannie Mae and Freddie Mac.*** Senator Reid fought to retain the 2008 conforming loan limits at \$417,000 through 2009 in the Recovery Act. In an effort to ensure the safety and soundness of the Government-Sponsored Enterprises (GSEs), Senator Reid supported the creation of the Federal Housing Finance Agency to govern as an independent regulator of the Fannie and Freddie. The *Housing and Economic Recovery Act* also provides a line of credit for the GSEs from the Treasury Department to allow the agencies to support the mortgage market and keep interest rates low. Senator Reid temporarily raised the conforming loan limits to 125 percent of the area median price to make sure homeowners in high cost markets, like Nevada, can benefit from GSE programs. [H.R. 1, Senate Vote 64, 02/13/09, P.L. 111-005; H.R. 3221, Senate Vote 186, 07/26/08, P.L. 110-289; S.Amdt. 4010, Senate Vote 9, 02/07/08; H.R. 5140, Senate Vote 10, 02/07/08, P.L. 110-185]
- ***Senator Reid Provided Tax Relief to Make Homeownership More Affordable.*** Senator Reid helped make homeownership more affordable for Nevada families by providing a new deduction for property taxes paid by those homeowners who otherwise do not itemize their deductions on their federal income tax returns. [H.R. 3221, Senate Vote 186, 07/26/08, P.L. 110-289]

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