

Helping Homeowners

Contributed by Kelly Rush
Sunday, 17 January 2010
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I am writing the following letter and sending it to my representatives in Washington; please feel free to copy it and do the same.

Dear (representative or senator),

I am writing to urge you, as my representative in Washington, to consider proposing a plan that will allow so-called "underwater" homeowners, specifically those homeowners who do not qualify for assistance under the "Making Home Affordable" plan, due to their loans not being secured by either Fannie Mae or Freddie Mac, to help relieve themselves of debt. These homeowners are some of the most burdened owners in our country, most owners being ineligible to receive assistance from their lenders due to the housing market lowering the prices of homes so dramatically, on top of not being qualified to receive assistance under the aforementioned "Making Home Affordable" plan.

I propose the following:

1. Qualified homeowners (hereafter referred to as "homeowner") would be homeowners whose mortgage is not secured by Fannie Mae or Freddie Mac, AND who have owned their home for no less than three (3) years, AND presently possess an income that is subject to federal taxes, AND own a home which has a value that is determined to be less than is presently owed by the homeowner.
2. Homeowners would be eligible to apply payments towards the principal of their mortgage, and such payments would qualify for a tax credit of a 1:1 value, up to 100% of federal taxes due for the year. This money would be diverted from homeowner's paycheck into a "Mortgage Spending Account", similar to medical or dependent care spending account. The federal government will provide a "Mortgage Spending Account" calculator to assist homeowners in calculating the appropriate amount of money to divert into said "Mortgage Spending Account".
3. Homeowners would be eligible for this program so long as the amount they owe on the home is greater than the appraised value of the property, to be determined by an independent appraiser. The program would be applicable to the primary mortgage, as well as any subsequent mortgages held by the homeowner. Payments would be made against whichever mortgage has a higher interest rate first, and then subsequently applied to mortgages with lower rates prior to that. Once the total principal owed by the homeowner is equal to or less than the value of the property, the homeowner would no longer be eligible for the program.
4. Upon execution of this program, the period of the program will run for a term of four (4) years. At the end of the program, it would be the discretion of Congress to determine as to whether the program would need to be extended for an additional period of time.

This program would help those homeowners who presently have the heaviest burden placed upon them. Institution of this plan will not only help these homeowners to rapidly remove a large portion of their debt, it will also help them to return to a condition where they are more able to help stimulate the economy.

Thank you for taking the time to read my plan; I encourage you to propose it to the larger representative body.

Regards,

Your Name

Your E-Mail Address