

# **NDN to Congress: "Keep People in Their Homes"**

*Dr. Robert Shapiro, Chair of NDN's Globalization Initiative, and Simon Rosenberg, NDN President, today released the following statement:*

The current financial crisis was caused by the persistent failure of the current Administration and the Federal Reserve to appreciate how our financial markets have been rapidly changing or to take minimal care to ensure that those changes did not put the American economy at serious risk. The Treasury and the Fed now are using nearly \$1 trillion of Americans' money to bail out financial institutions whose reckless mismanagement they tolerated or ignored. The Congress must put at least as much effort into containing the crisis at one of its critical origins, by helping people keep their homes so the housing market and the derivative instruments based on it can stabilize.

Before Congress leaves, it should enact legislation that allows struggling Americans to renegotiate their mortgages, starting with the huge portfolio the government now holds through Fannie Mae and Freddie Mac. It should not be acceptable for our government to use taxpayers to bail out huge, mismanaged banks and insurance companies that speculated in mortgage-backed securities while allowing many of those same taxpayers to be tossed from the homes that backed up those securities. When Congress returns, it also should turn to the serious business of applying strict and appropriate transparency, capital and other regulatory standards to all significant financial institutions, including investment banks and hedge funds. And the politicians who hailed the hands-off attitude that enabled this crisis to fester and break out, and now blame greed instead of their own negligence, should be held accountable.