



NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA
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FOR IMMEDIATE RELEASE:
Press Release – July 28, 2008

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NACA IDENTIFIES CONTINUED PREDATORY LENDING BY GSEs

CALLS ON PRESIDENT BUSH TO DELAY SIGNING OF HOUSING & ECONOMIC RECOVERY ACT

NACA is holding a press conference at the National Press Club on Tuesday July 29th at 12:00 PM in the Murrow room to expose the Government Sponsored Entities (i.e. Fannie Mae and Freddie Mac) continued activities in predatory lending practices including the purchase of interest only, ARM resets and others problematic loan products.

NACA has the most credibility to address this issue since its CEO; Bruce Marks in Congressional testimony on September 12, 2000 predicted the GSE bailout resulting from their involvement in subprime lending as well as NACA's relentless work on behalf of at-risk homeowners. NACA's unprecedented Save the Dream event in Washington, DC last week attracted over 20,000 people with unaffordable mortgages. This historic event occurred at the same time that Congress was voting on the Housing & Economic Recovery Act of 2008. At this event it was revealed to NACA that the same types of loans that created the mortgage crisis continue to be purchased by the GSEs.

With virtually no benefit to at-risk homeowners, due to the restrictive underwriting and delayed implementation, over one million homeowners will lose their homes. The beneficiaries of the Act will be the GSE's whose implicit taxpayer guarantee of \$10 Billion is now unlimited and may cost the taxpayer \$800 billion and more. It rewards the GSE's for their past failures and supports them in continuing these practices. Congress and the Administration never asked two fundamental questions: 1) When would HUD be able to implement the new "Hope for Homeowners" program, and 2) Are the GSE's continuing the lending practices that were instrumental in causing the mortgage crisis.

We call on President Bush to listen to his supporters and all the at-risk homeowners, to provide real solutions to the homeowners and stop this raiding of the taxpayer's money." States Bruce Marks, NACA CEO. "This may be the largest bailout ever paid for by the American people. Until these issues are addressed, the bill should not be signed."

Through NACA's Save the Dream event over five days, NACA was able to submit thousands of mortgage restructure solutions to servicers and has already received over 1,000 accepted solutions. These solutions cost the taxpayer not one dollar and put the responsibility where it belongs: the companies that created the mortgage crisis and profited from it. "Congress and the Administration are trying to provide themselves with political cover for the Fannie and Freddie bailout. This is the worst form of Washington politics and massive abuse of taxpayer funds", continues Bruce Marks.

NACA is calling on all taxpayers and at-risk homeowners to call President Bush at 202-456-1414 to delay signing this bill until this massive taxpayer fraud is investigated and addressed.

What: NACA Press conference exposing GSE's continued support of predatory products
Where: National Press Club, Morrow Room, 529 14th St. N.W.
When: Tuesday July 29th at 12:00 PM
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About the Neighborhood Assistance Corporation of America

NACA, a national non-profit, community advocacy and homeownership organization established in 1988, has been the lead organization in the fight to identify, expose, and oppose predatory and exploitive lending practices. NACA was the first to expose Fleet Bank's lending abuses in 1991, and followed with numerous other campaigns against companies that victimize low and moderate income people pursuing the dream of homeownership. NACA provides the best purchase mortgage product to those who the industry considers "subprime borrowers."

Such loans require no down payment, have no closing costs, no points, no fees, do not need perfect credit, and are at below market interest rates - currently 5.75% 30 year fixed (as of 7/28/08). NACA homeowners have excellent payment records and are now considered prime borrowers. NACA has \$10 Billion committed to this mortgage program. With almost 40 offices across the country, NACA is providing working people with an unmatched program and a national model for doing mortgage lending the right way.

NACA has established the national model for providing homeowners at risk of foreclosure with long-term solutions through its **Home Save Program**. NACA has One Billion dollars committed to refinance homeowners on the best terms available and is working with some of the nation's largest lenders to rewrite unaffordable loans based to what the borrower can afford. NACA has negotiated a legal, binding agreement with the country's largest mortgage servicers/lenders including Countrywide Financial and Citigroup, Inc., enabling NACA to restructure many of their loans into long-term, affordable mortgage products. Many homeowners have been able to restructure their mortgages with fixed interest rates of 5% or less.

Other major lenders/servicers are following the NACA pattern, establishing the NACA solution as the national standard. News of NACA's program and advocacy has been featured in national and local media. The Boston Globe has chosen Bruce Marks, founder and CEO of the Neighborhood Assistance Corporation of America (NACA), as its 2007 Bostonian of the Year. There is tremendous recognition for the effectiveness of NACA advocacy and for providing real, affordable homeownership solutions for working people.