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HOUSE RESOLUTION

WHEREAS, A growing home mortgage crisis with high rates of late mortgage payments and home foreclosures is threatening the housing industry, residential property values, the financial markets, and the entire U.S. economy; and

WHEREAS, In recent years sub-prime adjustable rate home loans were offered in unprecedented numbers to millions of Americans who are now facing unmanageable mortgage payment increases or the loss of their homes; and

WHEREAS, More than 1.5 million homes in the United States were in foreclosure in 2007, an increase of 53% over 2006, and the rate of foreclosures is predicted to be even higher in 2008; and

WHEREAS, The present crisis will worsen in 2008 and 2009 as nearly 2 million homeowners with sub-prime adjustable rate mortgages face higher mortgage payments when their loans reset to higher interest rates; and

WHEREAS, Homeowners whose house payments will increase under the terms of their sub-prime adjustable rate mortgages need the protection that a 2-year moratorium on interest rate reset increases would offer; and

1 WHEREAS, On May 5, 2008, Federal Reserve Chairman Ben
2 Bernake said "High rates of delinquency and foreclosure can
3 have substantial spillover effects on the housing market, the
4 financial markets and the broader economy. Therefore, doing
5 what we can to avoid preventable foreclosures is not just in
6 the interest of lenders and borrowers. It's in everybody's
7 interest."; and

8 WHEREAS, A 2-year moratorium on sub-prime mortgage reset
9 increases will lessen the further deterioration of the housing
10 sector of the U.S. economy; therefore, be it

11 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
12 NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we
13 strongly urge the United States Congress to enact legislation
14 that would establish a 2-year moratorium to prohibit sub-prime
15 adjustable rate mortgage loans on owner-occupied residential
16 real estate from resetting to higher interest rates; and be it
17 further

18 RESOLVED, That suitable copies of this resolution be
19 delivered to the Majority Leader and Minority Leader of the
20 United States Senate, the Speaker and Minority Leader of the
21 United States House of Representatives, and to each member of
22 the Illinois congressional delegation.