

*Administration of Barack H. Obama, 2009*

**Remarks on Signing the Fraud Enforcement and Recovery Act of 2009 and  
Legislation To Prevent Mortgage Foreclosures and Enhance Mortgage Credit  
Availability**

*May 20, 2009*

Good morning, everybody—good afternoon. Please, everybody, have a seat. Everybody have a seat. It is wonderful to see all of you. Four months ago today, we took office amidst unprecedeted economic turmoil. And ever since that day, we've worked aggressively across all fronts to end this crisis and to build a new foundation for our lasting prosperity. Step by step, I believe we're moving in the right direction.

I know my administration will be judged by various markers. But there's only one measure of progress that matters to me, and that's the progress that the American people see in their own lives, day to day, because right now, despite progress, too many Americans are hurting. They're Americans desperate to find a job or unable to make ends meet despite working multiple jobs, Americans who pay their bills on time but can't keep their heads above water, Americans living in fear that they're one illness or one accident away from losing their home, hard-working Americans who did all the right things, met all of their responsibilities, yet still find the American Dream slipping out of reach.

Now, much of what caused this crisis was an era of recklessness, where short-term gains were too often prized over long-term prosperity. And too often in our Nation's Capital, we said the right words, we patted ourselves on the back, but ultimately, failed to do what we were actually sent here to do. And that is to stand up to the special interests and stand up for the American people.

Well, standing up for the American people is exactly what we're doing here today with two bills that I'm about to sign, the Helping Families Save Their Homes Act and the Fraud Enforcement and Recovery Act. These landmark pieces of legislation will protect hard-working Americans, crack down on those who seek to take advantage of them, and ensure that the problems that led us to this crisis never happen again.

Thanks in large part to some of the men and women here, both onstage as well as in the audience, each bill passed by overwhelmingly bipartisan majorities. But we wouldn't be here without the leadership of my good friend, Chris Dodd. And I want to thank him and Senator Richard Shelby. Now, Chris and Richard Shelby over on the Senate side, and then on the House side, Chairman Barney Frank and Representative Maxine Waters have done a great job. And I want to thank Senators Patrick Leahy and Chuck Grassley, as well as Representatives Conyers and Bobby Scott, for leading the way on the fraud enforcement bill.

Now, these two laws, together with the comprehensive credit card reforms that I hope to sign later this week, represent fundamental change that will help ensure a fair shake for hard-working Americans. And I think it's important for people to understand the significance of this week. This has been one of the most productive congressional work periods in some time. And I am grateful to have Harry Reid here, as well as Nancy Pelosi who could not be here, and the other key Members of Congress for assigning these measures the urgency that they deserve and that the times demand.

Let me talk a little bit about the housing bill. The Helping Families Save Their Homes Act advances the goals of our existing housing plan by providing assistance to responsible homeowners and preventing avoidable foreclosures. Now, last summer, Congress passed the HOPE for Homeowners Act to help families who found themselves underwater as a result of declining home values, families who owed more on their mortgages than their homes are worth. But too many administrative and technical hurdles made it very difficult to navigate, and most borrowers didn't even bother to try.

This bill removes those hurdles, getting folks into sustainable and affordable mortgages, and more importantly, keeping them in their homes. And it expands the reach of our existing housing plan for homeowners with FHA or USDA rural housing loans, providing them with new opportunities to modify or refinance their mortgages to more affordable levels.

Because many responsible renters are being unfairly evicted from homes that go through foreclosure because the owners haven't been paying their mortgages, it requires banks to honor existing leases or provide at least 90 days notice for renters on month-to-month leases.

And because far too many Americans go homeless on any given night, this bill provides comprehensive new resources for homeless Americans, focusing specifically on families with children, the fastest growing segment of the homeless population.

So altogether, it's a bill that builds on the housing plan we already put into action to stabilize the housing market and stem foreclosures. And because of that plan, all of you should know that interest rates are down, refinancings are up, and Americans who participate can save up to \$2,000 a year—in effect, a \$2,000 pay cut per family—tax cut, excuse me. They don't need pay cuts. *[Laughter]* That wouldn't be a good bill. *[Laughter]*

Any American who wants to learn more about this plan should visit [makinghomeaffordable.gov](http://makinghomeaffordable.gov). And thanks to the efforts of the men and women gathered up here, more families will stay in their homes, more neighborhoods will remain vibrant and whole, more dreams will be defended, and America will take another step from recession to recovery.

So what I'm going to do now is, I'm going to sign the housing bill, and then I'll talk a little bit about the antifraud bill. All right.

*[At this point, the President signed the bill.]*

Let's get the rest of this crew up here.

The other bill that I'm signing today gives prosecutors and regulators new tools to crack down on what's helped cause this crisis in the first place, and that's the twin scourges of mortgage fraud and predatory lending.

Now, last year, the Treasury Department received 62,000 reports of mortgage fraud, more than 5,000 each month. The number of criminal mortgage fraud investigations opened by the FBI has more than doubled over the past 3 years. And yet, the Federal Government's ability to investigate and prosecute these frauds is severely hindered by outdated laws and a lack of resources.

And that's why this bill nearly doubles the FBI's mortgage and financial fraud program, allowing it to better target fraud in hard-hit areas. And that's why it provides the resources necessary for other law enforcement and Federal agencies, from the Department of Justice to the SEC to the Secret Service, to pursue these criminals, bring them to justice, and protect

hard-working Americans affected most by these crimes. It's also why it expands DOJ's authority to prosecute fraud that takes place in many of the private institutions not covered under current Federal bank fraud criminal statutes, institutions where more than half of all subprime mortgages came from as recently as 4 years ago.

And furthermore, it allows DOJ to prosecute anyone who fraudulently obtains Recovery Act or TARP funds, precious taxpayer dollars we've carefully invested in order to turn this crisis around. And finally, it creates a bipartisan Financial Markets Commission to investigate the financial practices that brought us to this point, so that we make sure a crisis like this never happens again.

Our current troubles were born of eroding home values and portfolio values, but also an erosion of our common values. So if we want to fully dig ourselves out of this crisis, we're going to need to do more than just change policy. We need all of us to live up to our responsibilities. Government must set the rules of the road that are fair and fairly enforced. Banks and lenders must end the practices that added to this mess. Individuals must take responsibility for their own actions. And all of us must learn to live within our means again.

I believe we're moving in the right direction. But I want to remind everybody that it took many years and many failures to get us here, and it's going to take some time to get us out. The stock market will rise and fall. The job market has taken a beating and won't be back immediately. The housing market still has a long way to go. But I'm confident we will get there. And if we keep at it, if we all do our part to usher in a new era of responsibility, then I'm convinced that we will recover from this recession, and we're going to come out on the other side stronger and more prosperous as a Nation and as a people.

So with that, I'm going to sign the Fraud Enforcement and Recovery Act along with these extraordinary legislators who helped to make it happen. Give them a big round of applause.

*[The President signed the bill.]*

All right. There we go.

NOTE: The President spoke at 4:38 p.m. in the East Room at the White House. S. 386, approved May 20, was assigned Public Law No. 111-21; and S. 896, approved May 20, was assigned Public Law No. 111-22.

*Categories:* Bill Signings and Veto : Fraud Enforcement and Recovery Act of 2009, remarks; Bill Signings and Veto : Helping Families Save Their Homes Act of 2009, remarks.

*Locations:* Washington, DC.

*Names:* Conyers, John, Jr.; Dodd, Christopher J.; Frank, Barney; Grassley, Charles E.; Leahy, Patrick J.; Pelosi, Nancy; Reid, Harry; Scott, Robert C.; Shelby, Richard C.; Waters, Maxine.

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