



## MICHIGAN HOUSE REPUBLICANS

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# Help for Homeowners

## *House Republicans offer relief to struggling homeowners across the state*

House Republicans today introduced a package of legislation that would provide assistance to Michigan families struggling to keep their homes. The "Homeowner Relief Package" allows at-risk families to stay in their homes, reduces the overall tax burden, protects home equity and fights harmful lending practices.

"Michigan's economy cannot recover if we continue to watch huge numbers of families lose their homes to foreclosure, forcing everyone's home values to plummet," said House Republican Leader Craig DeRoche. ""The House Republican plan is a common sense approach to providing respite for struggling homeowners and jumpstarting the economy."

"It is past due for us to throw a lifeline to our struggling homeowners. Instead of focusing on this crisis, the legislature spent the entire year putting twin tax increases effect. That won't save a single job or stop a single home foreclosure," said DeRoche.

Highlights of the House Republican package include:

- Repealing the Real Estate Transfer Tax to increase home equity when selling;
- Prohibiting property tax increases when property values fall and making it easier to appeal property value appraisals;
- Reducing the "Pop-Up" tax and extending homestead exemptions to facilitate home sales;
- Fighting mortgage fraud and providing more training for loan officers; and
- Easing burdens on those already going through the foreclosure process.

"No family should ever be forced out of their home due to high taxes. That's why state government should provide relief for families, not more problems," said Assistant Minority Leader Kevin Elsenheimer, R- Kewadin.

(MORE)

## **Details of the House Republican "Homeowner Relief Package"**

Reduces property taxes to stabilize the real estate market and preserve home values:

- Preserve home equity by eliminating the Real Estate Transfer Tax to save sellers \$1,500 on a \$200,000 house;
- Limit property tax increases to actual increases in market value. If property value falls, taxes cannot go up;
- Reduce the "pop-up" tax via the Michigan Realtors' "Community Ratio" proposal;
- Allow foreclosures to reduce assessments within a community;
- Make it easier to challenge tax assessments;
- Expand the timeframe during which a homeowner can appeal;
- Give homeowners the benefit of the doubt when appealing tax assessments. If an independent appraisal sides with homeowner, the government will have to prove the homeowner is wrong - not the other way around; and
- Require voter approval before special tax assessments can be levied.

Keep families at risk of foreclosure in their home:

- Allow banks more flexibility and eliminate disincentives that discourage lenders from working with at-risk homeowners;
- Penalize predatory lenders;
- Work with the lending industry to adopt consumer protection measures and institute penalties for harmful lending practices;
- Register mortgage brokers and require continuing education;
- Direct the Office of Financial and Insurance Services (OFIS) to dedicate more resources to mortgage industry oversight;
- Stop fee gouging by lenders and agents during the foreclosure process;
- Notify renters in homes that are being foreclosed prior to eviction;
- Eliminate "debt-forgiveness" tax liability. This liability occurs when a foreclosed home is sold for less than what was owed on it, turning the difference into a tax liability;
- Encourage occupation of foreclosed properties so that vacant houses do not drag property values down for the whole neighborhood;
- Encourage investors to buy foreclosed property by allowing dual homestead exemptions for a limited length of time; and
- Offer incentives to families that buy and move into a foreclosed home.

Prevents Mortgage Fraud:

- Provide prosecutors the legal tools they need to investigate and try fraud cases more efficiently by clarifying what counts as mortgage fraud and increasing penalties; and
- Implement procedures to prevent scam artists from filing fraudulent deeds during the closing process and require independent appraisals.

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