



## NEWS RELEASE

**For Immediate Release**

**Contact:** Tina McDaniel, 410.772.2780  
[tmcdaniel@enterprisecommunity.org](mailto:tmcdaniel@enterprisecommunity.org)

### **ENTERPRISE TESTIFIES ON FORECLOSURE CRISIS BEFORE SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS**

(COLUMBIA, Md., January 31, 2008) – Doris W. Koo, president and chief executive officer of Enterprise Community Partners, testified today before the United States Senate Committee on Banking, Housing, and Urban Affairs. During a hearing titled “Strengthening our Economy: Foreclosure Prevention and Neighborhood Preservation,” Koo called on Congress to invest in stabilizing low- and moderate-income communities disproportionately impacted by rising numbers of foreclosures while simultaneously stimulating the American economy.

The foreclosure crisis continues to deepen. Of the approximately 50 million outstanding mortgages in the United States today, approximately 10 million are subprime loans. According to the Center for Responsible Lending, one in five subprime loans originated in 2005 and 2006 will end in foreclosure.

“Enterprise wholeheartedly supports the Banking Committee’s attention to the foreclosure crisis and its emphasis on individual homeowners at risk of losing their homes,” Koo stated. “In addition, we are concerned about the health and stability of many low- and moderate-income communities that will face large concentrations of foreclosed properties. Without strategic federal intervention and resource deployment, these foreclosed properties will destabilize communities, erode tax bases and bring down property values of neighboring homes. This will undermine decades of progress in impacted neighborhoods by furthering a cycle of abandonment and disinvestment.”

In her testimony, Koo outlined a proposal for a Neighborhood Stabilization Fund jointly developed by Enterprise and the Center for American Progress. “The Center for American Progress joins in urging Congress to authorize flexible funds quickly deployed to the local areas facing collapsing home prices, drowning under wave after wave of foreclosures,” said David M. Abromowitz, Senior Fellow at the Center for American Progress. “It is critical for the federal government to help restore normally functioning home sales markets in areas virtually frozen economically by foreclosures, to avoid greater economic and social costs later, and to produce significant benefits to the broader national economy.”

The Neighborhood Stabilization Fund would provide much-needed immediate and flexible capital to put troubled real estate-owned properties in the hands of local agencies, nonprofit entities and responsible, socially-motivated entrepreneurs whose mission and interests are to preserve neighborhood viability. For more information on the Neighborhood Stabilization Fund proposal, see [www.americanprogress.org/issues/2008/01/gardns.html](http://www.americanprogress.org/issues/2008/01/gardns.html).

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**Enterprise** is a leading provider of the development capital and expertise it takes to create decent, affordable homes and rebuild communities. For 25 years, Enterprise has pioneered neighborhood solutions through public-private partnerships with financial institutions, governments, community organizations and others that share our vision. Enterprise has raised and invested \$8 billion in equity, grants and loans to help build or preserve 225,000 affordable rental and for-sale homes to create vital communities. Enterprise is currently investing in communities at a rate of \$1 billion a year. Visit [www.enterprisecommunity.org](http://www.enterprisecommunity.org) and [www.enterprisecommunity.com](http://www.enterprisecommunity.com) to learn more about Enterprise's efforts to build communities and opportunity.