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Statement of the Laborers' International Union of North America On the U.S. Department of Commerce Report on Home Construction

Washington, D.C. (January 17, 2008) –Today's figures released by the U.S. Department of Commerce showing a 25 percent drop in home construction in 2007 confirms what construction workers and the American people have known for months - there is a residential home construction crisis that was fueled by greed, predatory lending, lack of regulation, and lack of oversight.

LIUNA members -- the men and women who build America -- are facing a triple hit: as workers facing job loss, as homeowners threatened with losing their homes and as pension-holders, whose retirement security may be tainted by misrepresented mortgage securities delivered during the housing bubble.

Nearly 200,000 residential construction workers lost their jobs in 2007, as many as 2 million homeowners are facing foreclosure and hundreds of billions of dollars in pension values have been lost.

There is plenty of blame to go around - from national and regional home builders, to mortgage originators, to the Wall Street marketers of mortgage backed securities.

It is an outrage because this crisis could have been prevented. What adds injury to insult, however, is that those paying the price are working people who are already victimized, not those responsible for the mess.

Recent reports that Countrywide CEO Angelo Mozilo will get a retirement package in excess of \$110 million and on top of the more than \$400 million in company shares he sold, reveal the depth of greed and irresponsibility that have become all too common. Mozilo was awarded his multi-million dollar golden parachute despite his role in wiping out 80 percent of the company's value and leaving hundreds of thousands facing mortgage foreclosures.

The hard working men and women of America need solutions that address their pain. We need to jump start the construction industry, a powerhouse of 10 million workers who produce 5 percent of the U.S. economic output. We must eliminate conflicts in the mortgage credit industries that have contributed to the bubble and its inevitable collapse and institute greater oversight and regulation to help make sure a crisis of this proportion does not recur. When the construction industry suffers, the entire U.S. economy hurts.

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