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Statement of Terence M. O'Sullivan, General President of LIUNA On the Senate's Foreclosure Prevention Act

Washington, D.C. (April 9, 2008) – Last week the Senate basked in the glow of bipartisanship as it came together on a compromise version of the Foreclosure Prevention Act. Unfortunately they compromised their goal of focusing on helping struggling homeowners facing foreclosure. While there are provisions in the bill that will address the needs of homeowners, the bulk of the bill's spending is taken up with a multi-billion dollar handout for corporate homebuilders and those on Wall Street who helped cause the mortgage and housing crisis.

Under the Act's "carry-back" provision corporate homebuilders and Wall Street investors would get \$25 billion in tax breaks through 2010 compared to the \$9 billion designated to actually help homeowners. The carry-back would allow homebuilders to apply losses from 2008 and 2009 as far back as four years against taxes paid on profits – a two-year extension of the current carry-back allowance – even though much of the builders' profit came from their own subprime lending and speculative over-heating of the market.

The Senate's bill will use taxpayer money to pay for corporate homebuilders' reckless and unethical behavior.

This crisis has caused real pain across America. More than 350,000 construction workers have lost jobs due to the crisis, including 51,000 in March alone. Nearly 3 million Americans are facing foreclosure or have already lost their homes. Americans are seeing their retirement security threatened by tainted mortgage investments. Home values - the primary investment for most Americans – are in severe decline.

America's pain should not result in corporate gain.

LIUNA – the Laborers' International Union of North America - expected more from the Senate. We now look to the House to show real leadership where the Senate has failed. The Foreclosure Prevention Act should focus on the needs of regular Americans instead of corporate special interests. The greed of Wall Street should not beat out the needs of Main Street.

We call on the House to stand up to corporate special interests and keep the homebuilder giveaway out of a bill intended to help homeowners facing foreclosure. Only then will the Foreclosure Prevention Act live up to its name.

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The half-million members of LIUNA – the Laborers' International Union of North America – are on the forefront of the construction industry, a powerhouse of 10 million workers who produce 5 percent of the U.S. economic output.