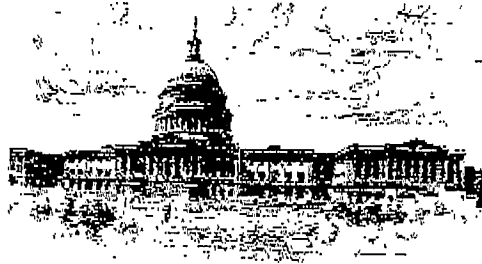


Washington Watch



William G. Dressel, Jr., EXECUTIVE DIRECTOR ■ Michael J. Darcy, CAE, ASSISTANT EXECUTIVE DIRECTOR

For Website

February 21, 2008

**Re: Federal Update for Period
Ending February 15, 2008**

Dear Mayor:

Just in from the National League of Cities (NLC), here are the latest developments from our Nation's Capital, on issues important to local government.

Federal Agencies Announce New Foreclosure Help

On February 12, Treasury Secretary Henry Paulson and HUD Secretary Alfonso Jackson announced that the HOPE NOW alliance, which is comprised of the nation's six largest mortgage lenders, would join together in a new effort to reduce the number of home foreclosure across the nation. The new effort is called Project Lifeline. As part of this effort, the six lenders, Bank of America, Citigroup, Countrywide, Chase, Washington Mutual, and Wells Fargo, will reach out to "seriously delinquent homeowners" whose mortgages they hold and who face the greatest risk of losing their homes. Foreclosure proceedings against homeowners who respond to the outreach will be "paused" for 30 days, during which time the homeowner and loan servicer will attempt to come up with a loan modification that allows the homeowner to keep their home. Although the lenders have committed to outreach, struggling homeowners do not have to wait for a call from the mortgage servicer. Homeowners can call their servicer directly and ask about Project Lifeline or call the national foreclosure helpline operated by the HOPE NOW alliance at 1-888-955-HOPE. Treasury Secretary Paulson said he expects the number of lending institutions participating in Project Lifeline to grow in the future.

Stimulus Package Includes Help for the Housing Market

Just in time for Valentine's Day, President Bush signed legislation to jump start the struggling U.S. economy by putting tax rebate checks ranging from \$300 - \$1,200 in the pockets of millions of Americans and providing incentives for businesses. The \$168 billion economic stimulus package also included provisions to help the troubled housing market, a top National League of Cities legislative priority. The package raises temporarily the limit on Federal Housing Administration - insured loans from \$362,790 to \$729,750, as well as the limit on loans that Fannie Mae and Freddie Mac can purchase from \$417,000 to \$792,750. Changes in these limits are intended to ease the credit crunch in the market for "jumbo" mortgages, which are often necessary in high-cost housing markets. The crunch, a fallout from the subprime mortgage collapse, has made it difficult, if not impossible for homebuyers in those markets to get new mortgages or refinance existing ones. As far as who will receive a rebate check, most people who earned at least \$3,000 in qualifying income during 2007, including through Social Security or veterans' disability benefits will

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receive a rebate of up to \$600 for individuals and \$1,200 for couples, with an additional \$300 for each child. Single individuals making more than \$75,000 and couples with income more than \$150,000 will get smaller checks, up to the top limits of \$87,000 for childless individuals or \$174,000 for couples. To get any rebate, a 2007 tax return with a valid Social Security number must be filed.

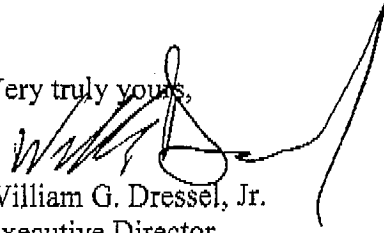
NLC Member Testifies at Brownfields Reauthorization Hearing

Earlier this week, the House began laying the groundwork for reauthorizing the U.S. Environmental Protection Agency's Brownfields program, which expired in 2006. On February 14, the Chairman of the House Transportation and Infrastructure Committee, James Oberstar (D-MN), introduced reauthorization legislation, and the House Transportation and Infrastructure Committee, Subcommittee on Water Resources and Environment, held a hearing on the program. Matt Zone, Council Member, Cleveland, Ohio, and a member of NLC's Energy, Environment and Natural Resources Policy and Advocacy Committee testified at the hearing about the importance of the Brownfields program to local governments. Additionally, in his testimony, Zone called on Congress to increase the overall funding authorization level for Brownfields programs; to increase the cap on assessment grant amounts; to increase technical assistance offered to communities; and to address and resolve the disincentives created by the potential exposure to liability for municipalities who attempt to facilitate reuse of Brownfield properties. Members of the Committee told Zone they would work with NLC to resolve the liability issues for local governments in any effort to reauthorize the Brownfields program this year. To view the hearing and Zone's testimony, click here:

<http://transportation.house.gov/hearings/hearingdetail.aspx?NewsID=422>.

Please contact Jon Moran at jmoran@njslom.com or (609) 694-3481 ext. 121 if you have any questions.

Very truly yours,



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Executive Director

WGD:jm/sc