

# White House Announces Mortgage Refinancing Overhaul Through Executive Order

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Global Research, October 24, 2011

[Truthout](#) 24 October 2011

Region: [USA](#)

Theme: [Poverty & Social Inequality](#)

The Obama administration announced today an overhaul to the Home Affordable Refinance Program (HARP) that will make it easier for struggling homeowners to refinance their mortgages and take advantage of low interest rates.

The overhaul is one of several executive actions addressing America's economic woes to be announced by the administration this week, which is signaling to [Republicans blocking Obama's jobs bill](#) in Congress that "We Can't Wait" (as the White House stresses in its slogan for the president's latest strategy) for lawmakers to act on the economy.

Administration officials today laid out plans to adjust mortgage-refinancing programs that could help homeowners save around \$2,500 a year.

"There is no question that lowering payments by \$2,500 or more each year is something that will help more homeowners stay in their homes," said administration housing secretary Shaun Donovan. "This will lower the number of foreclosures because we're lowering payments for folks who, at some point, will not have to make those payments."

Donovan said the number of foreclosures in the United States has been reduced by a third since last year, partly due to government programs like HARP.

The changes announced today make more homeowners eligible for the program. Before the overhaul, homeowners who were more than 25 percent underwater with their mortgage payments were ineligible for the program. Officials could not estimate how many more homeowners would now participate in the program, however.

The overhaul also makes it cheaper to refinance and creates incentives for lenders that may otherwise be cautious of refinancing, creating more robust competition that will benefit homeowners.

National Economic Council Director Gene Sperling told reporters that the overhaul was not possible without cooperation with private lenders and banks, and that the overhaul will "unleash the competition" among lenders.

Later this week, President Obama will announce more executive actions, including a plan to help students pay off student loan debt. The executive programs fall under the "We Can't Wait" banner, part of the administration's effort to create as many economic reforms as possible without the help of legislation. Officials say much more could be done if Congress passes Obama's legislation aimed at creating jobs and rebuilding infrastructure.

Secretary Donovan, for example, said the biggest problem contributing to foreclosures is unemployment, so Congress must pass Obama's jobs bill.

"The American Jobs Act is a housing policy, as well," Donovan said.

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