

Testimony of Robin P. Staudt

Chairman Frank, Ranking Member Bachus, and Members of the Committee, I appreciate the opportunity to testify before you today. I am Robin P. Staudt currently residing in Orange County, NC. This region is farm country on the edge of what used to be small town America but now abuts the Raleigh, Durham, Chapel Hill Triangle. I was raised near Pittsburgh, Pa so I have a bit of a city perspective as well.

As a private citizen I am honored to have this opportunity to speak to this committee. I'm a homeowner, that is the bank along with my husband and my self own my home. I'm a mortgage holder in good standing and working hard to pay down my debt. My family is, as are many other families are experiencing the pressures of this economic crisis and we are radically altering our lives and lifestyles.

Due to this present economic crisis I am currently unemployed; laid off because of the housing construction downturn. With hope for a brighter future quickly fading I desire to see the government get out of the way and let the market work. As you know small businesses employ the majority of this nation's work force. Without drastic tax relief as well as some economic stimulation I fear that this government is selling our children's and grand-children's future to the altar of comfort and expediency.

Please indulge an average American citizen as I must clarify my remarks. I'm a second generation American whose grandmother taught her of the marvels of freedom and all the opportunities it brings. As well my mother and father taught me the value of hard work, honesty, and integrity with the reminder that pride goes before a fall. The constant lesson was that in America you can become anything you want because the government won't stand in your way. I believe that is no longer the case. Those lessons were learned before social engineers gained enough power to skew the outcome of society.

There was a time when having saved money and accrued interest over time one could contract with a local bank for a mortgage on a home helping to grow the neighboring economy. Generally a free market playing field, whether mortgage rates were high or low, the local bank had requirements for all borrowers which protected everyone's interest. The bank wanted to insure the client's ability to repay his debts and proving responsibility was necessary before entering into a contract. That was a somewhat level playing field even if more difficult to achieve the American dream of home ownership. It certainly was a more stable lending environment.

Recent history belies that stability. Government subsidies that "help" anyone and everyone gain entry into the housing market have certainly destabilized that market and hampered the "helping" hand. We now have skewed housing values that no longer represent real values within the housing industry allowing speculators to run artificially inflated housing values wherever possible. It seems the banks along with speculators were drunk with possible runaway profits. Now that the bubble has "burst" they're crying a different tune.

My family, as well as some of our friends have struggled to cope with high rents while trying to save for a home and having now purchased said home are dealing with almost yearly property

tax increases, new zoning restrictions, and ever increasing insurance rates. But this was our choice, worked out responsibly with the bank that holds our mortgage.

My family taught me to save.... Just in case. You don't know what tomorrow may bring and you need to be prepared was the lesson. Frugality is NOT a dirty word. So we lived within our means and saved and now we're using that savings as sparingly as possible to stem the tide of this economic difficulty. We are being responsible.

I understand and empathize with those angry over the bailout, and the artificially inflated housing markets. To get an idea of what I mean it's easiest to visit the www.angryrenter.com website. It expresses many a struggling taxpayers' sentiments.

To speak to the failed bail-outs, instead of banks using bail-out money to infuse the country with economic help and stemming the tide of the mortgage crisis they've utilized these funds, our money, that is taxpayer's money to buy each other out. At the heart of our financial crisis is greed and it's greed on every level. Not only the purview of the rich, the poor are just as complicit in this whole debacle. Where is the responsibility and accountability? It's on the backs of the taxpayers, many of whom are not responsible for this bad behavior.

So now that we've radically altered our political climate ushering in an era of "change", what are we doing? How many times do we have to change a mortgage program that has helped less than thirty borrowers? In the 2008 presidential campaign, President Obama promised "to eliminate government programs that are not performing." Under his criteria HOPE for Homeowners should qualify as a program to be cut. Changes to Hope for Homeowners proposed in H.R.703 (if I understand it correctly) attempts to make H4H more attractive to borrowers and lenders. But it drops safeguards that were designed to protect taxpayers. H.R.703 strikes the payment of upfront premiums to FHA, reduces the annual premium, increases the loan-to-value ratios and (this really amazes me) it cancels the government's share of profits in case of long-term home price appreciation.

I certainly claim no expertise with any of the proposals before the committee. I bring only "common sense" and life experience to the table. In I Timothy 6:9-10 (NIV) People who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge men into ruin and destruction. For the love of money is a root of all kinds of evil, In this country I often read and hear about the "greedy" big corporations and greedy rich people. There are just two things to say to this: 1) When did a poor person ever give a fulltime job to someone else? 2) Poor people can be just as greedy, if not more so, than rich people.

I believe, as well as others do, from a "common sense" perspective, CUT the capital gains tax to stimulate the economy; it has worked before; CUT spending and eliminate the waste and pandering, it has worked before; CUT the taxes of taxpayers so there is immediate monies to invest in market forces it has worked before. There's a saying that many of you serving on this committee may well be aware of: (paraphrased), The definition of insanity is to keep repeating the same behavior and expecting a different result.

I thank you all for your service to this committee and I most appreciate your time and hearing of an average taxpayer's testimony.