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NEWS RELEASE

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OBAMA MORTGAGE PLAN REQUIRES FINANCIAL RESPONSIBILITY

President Obama revealed his \$75 billion dollar housing plan yesterday. This plan is predicted to save seven million homeowners from losing their homes; unfortunately, this plan will not fix all the housing problems in the United States. President Obama admits that it will take fiscal responsibility from everyone to fix the mortgage crisis.

The Homeowner Affordability and Stability Plan will assist both homeowners who are behind on their mortgage payments and those who are upside-down in their loans. For example, the plan currently will only help consumers who have loans held or securitized by Fannie Mae or Freddie Mac. The government isn't saying exactly who qualifies or how to apply for the program, stating they will provide more details on March 4th. They request homeowners gather the following information so they are ready when details are announced:

- Gross monthly income
- Recent income tax return
- Information on second mortgages on the home
- Payments and balances on all credit cards
- Payments and balances on other loans, such as car and student loans

President Obama knows his plan won't help everybody. He stressed during his press conference that the country must "step back and take responsibility. All of us must learn to live within our means again."

Lisa Cameron, Director of Education at Credit Advisors Foundation was glad to see Obama stressing responsible financial management. "You can't solve the mortgage problem in a vacuum," she said. "You have to address a borrower's entire financial situation" The average American family owes \$21,000 in student loans, \$8,700 in credit card debt, and at least one car loan, in addition to their mortgage.

She said Credit Advisors has been educating the public for over 50 years about the importance of a working budget as a tool to live within their means.

"This plan of President Obama's will help homeowners. However, people cannot fall back into their old financial habits or ignore the rest of their debt after their mortgage issues have been addressed," she said.

The three best steps homeowners can take are:

1. Create and keep a budget
2. Pay off all debt
3. Start saving.

"This situation didn't happen overnight and it won't be magically solved overnight," she said. "Patience, persistence and determination will be key for all those experiencing financial hardship."

If you would like more information on this or any other financial topic, please contact Lisa Cameron at 402-514-3340.

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Credit Advisors Foundation is a national, non-profit credit and housing counseling organization with offices in Omaha, Nebraska, Tacoma, Washington, and Scottsdale, Arizona. The organization provides financial education to the community via publications, speakers, and counseling. For more information visit creditadvisors.org