



## U.S. House Votes 256-171 to Terminate Obama Foreclosure-Prevention Program

By Lorraine Woellert - Mar 10, 2011

The U.S. House voted 256-171 along party lines to cancel a fledgling Obama administration program designed to help homeowners lower monthly mortgage payments.

The vote on the legislation, sponsored by Representative Robert Dold of [Illinois](#), is the first of four measures from [House Republicans](#) to cut spending on housing programs they have been criticized as ineffective. The House bills would need to clear the Democrat-controlled Senate and President [Barack Obama](#), who has promised to veto any attempts to kill the programs.

The Federal Housing Administration Short Refi Option program rejected today is tailored for borrowers whose home values have dropped below the amount still owed on the mortgage. If lenders volunteer to write down at least 10 percent of a loan's principal, the FHA refinances the remaining debt, often at a lower rate.

Forty-four loans have been modified under the program since it began in September, according to the FHA. The housing agency can draw as much as \$8 billion from the \$700 billion Troubled Asset Relief Fund, or TARP, to pay off any loans that default.

Because no borrowers have defaulted, the program has cost nothing so far, according to the FHA. Participants in the program have healthy credit scores averaging 711, according to the FHA. The median consumer credit score last year was about 720, according to Minneapolis-based Fair, Isaac & Co.

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