

## Remarks on the National Foreclosure Abuse Settlement *February 9, 2012*

All right, good afternoon, everybody. Before I start, I just want to introduce the folks on stage here, because the extraordinary work that they did is the reason that a lot of families are going to be helped all across the country. First of all, our Attorney General Eric Holder; Secretary of Housing and Urban Development Shaun Donovan; Associate Attorney General, and former classmate of mine, Tom Perrelli; we've got Attorney General George Jepsen from Connecticut; Roy Cooper, attorney general from North Carolina; Lisa Madigan from my home State of Illinois, and former seatmate of mine when we were in the State legislature together; Dustin McDaniel from Arkansas; Gregory Zoeller from Indiana; and Tom Miller from Iowa. And I also want to acknowledge Bob Ryan, who worked with Shaun Donovan extensively on this issue, as well as Tim Massad of Treasury. And I'm going to acknowledge also Gene Sperling, who doesn't always get the credit he deserves for doing outstanding work.

The housing bubble that burst nearly 6 years ago triggered, as we all know, the worst economic crisis of our lifetimes. It cost millions of innocent Americans their jobs and their homes, and it remains one of the biggest drags on our economy.

Last fall, my administration unveiled a series of steps to help responsible homeowners refinance their mortgages to take advantage of historically low rates. And last week, I urged Congress to pass a plan that would help millions more Americans refinance and stay in their homes. And I indicated that the American people need Congress to act on this piece of legislation.

But in the meantime, we can't wait to get things done and to provide relief to America's homeowners. We need to keep doing everything we can to help homeowners and our economy. And today, with the help of Democratic and Republican attorney generals from nearly every State in the country, we are about to take a major step on our own.

We have reached a landmark settlement with the Nation's largest banks that will speed relief to the hardest hit homeowners, end some of the most abusive practices of the mortgage industry, and begin to turn the page on an era of recklessness that has left so much damage in its wake.

By now, it's well known that millions of Americans who did the right thing and the responsible thing—shopped for a house, secured a mortgage that they could afford, made their payments on time—were nevertheless hurt badly by the irresponsible actions of others: by lenders who sold loans to people who couldn't afford them, by buyers who knew they couldn't afford them, by speculators who were looking to make a quick buck, by banks that took risky mortgages, packaged them up, and traded them off for large profits.

It was wrong, and it cost more than 4 million families their homes to foreclosure. Even worse, many companies that handled these foreclosures didn't give people a fighting chance to hold onto their homes. In many cases, they didn't even verify that these foreclosures were actually legitimate. Some of the people they hired to process foreclosures used fake signatures to—on fake documents to speed up the foreclosure process. Some of them didn't read what they were signing at all.

We've got to think about that. You work and you save your entire life to buy a home. That's where you raise your family. That's where your kids' memories are formed. That's your stake, your claim on the American Dream. And the person signing the document couldn't take enough time to even make sure that the foreclosure was legitimate.

These practices were plainly irresponsible. And we refused to let them go unanswered. So, about a year ago, our Federal law enforcement agencies teamed up with State attorneys general to get to the bottom of these abuses. The settlement we've reached today, thanks to the work of some of the folks who are on this stage—this is the largest joint Federal-State

settlement in our Nation's history—is the result of that extraordinary cooperation.

Under the terms of this settlement, America's biggest banks—banks that were rescued by taxpayer dollars—will be required to right these wrongs. That means more than just paying a fee. These banks will put billions of dollars towards relief for families across the Nation. They'll provide refinancing for borrowers that are stuck in high interest rate mortgages. They'll reduce loans for families who owe more on their homes than they're worth. And they will deliver some measure of justice for families that have already been victims of abusive practices.

All told, this isn't just good for these families; it's good for their neighborhoods, it's good for their communities, and it's good for our economy. This settlement also protects our ability to further investigate the practices that caused this mess. And this is important. The mortgage fraud Task Force I announced in my State of the Union Address retains its full authority to aggressively investigate the packaging and selling of risky mortgages that led to this crisis. This investigation is already well underway. And working closely with State attorneys general, we're going to keep at it until we hold those who broke the law fully accountable.

Now, I want to be clear. No compensation, no amount of money, no measure of justice is enough to make it right for a family who's had their piece of the American Dream wrongly taken from them. And no action, no matter how meaningful, is going to, by itself, entirely heal the housing market. But this settlement is a start. And we're going to make sure that the banks live up to their end of the bargain. If they don't, we've set up an independent inspector, a monitor, that has the power to make sure they pay exactly what they agreed to pay, plus a penalty if they fail to act in accordance with this agreement. So this will be a big help.

Of course, even with this settlement, there's still millions of responsible homeowners who are out there doing their best. And they need us to do more to help them get back on their

feet. We've still got to stoke the fires of our economic recovery. So now is not the time to pull back.

To build on this settlement, Congress still needs to send me the bill I've proposed that gives every responsible homeowner in America the chance to refinance their mortgage and save about \$3,000 a year. It would help millions of homeowners who make their payments on time save hundreds of dollars a month, and it can broaden the impact building off this settlement.

That's money that can be put back into the homes of those folks who are saving money on the refinancing, helping to build their equity back up. They may decide to spend that money on local businesses. Either way, it's good for families, and it's good for our economy. But it's only going to happen if Congress musters the will to act. And I ask every American to raise your voice and demand that they do.

Because there really is no excuse for inaction. There's no excuse for doing nothing to help more families avoid foreclosure. That's not who we are. We are Americans, and we look out for one another; we get each other's backs. That's not a Democratic issue, that's not a Republican issue. That's who we are as Americans.

And the bipartisan nature of this settlement and the outstanding work that these State attorneys general did is a testament to what happens when everybody is pulling in the same direction. And that's what today's settlement's all about: standing up for the American people, holding those who broke the law accountable, restoring confidence in our housing market and our financial sector, getting things moving. And we're going to keep on at it until everyone shares in America's comeback.

So, ladies and gentlemen, thank you for your outstanding efforts. We are very, very proud of you. And we look forward to seeing this settlement lead to some small measure of relief to a lot of families out there that need help. And that's going to strengthen the American economy overall.

So thank you very much.

NOTE: The President spoke at 12:28 p.m. in Room 430 of the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Attorney General Lisa Madigan of Illinois; Attorney General Dustin McDaniels of Arkansas; Attorney General Gregory F. Zoeller of Indiana; Attorney General Thomas J. Miller

of Iowa; Robert C. Ryan, Acting Assistant Secretary for Housing/Federal Housing Commissioner, Department of Housing and Urban Development; Timothy G. Massad, Assistant Secretary for Financial Stability, Department of the Treasury; and National Economic Council Director Eugene B. Sperling.

## Remarks on the No Child Left Behind Act *February 9, 2012*

Please have a seat, have a seat. Thank you so much. Well, hello, everybody, and welcome to the White House.

I want to start by thanking all the chief State school officers who have made the trip from all over the country. Why don't you all stand up just so we can see you all, right here. It's a great group, right here. Thank you. And I want to recognize someone who is doing a pretty good job right here in Washington, DC, and that is my Secretary of Education, Arne Duncan. Love Arne.

We've also got some outstanding Members of Congress who are here who have always been on the frontlines when it comes to education reform. But above all, I want to thank all the teachers who are here today. Where are the teachers? Come on, stand up, teachers. There you go. We got some teachers here.

Earlier this week, we hosted our second White House Science Fair. Some of you may have seen this on TV. I got a chance to shoot a marshmallow out of an air cannon, which I don't usually get to do. *[Laughter]* But I met these incredibly talented young people, kids who are working on everything from portable housing for disaster victims to technology that can detect smuggled uranium before it became a threat; this young man had built a prototype. And I asked him how he came up with this idea, and he said, "I've always just been really interested in nuclear materials, and I collect samples." *[Laughter]* And I asked him, "How does your mom feel about this?" *[Laughter]* He said she wasn't that happy about it.

But just unbelievable young people; it was extraordinary. And before they left, I gave them some homework. I told them go find a

teacher who helped them make it here and say thank you, because every single one of us can point to a teacher who in some way changed the course of our lives. I certainly can; I know Arne can. And the impact is often much bigger than we realize.

One study found that a single good teacher can increase the lifetime earnings of a classroom by \$250,000—single teacher. A great teacher can help a young person escape poverty, allow them to dream beyond their circumstances.

So teachers matter. And in an economy where employers are looking for the most skilled, educated workers, few people are going to have a bigger impact on that than the men and women who are in our classrooms. And that ultimately is why we're here today. It's about our classrooms and our children and what's happening to them and how they can perform.

In September, after waiting far too long for Congress to act, I announced that my administration would take steps to reform No Child Left Behind on our own. This was one of the first and the biggest We Can't Wait announcements that we've made, because our kids and our schools can't be held back by inaction.

I want to point out, by the way, the Members of Congress who are here, they're ready to act, but we haven't been able to get the entire House and Senate to move on this.

I said back then the goals of No Child Left Behind were the right ones. Standards and accountability, those are the right goals. Closing the achievement gap, that's a good goal. That's the right goal. We've got to stay focused on those goals. But we've got to do it in a way that