

CASTLE DISCUSSES EFFECT OF ECONOMY ON GAS PRICES, HOUSING, AND STUDENT LOANS -- May 2, 2008

Wilmington and Dover, DE - After a eventful legislative week in Washington, Congressman Michael N. Castle (R-DE) hosted two press conferences, in his Wilmington and Dover offices to update Delawareans on several current legislative topics, including proposals to stimulate the housing market, address energy costs, and protect access to student loans.

At the press conference, Rep. Castle first addressed the Ensuring Continued Access to Student Loans Act (H.R. 5713), a bill which passed in the both the House and Senate this week and is expected to be signed into law by President Bush.

"I have always believed that we should do everything in our power to ensure that students who wish to attain higher education have the resources that they need to do so," said Rep. Castle. "In a time of disruptions in the market, there is fear that student loan availability will decrease - cornering out some students who wish to achieve higher education but do not have the resources to do so. This bill takes steps to prevent a student loan crisis before it occurs. I am supportive of this legislation because it takes steps to protect students and families by expanding federal loan availability, increasing loan repayment flexibility, and expanding access to grant aid - without increasing federal funding."

The final bill included an amendment introduced by Rep. Castle that would evaluate the larger impact of the increased loan limits on tuition, fees, room and board, as well as private loan borrowing.

Rep. Castle continued on to discuss the Housing Stability and Homeowner Retention Act of 2008 (H.R. 5715), which is intended to stimulate the Housing market. This proposal passed in the House Financial Service Committee on Thursday and will be considered by the full House next week.

"Congress is considering several proposals to reduce foreclosure rates and jump-start the housing market-- including tax incentives to purchase homes currently in the foreclosure process, bonds for states to refinance some sub-prime loans, zero-interest loans to be available to first time homebuyers as well as my proposal which would enable loan servicers to revisit the conditions of a difficult mortgage and encourage them to restructure the loan so more Americans may avoid foreclosure," said Rep. Castle. "The Housing Stability and Homeowner Retention Act of 2008, which we passed in House Financial Services Committee this week, would allow the Federal Housing Administration to insure up to \$300 billion in new mortgages for distressed homeowners now who are too financially strapped to qualify for such loans. I am hopeful that this voluntary program will encourage lenders and borrowers to refinance troubled mortgages."

Next week the full House is expected to consider a package containing many of these proposals.

Lastly, Rep. Castle discussed skyrocketing gas prices and possible solutions both for the long and short-term as well as actions individuals can take to ease the burden. As gasoline prices are expected to reach \$4 per gallon this summer and while the price of diesel is already that high in many areas of the country, Rep. Castle believes we need to look at the bigger picture of oil dependence and how it affects our economy, security, and environment.

"This is a time when Republicans and Democrats must work together on policies to reduce consumption, encourage innovative technology development, and promote energy self-sufficiency," Rep. Castle said. "The finite supply of oil in the world ensures that our dependence on it will always directly correlate to the world's supply and demand structure. Technology will take us to the next level in transportation fuels, and we must make these investments now. We reached a bipartisan agreement, which is now law, to increase fuel efficiency standards to 35 miles per gallon, known as Corporate Average Fuel Economy. We have to make these tough decisions today to end the cycle of reliance on oil and ensure we have a comprehensive, clean, and secure energy policy for tomorrow that is sustainable for generations to

come."