



McCain IS NOT PREPARED TO FIX MORTGAGE CRISIS

The mortgage crisis has resulted in record foreclosure filings, devastating families and communities around the country. It has become a top priority for politicians this election year, but John McCain has been out of touch with the needs of working families. While both Democratic candidates are offering substantial and immediate solutions for dealing with the crisis, McCain blames homeowners for their problems, maintains “the fundamentals of the economy are strong” and suggests only holding meetings with the lenders and financial institutions that got us into this mess in the first place.

After Ignoring the Crisis for Months, McCain Blames Homeowners and Suggests Only Meetings. While federal and state officials investigate lending practices that pushed people into unaffordable mortgages and created a nationwide credit crisis, McCain blamed homeowners and said, “It is not the duty of government to bail out and reward those who act irresponsibly, whether they are big banks or small borrowers.” After not addressing the issue for months, when McCain finally spoke on the housing crisis he offered no solutions but called for “a meeting of the nation’s accounting professionals to discuss the current mark to market accounting systems...We should also convene a meeting of the nation’s top mortgage lenders.” (*The New York Times*, 3/25/08; McCain’s Remarks on Economic Woes, 3/25/08)

McCain: ‘I Don’t Claim to Be Smart Enough’ to Offer Solution to Mortgage Crisis. “I know that [Treasury Secretary Henry] Paulson, those people are working. I know that the FHA is working and the other alphabet soup organizations. But I don’t know how bad it’s gonna get, and obviously the worse it gets then the more

there is a role for government. But I can’t come down yet and give you a specific solution because I don’t claim to be smart enough....I’d love to give you a solution, but I don’t know.” (*Keene Sentinel* Editorial Board Meeting, 12/4/07)

McCain’s Own Hometown—Phoenix—Had Devastating 56,000 Foreclosure Filings in 2007. In 2007, Phoenix reported 56,040 foreclosures—a 177 percent increase from 2006. (RealtyTrac Press Release, 2/13/08)

McCain Said Mortgage Crisis and Economy Are Not Important to Voters. While campaigning in Florida, McCain dismissed concerns about the economy. “Even if the economy is the, quote, No. 1 issue, the real issue will remain America’s security....And if they choose to say, ‘Look, I do not need this guy because he’s not as good on home loan mortgages or whatever it is, I understand about that, I will accept that verdict. I am running because of the transcendental challenge of the 21st century, which is radical Islamic extremism.” (*The New York Times*, 1/28/08)

McCain Still Believes 'Fundamentals of Economy Are Strong' and We're Not Headed to Recession.

Despite rising job loss numbers, record foreclosures and soaring gas and health care costs, McCain maintains, "I don't believe we're headed into a recession. I believe the fundamentals of this economy are strong, and I believe they will remain strong." (West Palm Beach Town Hall, 1/24/08; "Face the Nation," 2/3/08; Town Hall at Dell in Texas, 2/29/08; "60 Minutes," 3/9/08, GOP Debate, Myrtle Beach, S.C., 1/10/08)

McCain Says He Wants Tough Lender Standards—But Votes Against Them.

McCain has called for strict standards and greater transparency for lenders, and for cracking down on predatory lenders. But he voted against a measure to discourage predatory lending practices and failed to vote on a bill that would overhaul the mortgage lending practices of the Federal Housing Administration. (McCain's Remarks on Economic Woes, 3/25/08; *St. Petersburg Times*, 1/24/08; S. 256, Vote #22, 3/3/05; S. 2338, Vote #432, 12/14/07)

McCain Skipped Vote on Economic Stimulus Package Despite Being in Washington.

McCain missed a key vote on economic stimulus legislation to provide rebates to taxpayers—even though he was in Washington, D.C., at the time. "McCain returned to Washington but made an eleventh-hour decision to skip the vote, aides to his campaign said." (H.R. 5140, Vote #8, 2/6/08; Associated Press, 2/6/08)

McCain Has Ties to Finance, Banking and Real Estate Industries.

- **McCain advisers and fund-raisers have lobbied for firms connected to the crisis.** His campaign hired a lobbyist for Ameriquest, the nation's largest subprime lender, which agreed to pay \$325 million to settle an investigation into its lending practices by 49 states. It also includes three lobbyists whose firms have made \$2,078,000 in contracts from JP Morgan, two lobbyists whose firms made \$1,940,000 from contracts with Washington Mutual and the in-house lobbyist for Citigroup. (Politico, 3/4/08; Senate Lobbying Disclosure Act Database, accessed 3/25/08; *Consumer Affairs*, 1/23/06; Office of Massachusetts Attorney General Press Release, 1/23/06; Center for Responsive Politics; Center for American Progress)
- **McCain has 120 registered 'bundlers' from the finance, banking and real estate industries.** According to WhiteHouseForSale.org, a site that tracks bundlers of contributions for the presidential candidates, McCain has 120 registered bundlers from the real estate (51), securities and investment (40), commercial banks (13), finance (11) and insurance (5) industries. He leads among presidential candidates for bundlers from the real estate and commercial banking industries. (WhiteHouseForSale.org, accessed 2/5/08)