Obama’s Biggest Lie

It’s Bush’s Fault

Why do President Obama and the Democrats continue to blame “Bush’s failed economic policies” for the financial crisis even though it is not true? Because they can. You see, they know it is a complex subject and they know that the media have so far been unwilling to explain what really happened during Bush’s time in office. They also know that as long as most of the media remain in their camp, they will continue to protect the president. Yet, considering its reach and importance to the 2012 campaign, this may very well be Obama’s biggest lie.

A quick review

1. Did the Bush tax cuts cause the Recession? No, and if Obama really thought so, why does he want to keep most of them?
2. Did financial deregulation under Bush cause the Recession? No. Countless studies failed to find any evidence to support the charge that rule changes by the Bush SEC contributed to the financial crisis.
3. Did the Bush deficits cause the Recession? Obama can’t possibly support that idea. After all, Obama has already added almost $6 trillion to the national debt in just 3½ years. Plus, according to the CBO, under his most recent budget, he would add $6.4 trillion more to the federal

budget deficit over the next decade. Obama's deficit and debt figures are far greater than Bush's.

4. Did Bush housing policies cause the Recession? No again. As you will learn later, the financial meltdown was a direct result of government housing policy—most of which was implemented by the out-of-control, quasi-governmental agencies, Fannie Mae and Freddie Mac.

A note about the recovery before we get into the weeds

- Obama and his economists predicted that the stimulus would create a recovery rate of 4%+ annual growth. It has averaged a pathetically weak half that, and 2013 promises to be no better.
- They also predicted unemployment would be under 6%. It has been 8% or higher for 42 straight months. It now stands at 8.3% and shows no signs of moving down.

First, let's understand the back story

Bush inherited a recession from Clinton

Let's begin at the beginning of Bush's first term. As I said, it is relatively complex, so bear with me while I explain it to you. Within a couple of months of Bush taking office, the country went into a recession. The causes of the recession occurred during Clinton's tenure, and since there is a cause-and-effect lag, Bush inherited it from Clinton whose booming "Dotcom" economy had, predictably, collapsed. The collapse was predictable because the success of the dotcoms was to a great extent an illusion. These companies had no "brick-and-mortar" foundations. They were built in and they ran in cyberspace and it was clear to experienced business professionals that the market could not continue to support most of them. Of course they were correct and most of them failed. So Bush began his

first term with a recession not of his making.

The Terrorist Attacks of 9/11

The terrorist attacks of September 11, 2001, were carried out by psychopathic, religious fanatics—cold-blooded murderers. For thousands of our fellow Americans, the personal loss of family members and friends created a void that will never be filled. We cannot begin to measure that kind of loss. What we can measure is the economic cost, which translates into a continuing burden, directly or indirectly, on all of us.

- Our economy was still in recession when the 9/11 attacks hit us. The attacks made a bad situation worse.
- The immediate impact of the attacks caused a dramatic drop in consumer confidence, and a significant fall in the stock market.
- Insurance cost – an estimated $40 billion
- Cost of rebuilding the World Trade Center – about $700 million
- Quarterly airline industry profits fell $25 billion—about $100 billion annually—in the years following the attacks. Several airlines went bankrupt, despite generous loans from the U.S. Government.
- The financial loss of gross New York City product was estimated at $23.7 billion through the end of 2002. Tax losses added another $2 billion.
- About 100,000 jobs were lost in Manhattan alone. 18,000 businesses were either destroyed, disrupted or forced to relocate.
- The economic consequences of the attacks reached every aspect of the U.S. economy.
- Because of the attacks, estimates of U.S. Job losses were as high as 1.8 million, which also reduced our gross domestic product by as much as 5 percent, or $500 billion. While some other studies produced lower figures, the consensus was that the losses were huge.

Also, security concerns raised the price of oil, which may have affected the flow of investment dollars into the U.S.

- The numbers reach staggering proportions when we add in indirect economic effects. As a consequence of the attacks, $1 trillion was spent on national security, and even though Obama and the Democrats continue to blame Bush for the "unpaid for wars in Afghanistan and Iraq," the above $1 trillion does not include the cost of those wars.
- The wars in Afghanistan and Iraq added at least another $1 trillion in costs. Even though Obama said the Afghanistan War was justified, he and other Democrats continue to attack Bush for the Iraq War. There are two main problems with this: 1) Virtually all congressional Democrats voted for the Iraq War. 2) Many Democrats continue to dishonestly accuse Bush of lying about Saddam Hussein having WMD even though they read the same intelligence reports that Bush read. (See "Is Obama More Dishonest Than Nixon, Reagan, and G.W. Bush?")

This brief review of 9/11 economic costs does not consider countless other costs, such as government settlements to first responders, security and legal costs for terror trials, increased energy costs, time lost due to airport security, and much more. For example, it is hard to imagine the extent of "opportunity loss" – costs of things we were not able to spend money on because it was spent on 9/11-related items instead.

Finally, it is practically impossible to calculate a final, total cost of the economic impact of 9/11, but it is certainly in the trillions of dollars.

Considering the depth and pervasiveness the detrimental effects of the 9/11 attacks had on our economy, not only are Obama's criticisms of the Bush economy grossly dishonest on their face, they are even more misleading when we consider that the post 9/11 economy rebounded amazingly quickly due to

the Bush fiscal and monetary policies, which were put in place in response to the attacks. So instead of being responsible for destroying our economy, I predict that honest historians will praise President Bush for his insightful and decisive leadership during and after the attacks.

President Clinton weakened our intelligence and military capabilities

Why did the CIA fail to anticipate the 9/11 attacks?

Bill Clinton is scheduled to make a key address at the Democratic National Convention. If you watch his speech, please keep in mind what I am about to tell you.

When George W. Bush took office in January 2001, he not only inherited a recession from Bill Clinton, he also inherited a dangerously weakened CIA. It seems that Clinton's CIA Director, James Woolsey, didn't have much time to keep track of Osama bin Laden because he was too busy fighting Clinton and other Democrats over cuts in CIA funding and resources. For example, the agency was in great need of translators who spoke Arabic, Farsi, Pashto, and other languages spoken in the broiling "terrorist belt."

But Clinton and congressional Democrats made it impossible for Director Woolsey to hire and train the people he needed. As a result, the CIA was functionally blind, deaf, and dumb in the world's most terror-prone region. To quote *The Washington Times*, "So, a bureaucratic feud and President Clinton's indifference kept America blind and deaf as bin Laden plotted." You can read the full story here: The Washington Times—Bill Clinton's Indifference. Overall, our intelligence capabilities were significantly weakened during Bill Clinton's presidency.

But it got worse: Our military readiness was also dramatically

reduced. Both President Clinton and Vice President Al Gore often bragged that they had reduced the size of the federal government. “The era of big government is over”, they said. But what they failed to mention was that 286,000 (90%) of the 305,000 federal employees removed from the payroll, were military jobs. The statistics for America’s defense sector during the Clinton years confirms the deep-seated animosity held by the Clinton administration toward the military. Clinton eliminated 6 entire divisions from the Army—from 18 to 12. He removed 166 ships from our Naval fleet—from 546 to 380. And he stripped 26 squadrons from our Air Force—from 76 to 50. So the idea that Clinton and Gore were big reformers because they had ended the era of big government, was nothing more than a con job. What they really did was to dramatically weaken our intelligence and military capabilities while the federal bureaucracy, essentially, remained intact.

There is also a great deal of evidence to support the claim that President Clinton failed more than once to take bin Laden when the Sudanese offered to turn him over. Clinton says he didn’t take him because he did not have enough evidence against bin Laden. But that is highly debatable.

What else could happen?

President Bush must have wondered what else could possibly go wrong when he considered the hand he had been dealt. He had inherited a recession and a weakened intelligence and military capability and we had been hit by the most devastating attack on our homeland, ever. It was rather amazing that he had been able to steer us through it all and had still managed to get our economy back on track.

And then Katrina—the most destructive natural disaster in our history!

On August 29, 2005, the worst natural disaster in U.S. History hit our Gulf Coast. It was Hurricane Katrina and it was a

massive Category 5 monster before it even made landfall. The cost of damage was between $96-$125 billion, including $40-$66 billion in insured losses. Approximately 300,000 homes were either completely destroyed or made uninhabitable. About 118 million cubic yards of debris and devastation was left behind. The job of clean up was mind-boggling.

Reasonable estimates of the total economic loss from Katrina were as high as $250 billion. The storm disrupted gas production and had a general negative effect on national economic growth. In 2005, economic growth as measured by Gross Domestic Product (GDP) was at 3.8% in the third quarter, but it dropped to 1.3% in the fourth quarter due to the loss of gas production caused by Katrina.

So once again, President Bush was faced with another crisis not of his own doing. However, his political opponents on the left were not about to miss an opportunity to dishonestly place blame where it did not belong.

Bush, himself, said later that he made mistakes. But what he did not say was that a lot of people made a lot of mistakes. For example, New Orleans Mayor Ray Nagin failed to implement his evacuation plan and ordered residents to a shelter without any provisions for food, water, security, or sanitary conditions. He also delayed his emergency evacuation order until less than a day before landfall, which led to hundreds of deaths because people could no longer find any way out of the city. And we all remember the pictures of school bus parking lots full of yellow school buses, which Mayor Nagin refused to use in the evacuation. Why? He said they weren’t covered with insurance liability and there was a shortage of bus drivers. Governor Blanco also was to blame for her mistakes. But in fairness to all, we must keep in mind that this was the worst natural disaster in U.S. History. It was also the first time in such a huge disaster that FEMA was operating under the newly created Department of Homeland Security.

And there was this: When Katrina hit, New Orleans was one of the poorest metropolitan areas in the United States. 27% of New Orleans households, about 120,000 people, were without private mobility. Yet despite the fact that so many people were not able to evacuate on their own, the mandatory evacuation called on August 28 by local authorities, made no provisions to evacuate homeless, low-income, car-less individuals, the sick, or the city's elderly or infirm. As a result, most of the stranded were the poor, the elderly, and the sick. As I said, a lot of people made a lot of mistakes.

But this article is about the claim by President Obama and the Democrats that Bush caused the financial crisis. Hence, Hurricane Katrina must be included because of its huge negative impact on our economy and the unassailable fact that, as with the other items discussed here, Bush did not cause Hurricane Katrina.

But Bush did not have time to linger on what was because he saw ominous, dark clouds forming on the national horizon. In fact, he had seen those clouds for awhile.

The Housing Market Collapse

Our financial crisis was triggered by one monster of a problem with many tentacles—the housing collapse. So how did it happen? For that answer, we need to know something about home ownership and mortgages. Most people can't afford to buy a house outright for cash. They need to borrow most of the purchase price. When they do this, they sign a legal document that spells out their responsibility to repay the loan as well as other information. This document is called a "mortgage." For years, the primary source of home-purchase loans was a local savings and loan bank. These local banks knew the neighborhoods and the local house values. They also had certain credit requirements that a prospective home purchaser had to meet in order to get a loan. These requirements helped to protect the bank from loss and also helped purchasers from

making a loan they might not be able to repay. It was a good system that served us well for over a hundred years.

But then some politicians decided that the system was unfair. They said that everyone should be able to own their own home—that it was their right. Of course they also knew that if they could put millions of people into their own homes, whether they could afford it or not, those people would surely vote for them. Yes, the politicians absolutely knew that. So these politicians, who were almost all Liberal Democrats, effectively, tempted and coerced banks to make loans to virtually anyone—whether they could afford it or not. Thus, the seeds of a financial crisis were planted.

The following is an excerpt from an AIE.org article

- Today, the United States has the most troubled housing market in the developed world. It's also the only developed country with a major government role in housing policy.
- In less than twenty-five years, "affordable housing" and other housing policies have turned a healthy market into a financial ruin. In 1989, for example, only 1 in 230 homebuyers made a down payment of 3 percent or less; by 2007, it was 1 in 3. Meanwhile, average home equity plunged from 45 percent to 7 percent.
- The policies that caused the financial crisis are still in force. Until they and the government's role in housing are eliminated, the U.S. housing market will not return to health.

Bush warned of financial collapse

President George W. Bush and members of his administration are on record warning, repeatedly, that if significant, meaningful reforms were not implemented at Fannie Mae and Freddie Mac, we were headed for a serious financial crisis. But congressional Democrats did not want to hear it. They blocked all attempts

by the Bush administration and congressional Republicans to reform Fannie Mae and Freddie Mac, two of the key players in the housing market collapse. To be sure, many large banks and Wall Street firms were also guilty, but it is unlikely that they would have been as active as they were without political pressure from the left to "put everyone in home" and the millions of mortgage loan guarantees provided by Fannie and Freddie.

Was the housing market collapse Bush's fault? Hardly. He tried to prevent it but the Democrats blocked him every time. (See Bush Warned of A Potential Financial Crisis)

So those were the cards Bush was dealt. Now, let's consider …

Bush's economic policies

Obama Claim: The Bush Tax Cuts didn't work.

The Truth: Oh yes they did. They did exactly what they were meant to do. They stimulated the economy and led to millions of new jobs—over 8 million to be exact. Furthermore, unlike the failed Obama stimulus, which cost the taxpayers billions of dollars, instead of taking money from hard-working Americans, the Bush tax cuts put more money in their pockets.

Read more: Why President Obama despises the Bush tax cuts | Washington Times Communities

This is not even a Republican or Democrat issue. Democrat, President Kennedy enacted the same supply-side tax cuts that were later implemented by Ronald Reagan and then by George W. Bush—and they worked every time. Under Reagan, over 20 million new jobs were created and it started the longest peace-time continuous period of economic growth in U.S. History.

Obama's Class Warfare

So what's the deal? It's simple: Obama's presidency is collapsing and he is trying to save it by pitting one group of Americans against another. It is called "Class Warfare" and it's right out of tired, old Marxist strategy manuals. Obama and the Democrats demonize the "rich" by saying they should pay their fair share. But what he, purposely, does not tell you is that the top 10% of earners pay over 71% of all federal income taxes while nearly half of all Americans do not pay any federal income taxes at all!

Obama brags that his economy has added jobs for 29 consecutive months.

It's true. But once again, he is misleading us. He doesn't tell the whole story, and to be sure, a lie is not necessarily in the words, it's in the intent. In this case, he failed to include the job losses during his time in office. The number of jobs created under Obama have not even kept up with population growth. (See Obama Economic Record)

George W. Bush holds the record for consecutive months of positive GDP growth—52 months. The Democrat housing collapse triggered our financial crisis, not Bush's economic policies.

Bush's policies ended the recession, not Obama's.

You heard it right. You see, the recession officially ended in June, 2009—before the Obama stimulus had time to fully kick in. But by then, policies put in place by Bush began to have an effect. Furthermore, large portions of the Obama stimulus bill were squandered on non-stimulative items. For example, millions were used to prop up liberal Democrat local and state governments that had been mismanaged for decades. Failed liberal policies similar to the ones Obama continues to use on

a national level, had wreaked havoc on those local and state governments and Obama bailed them out, temporarily, with stimulus money. Then, of course, millions more were wasted on Obama's pet projects like Solyndra, which not only failed to create jobs, but went bankrupt a year after Obama touted it as the wave of the future. That foolish project alone wasted half a billion dollars of taxpayer's money.

Yet Obama still continues to take credit for "turning our economy around." It is truly astonishing. (See The Bush Failed Economic Policies)

Is President Obama Smart?

You decide

The Democrats fell over themselves to find any excuse to call President George W. Bush dumb. Like nasty little kids, they jumped at any and every perceived misstep and when they couldn't find any, they simply made them up.

The really interesting thing is that when it comes to Barack Obama, "the smartest president ever", there is no need to look hard for missteps or to make anything up. He does it all by himself and it's all real. So I wonder: Is President Obama

smart?

To Democrats: I know it's really hard for you, but do try to be honest and objective; you might actually learn something valuable. So why not give it try? Here's a fair "Bush versus Obama" little dumb contest.

Some things to consider …

- If George W. Bush had said he had visited 57 states and he had one more to go, would you have wondered if he was a U.S. Citizen? Would you have brushed it off as something irrelevant? Really? The man wanted to be our president! What could Obama have been thinking? Did he mean 47 states and one to go? Nope, that wouldn't work either. Then what?
- If George W. Bush had pronounced the word "corpsman" three separate times in a speech to military corpsman the way it is written instead of [kawr-muhn] – the correct pronunciation – would you have continued to insist that Harvard graduate, Barack Obama, was "the smartest president ever?"
- If George W. Bush had given Prime Minister of Great Britain, Gordon Brown, a set of inexpensive and incorrectly formatted DVDs, when Gordon Brown had given him a thoughtful and historically significant gift, would you have approved?
- If George W. Bush had given the Queen of England an iPod containing videos of his speeches, wouldn't you have thought this embarrassingly narcissistic and tacky?
- If George W. Bush had bowed to the King of Saudi Arabia , would you have approved? No, no, no, don't even try to spin it. Our president, Barack Obama, did bow to the King of Saudi Arabia.
- If George W. Bush had visited Austria and made reference to the non-existent "Austrian language," would you have brushed it off as a minor slip?

- If George W. Bush had filled his cabinet and circle of advisers with people who cannot seem to keep current on their income taxes, would you have approved?
- If George W. Bush had been so Spanish illiterate as to refer to Cinco de Cuatro in front of the Mexican ambassador when it was the fourth of May (Cuatro de Mayo), and continued to flub it when he tried again, wouldn't you have winced in embarrassment? Should I mention that Bush speaks Spanish fluently? Now I can hear you Democrats saying, "Too bad he can't speak English fluently." But of course he did and he does. He just chooses to not sound like a condescending, effete academic.
- If George W. Bush had misspelled the word "advice" (after being Harvard educated) wouldn't you have hammered him for it for years like Dan Quayle and 'potatoe' as proof of what a dunce he is?
- If George W. Bush had burned 9,000 gallons of jet fuel to go plant a single tree on Earth Day, wouldn't you have concluded he's a hypocrite?
- If George W. Bush's administration had approved a flight of Air Force One to fly low over millions of people followed by a jet fighter in downtown Manhattan causing widespread panic, wouldn't you have wondered whether he actually got what happened on 9-11?
- If George W. Bush had been the first President to need a teleprompter installed so he could get through a press conference, wouldn't you have laughed and said this is more proof of how incapable he is on his own—and perhaps controlled by smarter people behind the scenes? But it gets worse: Obama actually used a teleprompter in front of a class of elementary students! Okay kids, if you want to look smart, this is how to do it.
- If George W. Bush had failed to send relief aid to flood victims throughout the Midwest with more people killed or made homeless than in New Orleans wouldn't you want it made into a major ongoing

political issue with claims of racism and incompetence?

- If George W. Bush had ordered the firing of the CEO of a major corporation, even though he had no constitutional authority to do so, would you have approved?
- If George W. Bush had proposed to double the national debt in one year, which had taken more than two centuries to accumulate, would that have been OK with you?
- If George W. Bush had then proposed to double the debt again within 10 years, would you have applauded his knowledge of economics?
- If George W. Bush had reduced your retirement plan holdings of GM stock by 90% in order to give the unions a majority stake in GM, would you have thought that was a good idea? Wouldn't you have cried "crony capitalism?" Wouldn't you have called him corrupt?
- If George W. Bush had spent hundreds of thousands of dollars to take Laura Bush to a play in NYC, would you have thought that was romantic and charming?

So is Obama smart? Tell me again, what is it about Obama that makes him so brilliant and impressive? Can't think of anything? Don't worry. He did all this in 9 months. Now, almost three more years have gone by and when I get a chance, I'll update this fabulous record of our brilliant president. The good news is that I don't have to even make this stuff up. Not that I would anyway—like some people I know.

No-common-sense, naive, uninformed voters put this man in office. Let's hope they wake up before our country is completely destroyed. So much for empty "Hope and Change" slogans.

Bush Warned Us Of A Potential Financial Crisis

By MacPundit

Bush warned us but the media and the Democrats ignored the warnings.

Barack Obama continues to blame the Bush Administration for our current financial crisis. He charges President Bush with incompetence for his failure to identify the problems and for not seeking reform of Fannie Mae and Freddie Mac. Is this accurate? The answer is: Not even close! Here are the facts:

President Bush warned us of a potential financial crisis, repeatedly. So did other members of his administration.

For many years President Bush and his Administration not only warned of the systemic consequences of financial turmoil at a housing government-sponsored enterprise (GSE) but also put forward plans to reduce the risk that either Fannie Mae or Freddie Mac would encounter such difficulties.

President Bush publicly called for GSE reform. Unfortunately, these warnings went unheeded. The President's repeated attempts to reform the

supervision of these entities were thwarted by the legislative maneuvering of congressional Democrats who emphatically denied there were problems.

Here is the record:

2001

April: The Administration's FY02 budget declares that the size of Fannie Mae and Freddie Mac is "a potential problem," because "financial trouble of a large GSE could cause strong repercussions in financial markets, affecting Federally insured entities and economic activity."

2002

May: The President calls for the disclosure and corporate governance principles contained in his 10-point plan for corporate responsibility to apply to Fannie Mae and Freddie Mac. (OMB Prompt Letter to OFHEO, 5/29/02)

2003

January: Freddie Mac announces it has to restate financial results for the previous three years.

February: The Office of Federal Housing Enterprise Oversight (OFHEO) releases a report explaining that "although investors perceive an implicit Federal guarantee of [GSE] obligations," "the government has provided no explicit legal backing for them." As a consequence, unexpected problems at a GSE could immediately spread into financial sectors beyond the housing market. ("Systemic Risk: Fannie Mae, Freddie Mac and the Role of OFHEO," OFHEO Report, 2/4/03)

September: Fannie Mae discloses SEC investigation and acknowledges OFHEO's review found earnings

manipulations.

September: Treasury Secretary John Snow testifies before the House Financial Services Committee to recommend that Congress enact "legislation to create a new Federal agency to regulate and supervise the financial activities of our housing-related government sponsored enterprises" and set prudent and appropriate minimum capital adequacy requirements.

October: Fannie Mae discloses $1.2 billion accounting error.

November: Council of the Economic Advisers (CEA) Chairman Greg Mankiw explains that any "legislation to reform GSE regulation should empower the new regulator with sufficient strength and credibility to reduce systemic risk." To reduce the potential for systemic instability, the regulator would have "broad authority to set both risk-based and minimum capital standards" and "receivership powers necessary to wind down the affairs of a troubled GSE." (N. Gregory Mankiw, Remarks At The Conference Of State Bank Supervisors State Banking Summit And Leadership, 11/6/03)

2004

February: The President's FY05 Budget again highlights the risk posed by the explosive growth of the GSEs and their low levels of required capital, and called for creation of a new, world-class regulator: "The Administration has determined that the safety and soundness regulators of the housing GSEs lack sufficient power and stature to meet their responsibilities, and therefore…should be replaced with a new strengthened regulator." (2005 Budget Analytic Perspectives, pg. 83)

February: CEA Chairman Mankiw cautions Congress to "not take [the financial market's] strength for granted." Again, the call from the Administration was to reduce this risk by "ensuring that the housing GSEs are overseen by an effective regulator." (N. Gregory Mankiw, Op-Ed, "Keeping Fannie And Freddie's House In Order," *Financial Times*, 2/24/04)

June: Deputy Secretary of Treasury Samuel Bodman spotlights the risk posed by the GSEs and called for reform, saying "We do not have a world-class system of supervision of the housing government sponsored enterprises (GSEs), even though the importance of the housing financial system that the GSEs serve demands the best in supervision to ensure the long-term vitality of that system. Therefore, the Administration has called for a new, first class, regulatory supervisor for the three housing GSEs: Fannie Mae, Freddie Mac, and the Federal Home Loan Banking System." (Samuel Bodman, House Financial Services Subcommittee on Oversight and Investigations Testimony, 6/16/04)

2005

April: Treasury Secretary John Snow repeats his call for GSE reform, saying "Events that have transpired since I testified before this Committee in 2003 reinforce concerns over the systemic risks posed by the GSEs and further highlight the need for real GSE reform to ensure that our housing finance system remains a strong and vibrant source of funding for expanding homeownership opportunities in America… Half-measures will only exacerbate the risks to our financial system." (Secretary John W. Snow, "Testimony Before The U.S. House Financial Services Committee," 4/13/05)

2007

July: Two Bear Stearns hedge funds invested in mortgage securities collapse.

August: President Bush emphatically calls on Congress to pass a reform package for Fannie Mae and Freddie Mac, saying "first things first when it comes to those two institutions. Congress needs to get them reformed, get them streamlined, get them focused, and then I will consider other options." (President George W. Bush, Press Conference, The White House, 8/9/07)

September: RealtyTrac announces foreclosure filings up 243,000 in August – up 115 percent from the year before.

September: Single-family existing home sales decreases 7.5 percent from the previous month – the lowest level in nine years. Median sale price of existing homes fell six percent from the year before.

December: President Bush again warns Congress of the need to pass legislation reforming GSEs, saying "These institutions provide liquidity in the mortgage market that benefits millions of homeowners, and it is vital they operate safely and operate soundly. So I've called on Congress to pass legislation that strengthens independent regulation of the GSEs – and ensures they focus on their important housing mission. The GSE reform bill passed by the House earlier this year is a good start. But the Senate has not acted. And the United States Senate needs to pass this legislation soon." (President George W. Bush, Discusses Housing, The White House, 12/6/07)

2008

January: Bank of America announces it will buy Countrywide.

January: Citigroup announces mortgage portfolio lost $18.1 billion in value.

February: Assistant Secretary David Nason reiterates the urgency of reforms, says "A new regulatory structure for the housing GSEs is essential if these entities are to continue to perform their public mission successfully." (David Nason, Testimony On Reforming GSE Regulation, Senate Committee On Banking, Housing And Urban Affairs, 2/7/08)

March: Bear Stearns announces it will sell itself to JPMorgan Chase.

March: President Bush calls on Congress to take action and "move forward with reforms on Fannie Mae and Freddie Mac. They need to continue to modernize the FHA, as well as allow State housing agencies to issue tax-free bonds to homeowners to refinance their mortgages." (President George W. Bush, Remarks To The Economic Club Of New York, New York, NY, 3/14/08)

April: President Bush urges Congress to pass the much needed legislation and "modernize Fannie Mae and Freddie Mac. [There are] constructive things Congress can do that will encourage the housing market to correct quickly by … helping people stay in their homes." (President George W. Bush, Meeting With Cabinet, the White House, 4/14/08)

May: President Bush issues several pleas to Congress to pass legislation reforming Fannie Mae and Freddie Mac before the situation deteriorates further.

- "Americans are concerned about making their mortgage payments and keeping their homes. Yet

Congress has failed to pass legislation I have repeatedly requested to modernize the Federal Housing Administration that will help more families stay in their homes, reform Fannie Mae and Freddie Mac to ensure they focus on their housing mission, and allow State housing agencies to issue tax-free bonds to refinance sub-prime loans." (President George W. Bush, Radio Address, 5/3/08)

- "[T]he government ought to be helping creditworthy people stay in their homes. And one way we can do that – and Congress is making progress on this – is the reform of Fannie Mae and Freddie Mac. That reform will come with a strong, independent regulator." (President George W. Bush, Meeting With The Secretary Of The Treasury, the White House, 5/19/08)

- "Congress needs to pass legislation to modernize the Federal Housing Administration, reform Fannie Mae and Freddie Mac to ensure they focus on their housing mission, and allow State housing agencies to issue tax-free bonds to refinance subprime loans." (President George W. Bush, Radio Address, 5/31/08)

June: As foreclosure rates continued to rise in the first quarter, the President once again asks Congress to take the necessary measures to address this challenge, saying "we need to pass legislation to reform Fannie Mae and Freddie Mac." (President George W. Bush, Remarks At Swearing In Ceremony For Secretary Of Housing And Urban Development, Washington, D.C., 6/6/08)

Also see Obama Blames Bush For Our Financial Crisis