

NATIONAL PRESS CLUB LUNCHEON WITH MARC MORIAL, PRESIDENT OF THE
NATIONAL
URBAN LEAGUE

SUBJECT: HOMEOWNERS' BILL OF RIGHTS

MODERATOR: JERRY ZREMSKI, PRESIDENT OF THE NATIONAL PRESS CLUB

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MR. ZREMSKI: Good afternoon and welcome to the National Press
Club. My name is Jerry Zremski and I'm the Washington bureau chief
for The Buffalo News, and president of the National Press Club.

I'd like to welcome club members and their guests who are here
today, as well as those of you who are watching on C-SPAN. We're
looking forward to today's speech, and afterwards I'll ask as many
questions as time permits. Please hold your applause during the
speech so we have as much time for questions as possible. For our
broadcast audience, I'd like to explain that if you hear applause, it
may be from the guests and members of the general public and not
necessarily from the working press.

I'd now like to introduce our head table guests and ask them to
stand briefly when their names are called. From your right, Clarence

Page of The Chicago Tribune; Tom Oliver, executive director of the
National Hispanic Press Foundation; Gil Klein of Media General, a
former National Press Club president; Peter Schmidt of The Chronicle
of Higher Education; Allison Bethel of Legal Times; Dorothy Leavell,
publisher of The Chicago and Gary Crusader, and president of the NNPA

Foundation. And let me just mention, the NNPA -- the National Newspaper Publishers Association, also known as the black press of America, will be celebrating the 180th anniversary of the black press from March 14th through the 16th. It's an annual celebration -- 180th anniversary. (Applause.)

Next, we have Angela Greiling Keane, the chair of the National Press Club's Speakers Committee. Skipping over our guests for just one moment, we have Ed Lewis of Toyota, and the Speakers Committee member who organized today's event. Next, Denise Rolark Barnes, publisher of The Washington Informer; Bruce Alpert of The New Orleans Times-Picayune; Keith Hill of BNA, and a board member of the National Press Club Board of Governors; and Steven Burr, the academic director of the National Journalism Center. (Applause.)

Most of you are aware of the public service credentials of today's speaker. He served for two terms as the mayor of New Orleans. His father was that city's first African-American mayor, and he was only the third black chief executive in the city's history. He earned his stripes to run for mayor the hard way -- by serving in the Louisiana state legislature. (Laughter.) As mayor, he left his mark on the city. He presided over a drop in the crime rate, helped in part by a curfew for anyone below the age of 17. He put together youth programs that apparently had an impact. Civil rights complaints against the police declined and the murder rate plummeted. He also brought New Orleans a new National Basketball Association team -- the Hornets -- to replace the long-departed Jazz. In fact, he loved his job so much he petitioned to have the law changed so he could run for office for a third term. (Laughter.) However, that measure failed to win approval.

After stepping down as mayor, he remained active in public life as head of the National Urban League. Founded in 1910, the Urban League is the nation's oldest and largest community-based movement devoted to empowering African-Americans to enter the economic and social mainstream. During his inaugural address, he laid out a progressive platform. He has launched an ambitious five-point empowerment agenda focusing on education and youth, economic empowerment, health and quality of life, civic engagement, civil rights, and racial justice. Progress in these five areas is tracked in an equality index found within the League's annual The State of Black America report.

In 2004, the National Urban League launched the Urban Entrepreneurship -- Entrepreneur Partnership in collaboration with the federal government, major companies and foundations to develop businesses and create jobs in neglected urban areas. He also began an annual legislative policy conference. He formed the Black Male

Commission to address inequalities, disparities and social trends disproportionately affecting black males, and a program to combine public and private sector resources to support business development growth among minority entrepreneurs.

Pundits have said that Morial has led the League's 100 chapters in promoting economic rights as though it were the next civil rights frontier. In addition, Morial recently sent a letter to President

Bush and the House and Senate leadership calling for a national summit on Katrina recovery. He asked for a development of a 12 to 24-month plan to reinvigorate the recovery and rebuilding plans of New Orleans to ensure greater coordination and collaboration. Now we'll get a chance to hear if anyone from the administration has been in touch with him about this, and to hear his plans for what he calls a homeowner's bill of rights. Marc Morial, it's a pleasure to welcome you back to the National Press Club. (Applause.)

MR. MORIAL: Thank you very much. Thank you. Ladies and gentlemen, good afternoon. Let me thank Angela, Ed and Jerry and the entire National Press Club for once again giving me an opportunity to be with you today. Thank you for the meal and thank you for the cake with the Urban League logo on it. Now that's branding, right? (Laughter.) I also want to acknowledge our partnership today with the National Newspaper Publishers Association. Very proudly, they're celebrating 180 years of being a strong and independent voice in our community, so we want to give them a round of applause and say thank you, thank you, thank you for what you do. (Applause.)

I also want to acknowledge all of my Urban League colleagues too numerous to name -- affiliate CEOs and staffers and others -- and partners of the Urban League, and I want to thank all of you all for being here with me and with us today, and other friends -- friends from the U.S. Conference of Mayors, an organization I proudly led in the early part of this decade -- as we discuss today a very important subject -- that of homeownership and housing. Now, I struggled with this presentation because these -- this subject is not only important, but it doesn't necessarily lend itself to easy rhetorical flourishes when the intent is to address a serious and growing problem in this nation today.

Ladies and gentlemen, we have a homeownership state of emergency, and that homeownership state of emergency is particularly acute in communities of color -- in African-American and Hispanic communities. Why? According to numbers, we have experienced in the last two years a decline in the homeownership rate. For African-Americans it has declined from some 49.1 percent down to 47.9 percent. On an overall basis, it's dropped by one point. In '04 it was 69 -- in '06, it's 68. What is happening is we see the beginning of an erosion of the historic increase in homeownership that took place in the late 90s and in the early 21st century. And I don't know about you, but I think that means that there is a state of emergency. Already the media is reporting increases in foreclosure rates, problems in the sub prime market.

These problems -- these issues are not issues that allow this nation -- allow our leaders in this city to stand aside, watch it occur, and do something a long time from now. This homebuyer's bill of rights that we want to lay out today is designed to say it is time for some early intervention before the patient ends up on the gurney -- before the patient ends up in the emergency room -- before we have an escalation of foreclosures, which end up wreaking havoc in the financial markets, we think we need to do something.

But secondly, because of the increases in homeownership -- the advances that have taken place in the last several years -- we also

think it's important to think about over the last two years what has worked well, what has not worked well, what should we keep, and what should we fix, and if there are new things that we ought to do. Now, why do we say this? Think about your own home. Think about the house that you grew up in. Think about the value and the joy that you had when the keys to the first house you own were turned over to you. Think about how special and important and how indispensable to being a full partner in the American dream -- owning a home -- indeed is. Sometimes, one doesn't understand how special it is unless perhaps they're the first person in their family to own a home. Sometimes they don't realize how special it is unless they're someone who loses their home, as many did due to Hurricane Katrina.

So homeownership is something that has become in the third century of this republic an indispensable part of being a full partner in American society. This homeownership crisis -- this state of emergency -- compels the National Urban League to offer some salient suggestions. And as we offer these suggestions, we don't stand simply on a platform here at the National Press Club. We stand in the streets and neighborhoods of America, where just last year our 100-plus affiliates provided homeownership counseling and education to over 20,000 Americans. We stand in the streets and neighborhoods of America, where in the last year our affiliates helped over 2,000 people become homeowners for the first time. And in the last six months in a number of communities have helped many Americans stave off foreclosure to protect their investment in the American dream.

So when I think of this, and when I think of the Urban League, we come to this presentation not as someone with just a loud voice. We

come to this presentation not just with ideas, but we come to this presentation born of the experiences of (since ?) Whitney Young participated in 1968 as one of the architects of the first national homeownership counseling initiative. We come with experience. We come with the weathering that comes from working with people each and every day to change their lives.

So, here are the rights that we feel should be afforded to every homebuyer in America. First, I believe, and we believe, that Americans should have the right to save for home ownership tax free. What do I mean? We believe that the Congress should create an individual homeownership development account, somewhat like the 401(k) plan or like the 529 educational savings plan, which allows people to invest money -- pre-tax money -- into an account which account would be and could be matched by contributions from one's employer, earn interest on that account. And then at the point when you're ready to buy a home, you could take that money out. And if you invested it in a down payment on a first home, you could do it without payment of taxes. What would that allow? It would allow at the time of birth of your child for you to set up an account and put \$25 aside a month so that then when they're 20, 21, 22 years of age, they'd have money for a down payment on a home. It would allow young workers, who sometimes struggle with paying rent and can't put that down payment together, a special incentivized way to save money in order to purchase a new home. An individual home ownership development account.

Of course, there are many details that I don't have time to

address today. But the fundamental thought is is that since down payments and the lack of a down payment is an important barrier to home ownership, especially for black Americans and brown Americans, then the nation should incentivize, should help, should assist, should help employers assist workers and others, families and others, parents and others to save so that they can make that crucial down payment on a first home.

The second right is the right to high quality homeownership education. Now, I doubt that many in this room may have felt the need to avail themselves of homeownership classes before they bought their first home. But imagine the fear, the trepidation and the stigma of dealing with a fast-talking real estate agent for the first time. Imagine the fear and trepidation if there were many financial service companies seeking your business, sharing with you various products with all sorts of provisions. Imagine the trepidation when one begins to talk about an MAI appraisal and the value of a home and escrow and taxes and insurance and the like. One barrier to homeownership, particularly in black communities, but not only in African-American communities, is knowledge and information. What we have learned is that homeownership education in this country has worked. What we also have learned about homeownership education is that it doesn't go far enough, it doesn't touch enough Americans.

So, we suggest today that in the homeownership education arena, a number of things happen. Currently, the HUD budget is \$42 million a year for home ownership education or home ownership counseling. We suggest that Congress double that budget for this year. And we also suggest that Congress take another very important step and that the financial services industry and the community-based organizations of America join with them, and that is to offer homeownership education after one closes on a home so that the education remains, that the counselor remains. Why is that the case? Because it is important and it is in no one's interest for foreclosures to rise. It's not in the interest of consumers, it's not in the interest of banks, it's not in the interest of neighborhoods, it's not in the interest of communities if foreclosures arise. So, if one can reach out when they face a crisis in life that may lead to them falling behind on their mortgage, counseling and intervention -- we think that can help stave off an increase in the foreclosure rate.

Listen to these numbers that were shared with us by the Homeownership Preservation Foundation. Foreclosures today result primarily from three occurrences in a person's life. One, the loss of a job. This is particularly the case in the Midwest where there's a decline in manufacturing. Second is that the person has an inappropriate product, meaning a monthly mortgage rate, escalation clauses, some provisions that don't match their abilities or don't match their profile. And third is a family crisis, such as divorce, separation. Increasing -- increasing -- in that area is acute illness where a person is uninsured, and they've got to choose between paying the mortgage or paying the medical bills; paying the mortgage or buying medicine.

Why do I say this? Because we cannot allow ourselves to think that those that face foreclosure are somehow irresponsible, that those

that face foreclosure somehow are walking away from their obligation and their responsibility. So, we think homeownership education should make counseling available to people if they face a job loss, if they're in an inappropriate mortgage product, if they face a family crisis. The numbers show and looking forward from the Center for Responsible Lending that as many as 10 percent of African Americans and 8 percent of Hispanics face the prospect of foreclosure in the very near future.

Third is the right to truth and transparency in credit reporting. How many of you know your credit score? Raise your hand -- know it verbatim. You all are excellent, good or telling a fib. (Laughter.) How many of you know what Fair Isaac, Experian and TransUnion are? Got a lot of housing experts in this room. (Laughter.) To me, Fair Isaac sounds like a person from British mythology. Experian sounds like one of Saturn's moons. And TransUnion sounds like a new railroad. These are credit reporting agencies. The right to truth and transparency in credit reporting means that this industry has to demystify what goes into a person's credit report. Most people do not know, do not understand and are not clear on what affects their credit to the bad or certainly to the good.

Secondly, there's a high degree of inaccuracies in many Americans' credit reports. The question is, where does the responsibility lie? I think that there should be a system of penalties for inaccurate credit reporting on those that report or those that publish the report. Why? Just a few points on a credit report can mean the difference between being eligible for a home or not, or being eligible for a certain mortgage product or not. This area needs to be demystified. To me, it's as complicated as the Pythagorean theorem or some mathematical formula, because there's no transparency, and you must be an expert to be able to understand it. And if it is a critical component of one's financial success, then Americans ought to understand it very easily, ought to be able to converse about it very easily and ought to understand, one, how they can affect it; number two, how they can correct it; and number three, how it can be used for and against them in financial transactions.

Number four is the right to production of affordable housing for working families. In many cities in America today, there is an affordable housing crisis. In many cities in America today, Washington, D.C. is an example where working families are being pushed to the suburbs, being pushed to the outer rings, because the price of housing in the city is increasing substantially.

A few ideas here. We think Congress should consider creating a new tax credit called the work force housing tax credit which would allow tax credits to be used, in the same fashion as they are used for low-income housing, for work force and affordable housing. A new tool, if you will, to incent the development of housing for teachers, for firefighters, for police officers, for letter carriers, for nurses, for physician assistants, for those working-class people everywhere who make too much to qualify for low-income housing tax credit eligibility and don't have enough money, in many respects, for the general market. We need a 21st century approach to a 21st century problem.

Second, the HOPE VI program is broke, busted and disgusted. (Laughter.) Its aims have not worked. It needs to be completely overhauled and redone. It has become the modern version of an urban removal program for poor Americans. And it has not, in many communities, achieved its objective of true mixed-income neighborhoods. Now, certainly one can point to a success here or a success there. But there are many more examples of projects that never got off the ground, that were never completed. It requires a retooling of public policy. A wise man changes; a fool, never. If it's not working, it's time to change it.

Number three -- with respect to local government, I suggest that what local governments should do is follow the lead of the city of New York. What New York is doing is expanding and requiring that developers anywhere, in order to be eligible for local property tax abatements, must set aside or build 30 percent of their units for work force and low-income housing. It is only through zoning and tax incentives at the federal, the state and the local levels can we address this need for more work force housing. Trust me, with the population growth that is taking place in America today, with the need -- most responsible experts say -- for 30 million units, no credible

person can suggest to you that we can get there without new thinking, new ideas and new public policy measures. So, there's a right to the production of affordable housing.

Five, there's a right to be free from predatory lending. And there's been a discussion about this subprime, predatory lending. Shockingly, the numbers show that as many as 50 percent of African Americans have subprime mortgages. It's oxymoronic, because when you think of sub prime, you might think of less than the prime interest rate. What it really means is more than the prime interest rate. And yes, there is a need and a place in the housing finance system for a subprime market. But people who are eligible for better loans should not be steered into subprime loans. Some of these subprime loans have what I call jack-in-the-box provisions. The interest rate is at one level for two or three years, and then it's like look up! Boom! The jack jumps up and holds up a sign and says now you've got a 3 percent or 2 percent increase in the interest rate. In some cases, these subprime loans have no escrow provisions for taxes and insurance, have none of the standard features of a good mortgage. I can tell you about no escrow provisions for taxes and insurance. Many African Americans down in the Gulf Coast didn't have flood or homeowners insurance, because there was no escrow provision. And they believed, for some reason, I didn't need insurance if the mortgage company didn't necessarily require it and escrow the payments.

What do we need here? I believe that it is time for us to embrace the idea of a comprehensive national law. I don't think it's in the business and financial services communities' interest nor is it in the interest of consumers to have a patchwork of 50 state laws. I think it's expensive for business to be able to navigate with that and I think consumers, if we believe that homebuyers have fundamental rights. We've learned a lot. There have been voluntary interventions. There are great players, there are good players and there's some bad players in the market. What we need is a set of standards. We need a set of standards that will help us continue to

increase the homeownership rate in America today.

Number six, and the final bill of rights, is the right to aggressive enforcement of fair housing laws. HUD must do better in this area. The fair housing law of 1968, which was one of the big three civil rights laws of the 1960s -- the Civil Rights Act of '64, the Voting Rights Act of '65, the Fair Housing Act of 1968. These laws are meaningless unless the executive branch aggressively and seriously enforces them. There's too much evidence that's come from community-based and private sector organizations about people being steered. White people being steered to, quote-unquote, "white neighborhoods." Black people being steered to, quote-unquote, "black neighborhoods." We shouldn't pretend. We shouldn't pretend that it is not a problem, but we should not believe that we are without tools and provisions. No new law is needed. No new regulations are needed. No new programs are needed. There simply needs to be an absolute commitment to aggressive enforcement of fair housing laws.

So, we suggest that HUD reenergize this by creating an internal taskforce. We think that Congress -- the respective committees or the appropriate committees -- should conduct periodic and annual oversight to ensure that the executive branch, under any administration, is doing its job to enforce these laws.

These rights -- these six rights -- that we lay out today we hope are the beginning of a discussion beyond paralysis of analysis that occurs in this town too often about what can and should be done. We cannot stand aside and watch this homeownership rate decline, watch this foreclosure rate increase and stand on the side cuffed to a conversation. It is time for some action. What we've done today is lay out some of our thinking. What we say today is we welcome other thinking -- (audio break) -- and I do suggest that they are the National Urban League's contribution to a serious conversation.

We believe that economics is the civil rights battle for this nation in the 21st century, that closing -- (applause) -- closing the jobs gap, closing the wealth gap, the home ownership gap, the business development gap will have a powerful effect not just on African Americans but on the nation as a whole -- home ownership being pivotal to that, being essential to that, being the place where most people build their family wealth, being the place that most people build the equity from which they draw on to start a small business, the equity they draw on to send their children to college, the equity they draw on to have money in times of crisis. It is essential to bridge the gap and bridge the divide.

So we offer this to everyone today -- and we don't end today. We will take this bill of rights down to Capitol Hill, to the House Financial Services Committee, to the Senate Banking Committee. We'll take this bill of rights to partner organizations in this city and across this land, asking them to endorse it. But our message to Congress is, don't talk too long; it's time to act.

Thank you very much. (Applause.)

MR. ZREMSKI: Thank you very much. Thank you very much. We have lots of questions on home ownership here, and lots of questions about

New Orleans, as well.

First of all, if you could describe to some degree the kind of teeth you'd like to see Congress give the law to enforce this homeowner's bill of rights.

MR. MORIAL: Perhaps one of the most important things we suggest -- two things that arise from this that are great avenues for the Congress to act. One is to look at a comprehensive predatory lending law. There's the Miller-Watt-Frank bill that's been introduced and pending in the House, and there are probably some other provisions. That's one thing that will have standards and penalties.

Secondly is to increase investment in home ownership education and extend that home ownership education to beyond the closing. I think those are two immediate steps that Congress could take.

MR. ZREMSKI: Has anyone in Congress endorsed your plan as of yet?

MR. MORIAL: After they see it on C-SPAN -- (laughter).

MR. ZREMSKI: (Laughs.) Great.

Do you believe that credit reporting agencies are intentionally misrepresenting credit scores of minorities?

MR. MORIAL: You know, I don't know what the situation is with the credit. One thing I know is that there needs to be a complete demystification of this credit-scoring process. And also, you know, what happens -- does your credit report have the same effect if you're one day late or you're a hundred days late? Does it have the same effect if you fail to pay a \$25 parking ticket or \$2,500 credit card bill? I don't know. People need to be educated. People don't know. People don't understand.

This is a sophisticated audience in here. Most audiences I ask about their credit score, they put their head down, because a lot of people figure, "Well, shouldn't I know my credit score?" But a lot of people don't know and don't quite understand what goes into it. It's time for some transparency. It's time for some education. And it's time for a set of standards such that inaccurate reports can be penalized. People have to have a recourse. There's got to be a sanction if there's inaccurate information on your report. (Applause.)

MR. ZREMSKI: Will the Democratic Congress increase the federal funding necessary to enforce the fair housing law, or will it be left to the states to do their best under state law?

MR. MORIAL: You know, I think it's an open question to whether the enforcement problem is a lack of money or a lack of will over at the Department of Housing and Urban Development. In other words, to get more aggressive enforcement, does it just take a prioritization of enforcement, or does it take more money? And that's a conversation that ought to be had in hearings on fair housing enforcement.

And we would even go further. I mean, we believe -- I think this is one area where the civil rights community is fairly unified, and that is that there ought to be light shed on the enforcement of civil rights laws across the board. (Applause.) We worked very hard for generations to put these laws on the books, and there ought to be some analysis as to whether or not they're being aggressively enforced. If they're being aggressively enforced, that's what we ask for. That's

what we can ask for. That's what we deserve. Not where people lightly enforce them, don't take them seriously, don't fill open positions when there are vacancies -- that sort of thing.

So I don't know if it's a question of money. I don't know if it's a question of will. I don't know if it's a combination of the two. But whatever it is, we need aggressive enforcement of fair housing laws at the federal level, and certainly if it isn't occurring at the state level, at the state level.

MR. ZREMSKI: You talked about the rise in disclosures -- or the rise in foreclosures tied to the sub-prime loans. How worried are you about how bad it could conceivably get, in terms of foreclosures? How many people could end up losing their homes?

MR. MORIAL: You know, you all remember the savings and loan crisis of the '80s. A good part of the savings and loan crisis was prompted by a high level of foreclosures. We had the problem in the Gulf Coast area when the price of oil declined significantly and there were huge layoffs. What had happened is that many people were in homes with 17 (percent), 18 (percent), 19 (percent), 20 (percent), 21 percent interest rates, and those high interest rates made their monthly payments so difficult and so burdensome that people couldn't pay and there was a high rate of loan defaults.

The reason why we've offered these suggestions is because what we want to avoid as a response is the idea that underwriting is cut -- underwriting rules are tightened up to such an extent that working-class people can't get home loans, which is how it used to be. We think that with proper interventions, anti-predatory lending, proper focusing of sub-prime mortgages, that this can occur.

So I am concerned -- if you look at the numbers, most of the experts are concerned, and if you look at sort of the rumble that's occurring in the secondary market right now, it certainly points to the fact that we may be on a slippery slope when it comes to foreclosures. So we're saying it's a -- there is a state of emergency today. It's time to ring the bell, and it's time for both industry and the Congress to work together to find some solutions and not get in an old-fashioned high noon standoff because no one can figure out what to do.

MR. ZREMSKI: There are several different types of these new mortgage products. Are there any particular kinds that you worry about the most?

MR. MORIAL: You know, that's probably a highly detailed subject. I mean, I think one of the things you hear a lot of -- lot of concerns about are mortgages that have these escalations in the interest rates

that come maybe after two or three years, and then it's on an adjustable rate. You've heard some concerns about that. But I think one of the hidden components of it is where you have products with no escrow for taxes and insurance, none of these other sort of standard, you know, protective provisions. So I think there needs to be a broader discussion.

And, you know, the question of products, I wouldn't want to see an over-regulation of products; I do think that there need to be standards -- you know, standards in terms of products and their match to people. Because of the things -- and this is how this is tricky -- one of the things we've learned is that one of the big problems out there, if you look at 50 percent of African Americans with sub-prime mortgages, one of the questions is how many of that set could have qualified for more standard or traditional mortgage? Ten percent, 15 percent of that? Those are the kinds of questions you ask. When you see numbers like that, they beg a certain question that that's an inordinately high number of African Americans who are in a sub-prime market. I've got to think that there are many in that group who could qualify for lower interest rates, better terms, and better provisions.

MR. ZREMSKI: What is the appropriate congressional response to sub-prime lending and the rise of foreclosures that often result?

MR. MORIAL: I think Chairman Frank and Chairman Dodd, the two new chairs of the respective committees in the House and the Senate, following their public statements, have expressed great concern about disparities in wealth, income and home ownership. Given that concern, dealing with this issue, because the numbers are going backwards -- folks, the numbers are going backwards after, for a long time, going forward, they're going backwards. The home ownership rate is coming -- (makes ticking sound) -- down, the foreclosure rate -- (makes ticking sound) -- going up. Given that backdrop, Congress should do something. Congress should intervene, should do something. And I think we lay out in these bill of rights some ideas, but again, we welcome a conversation for other ideas. But let's not stand still.

MR. ZREMSKI: Why should people who don't own their homes subsidize those who do, through the Mortgage Tax Deduction?

MR. MORIAL: I think that because many people who own their homes today may have got it because of an FHA- or VA-insured mortgage, because many people who own a home today may have got a home because there was an interstate system that was built at public expense that made heretofore undevelopable land developable. People shouldn't make any mistakes about this. Public policy in the 1950s and the '60s spurred the rise in home ownership in that time period. FHA, which means government-insured loans; VA, loans available to anyone that had done military time, which was mandatory for men because of the draft in those days. Why shouldn't, today -- why shouldn't, today, we seek solutions to give this generation opportunities that a previous generation may have had due to public policy interventions of that era? (Applause.) And that's where people get confused.

Sometimes people get a little success and they think they got it all because of themselves. (Laughter.) They forgot about the good

old GI Bill that educated and put people through college. They forgot about the good old VA and the FHA. They forgot about the good old 2 (percent) and 3 percent mortgages that were available back in the 1960s. They forgot about that, and so in today's world, we need today's solutions.

Now, here's the other point. Some people see these as subsidies; I see it as an investment. If you spur home ownership, you spur home building. If you spur home building, you're going to spur the lumber industry, the shingle industry, plumbers, electricians, heating and air conditioning companies, carpet companies, interior decorators, people that sell beds, mattresses, towels, faucets. It's a way to build the economy.

It's an investment in the future, that's what it is, and we need to understand this from a broad, long-range economic standpoint that it isn't just giving something, it's investing so that the economies of our communities can grow. I'll just make this point.

Around America, travel around, go to communities, this problem of lack of affordable housing -- lack of affordable housing, people getting pushed out, it's almost -- I call it the San Francisco effect, where housing gets so expensive that only the wealthiest people can live in a community. Now, people say what's wrong with that, until it's difficult for businesses in the community to hire. Because people have to live so far away, transport themselves all the way in. Then the effect is, why is it so difficult? So what is it that has the effect of raising -- making it more difficult to hire people, requiring people to pay much higher wages, increasing the cost of business. We don't always want to look at these things in an interdependent way, and that's what we have to do, because we're at a crossroads in America.

This country needs 30 million new housing units between now and 2025 just to keep pace with the growth in the population, folks. Just to keep pace with our little ones that are growing up and going to be in the workforce 10, 15, 20 years from now and need -- and want their own apartments and want their own homes.

MR. ZREMSKI: Okay, changing subjects to Katrina and the recovery. President Bush visited New Orleans shortly after the storm and promised to rebuild the city. How close has he come to fulfilling that promise? (Scattered laughter.)

MR. MORIAL: The beloved city of New Orleans has a very long way to go. Make no mistake; it's struggling, it's suffering. I think what would be helpful for me to do today is to say what can you do, and what can this nation do to assist in this recovery? And what can the president and the Congress do?

One of the things the president and the Congress can do right now is waive the 10 percent match provision so that the city and the state can access infrastructure money. In every natural disaster, going back to earthquakes, fires and 9/11, that 10 percent match was waived. Why is New Orleans, Louisiana and Mississippi being treated differently? Congress should waive that provision today in order to

allow access to that money.

Secondly, all of you who might be members of professional organizations, professional associations, civic associations and the like, you should consider locating your meeting in New Orleans. One component of the city that took on limited damage was downtown where hotels, some restaurants and the convention facilities are. Because the hospitality industry is responsible for some 30 (thousand) to 50,000 jobs in the city, the inability of that industry to come back affects working families, affects small businesses. So having meetings there --

We had a great meeting yesterday with two members of the New Orleans City Council to think with them about how we can work with them to do an outreach. We're going to look at our conference, our annual conference, going forward, although we have plans all the way into probably 2010 already for our conference. But I think the important thing is, what can people do?

The short answer is not enough's been done. The short answer is that a great American city is struggling and its people are struggling and it's a long way from coming back. And I think all New Orleans, Louisiana and Mississippi deserves to be treated like we've treated every other community in the face of a natural disaster. That is all. That's the standard, and that's all we ask and that's all we want. So not enough's been done; more needs to be done.

But again, instead of a discussion about who did what, who didn't do what, I'd like the Congress to go waive that match provision. That would give the city and the state immediate access to dollars in order to repair streets, parks, public buildings, those public facilities that were damaged by Katrina. I think that would be a very important, simple first step that could take place in this town right away.

MR. ZREMSKI: Why didn't the president mention Katrina in the State of the Union address, and how did you feel about that?

MR. MORIAL: You'd need to ask him. (Laughter.)

MR. ZREMSKI: How did you feel about that?

MR. MORIAL: I'm going to say this, and this -- I'm going to repeat what I've said before. The fact that the president didn't mention Katrina and the Democrats didn't have Katrina in their 100-hour plan indicates that there's some amnesia around here. And I think I'm going to call it like I see it, and the fact of the matter is, is that up till now there's been no substantive additional piece of legislation passed in over a year related to Katrina. There's been no provision, no funding to fix the levees and the wetlands. There's been no provision and no effort to get rid of this match requirement. I'd like to see the president give his czar, Donald Powell, real power. Let the Cabinet officers answer to him -- that's the definition of a czar. A czar is not a diplomat. A czar is somebody that gives orders, takes names, speaks loudly and carries a big stick, right? I think there's some things that could be done.

So I felt that it -- you know, the president, and I also felt

that the Democrats -- it indicated somehow a view that if they don't talk about Katrina, it will go away. Ladies and gentlemen, it's not going to go away. It's one of the great natural disasters of our time. We've never had a case, other than war, where a million people have been displaced from their homes.

Why are we concerned about it at the National Urban League? We're concerned about it because we're concerned about urban communities. We're concerned about people who live in urban communities. We're concerned about fairness in public policy. We feel that those issues are at stake with the recovery of Louisiana and Mississippi. It's not just New Orleans; it's the people in St. Bernard Parish and Plaquemines Parish; it's the people in Biloxi, Gulfport, Pass Christian, Mississippi. You've never heard of these communities; they're beautiful communities; you ought to visit there sometimes.

MR. ZREMSKI: What would New Orleans and the Gulf Coast look like in 10 years if Congress and the president don't become engaged in the kind of things that you're talking about here today?

MR. MORIAL: I mean, New Orleans -- New Orleans will survive. The question is, will it survive as a great American city? It's a treasure.

You know, people don't realize New Orleans is unique amongst American cities. Before it was an American city, it was a city over which the French and the Spanish flag flew. People don't realize that in 1810, New Orleans was a city that was majority black. New Orleans is a city that has one of the oldest Greek, Russian, Jewish and Italian communities anywhere beyond the Eastern seaboard. New Orleans is the city that gave us jazz, has a great port. Southeastern Louisiana produces most of the oil and gas.

We should be asking ourselves, "What would happen to America if New Orleans is unable to survive?" We should ask ourselves, "What will happen to our cultural, our natural, our important historical resources if that region doesn't survive?" And I hope people will ask that question when they think about the Gulf South.

MR. ZREMSKI: Can you comment on the recent resignation of the president of the NAACP and how the stability of that organization might impact the Urban League?

MR. MORIAL: The National Urban League is strong and stable. (Laughter, applause.) Make no mistake about it: strong, stable, effective and working hard every day. It's important for the nation, it's important for the civil rights community, that the NAACP be strong.

I'm disappointed in what happened. Bruce Gordon and I had begun to work on a number of important issues together. Obviously, there are some internal things that have to be worked out at the NAACP.

Notwithstanding that, the Urban League's partnership with NAACP -- which is almost 100 years old -- is going to continue. It's bigger than me, it's bigger than Bruce, it's bigger than Julian, it's bigger

than Kweisi, it's bigger than my predecessor, bigger than all the personalities because the real place where the partnership operates is in the local communities, where our affiliate CEOs work with NAACP branch presidents on issues in local communities.

So I believe that we should give the NAACP time to work out its internal situation and chart an important direction. I know there's going to be endless speculation on what has occurred. I, for one, thought Bruce Gordon was an excellent choice -- a unique corporate executive because he was a corporate executive who never, ever forgot from whence he had come, and never forgot his commitment to community and commitment to people.

But let me just say this to you, you know, running these civil rights organizations isn't easy. (Laughter, applause.) You know, you need -- some days you need a helmet, some days you need shoulder pads, some days you just need a chill pill -- (laughter) -- some days you just need a hug. (Laughter, applause.)

MR. ZREMSKI: Will you run for public office again? And if so, might it be a bid for the United States Senate next year in Louisiana?

MR. MORIAL: Well, you know, those kind of questions -- you know, how do you answer? You wiggle and waggle and woggle and say, "I'd have to get permission." (Laughter.)

I have -- you know, I have no plans to run for public office. I'll never close the door on it. But let me say this: I've learned that you can serve in many ways. Being an elected official is one way to serve, and I enjoyed being an elected official and grew up doing that. I learned from my father and his generation that public service is what it's all about. It's about trying to do something for people. You can do it today, sitting in the private sector; you can do it today, sitting in the not-for-profit sector; you can certainly do, and be, an elected official.

One of my hopes about public office is that more young people are not going to be so cynical about elected office that they're going to be inspired to run because one of my joys was the chance to be elected to the legislature at 32 and to be elected mayor at 35. It was a joy, and I hope more young people are inspired to run for public office.

MR. ZREMSKI: Okay. We're almost out of time, but before asking the last question, we have a couple of important matters to tend to.

First of all, I just want to remind everyone of our future speakers. On March 22nd, Senator Jim Webb of Virginia will be with us. On March 26th, Terrence Jones, president of the Wolf Trap Foundation for the Performing Arts will be here with Mike Love of The Beach Boys. And on March 27th, Mark Everson, the Commissioner of the IRS.

Next -- (laughter) -- I didn't know he was -- oh.

We have a presentation here for you. Plaque. (Applause.) You're getting a --building a matching set over the years.

MR. MORIAL: Yes. (Laughter.)

MR. ZREMSKI: Okay. Last and certainly not least, drawing on your instincts as a former politician, how would you assess Barack Obama as a presidential contender? (Laughter.)

MR. MORIAL: Let me think about that. (Laughter.) No, I -- you know, I think Barack Obama is taking the country by storm. But it's -- I think it's -- you know, it's interesting to me, and I think it reflects something, that in this election cycle, on the Democratic side, there is a strong, qualified candidate who is African-American; there is a strong, qualified candidate who's Hispanic American; there's a strong, qualified candidate who is a woman. And that reflects a transformation in American politics from back in the day, in Atlantic City in 1964, when Fanny Lou Hamer was knocking on the door of the convention hall, trying to get in -- just trying to be a delegate, trying to be a delegate.

These candidates -- Obama, Richardson, Clinton -- and I'm mentioning those three, obviously -- are people who have been elected the public office, have high degrees of educational attainment, and are not running for exercise, not running for symbolism, not running so at the end of the day, -- I think; this is my assessment -- they can say, "You know, I made a point. I made a point. I raised some issues." And it's part of the political maturation that they're running to win.

So I think Obama is going to be taken, and has been taken, as a very serious candidate. But it is very early -- and I want to say this because obviously I can't be partisan, can't endorse anybody -- but I do want to say this because I'm asked all the time, and I tell people they should ask these candidates, wait for the conversation -- look for the conversation and where they stand on issues.

I am probably about up to here with what I call "drive-by politics;" you know, politics and candidates that smile and wave, read a few little punchlines, raise a little money and go home. I want to know where all the candidates -- not just Mr. Obama -- Senator Obama, Senator Clinton, Governor Richardson, Senator Edwards, but Mayor Giuliani and Senator McCain and Governor Romney -- I want to know where they stand on the National Urban League's Homebuyer Bill of

Rights. That's what I want to know. (Applause.) That's the question to be put to them.

MR. ZREMSKI: Great. Thank you very much. (Applause.)

MR. MORIAL: Thank you.

I want to do one last thing. I want to extend an invitation for all of you to join us right back here at the National Press Club on Tuesday, April 17th at 12:30 p.m., when we will release the "State of Black America 2007." The title of this year's "State of Black America" report is "The Portrait of the Black Male." Once again, that's Tuesday, April 17th, 2007 at 12:30 p.m. Please join us back at the National Press Club. Thank you.

MR. ZREMSKI: Thank you very much. We're adjourned. (Sounds
gavel.)

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