



## Fix Housing First

Homeowners of Texas (HOT) urges Congress to adopt a Homebuyers' Bill of Rights that includes the following national reforms:

- 1. Financial:** Restore checks & balances to the home buying process
- 2. Legal:** Pass the Arbitration Fairness Act
- 3. Disclosure:** Repeal the "Brownfields Law"

To enable recovery and prevent a repeat of the housing collapse, adopt a Housing Fairness Act that prohibits conflicts of interest between large homebuilders and in-house mortgage, title, insurance and appraisal companies.

Pass the Arbitration Fairness Act to ensure fair dispute resolution. And repeal the "Brownfields Law."

Full written disclosure of all dangerous soil conditions to buyers, lenders and title companies helps protect the financial and structural integrity of homes and the health, safety and welfare of homeowners.



[www.HomeownersofTexas.org](http://www.HomeownersofTexas.org)

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## About Homeowners of Texas

HOT is the 1-year old consumer group that convinced Texas lawmakers to abolish the Texas Residential Construction Commission. We advocate legislative reforms at both the State and Federal levels to restore homeowners' legal rights through fair dispute resolution, purchase protections free from abusive conflicts of interest, and full disclosure of construction defects and dangerous soil conditions prior to the purchase of a home.

## The Homeowners'

# Bill of Rights

Businesses large and small have closed their doors, and millions of Americans have lost their jobs, their homes, and their life savings, all because so many homes were under-built, over-appraised and over-financed. To recover, we must Fix Housing First.

*Home* is where the heart is, our castle, our sanctuary from the busy world, a place to rest and recuperate, and a source of personal pride. It's the biggest financial investment we may ever make. As such, our *home* must be a safe, secure and structurally sound place to raise our family.

But the political love affair with deregulation and the homebuilding industry propelled an epidemic of irresponsibility that plagued Wall Street, Main Street and Washington and sparked a housing collapse. The consequences have been disastrous.

## FINANCIAL FAIRNESS

Adopt a Housing Fairness Act to restore checks and balances to the home buying process and prohibit builders from using in-house mortgage, title, insurance and appraisal companies.



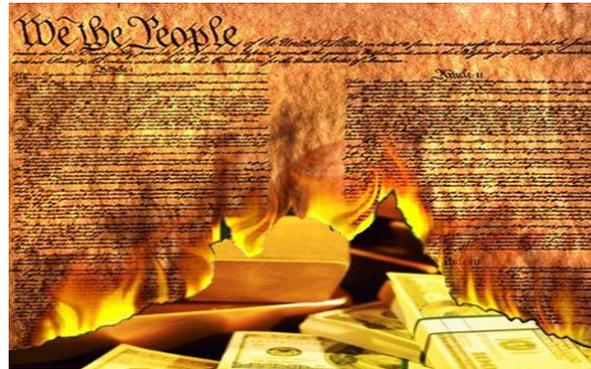
Deregulation allowed the formation of large builder conglomerates, led to financial abuses, and played a major role in the housing collapse.

Subprime loans were made on substandard homes and sold to 3<sup>rd</sup> party investors on Wall Street as mortgage-backed securities.

Without preexisting firewalls and oversight by federal banking regulators, builder-owned finance companies could easily inflate appraisals and make risky loans with little or no risk. And without local accountability, builders could cut corners and easily conceal building code violations.

## LEGAL FAIRNESS

Pass the Arbitration Fairness Act and restore Americans' right to a jury trial. Americans today are forced into compulsory arbitration by contracts signed at the point of sale, whether buying a cell-phone or a new home.



The Act would allow consumers to choose judicial resolution of disputes rather than being forced into binding arbitration.

Arbiters in this "private justice system" don't need the legal training of an attorney or judge, and there's no contribution to public law.

Arbitrator fees are expensive compared to court costs.

Predetermined arbitration is a waiver of rights to a trial by jury, to open courts and to an appeal.

Preselected arbiters can be (and usually are) biased and beholden to industries they support.

## FULL DISCLOSURE

Repeal the "Brownfields Law" (the Small Business Liability Relief and Brownfields Revitalization Act enacted in 2001) since it allows homes built on contaminated soil to be sold to homebuyers without disclosure, putting both the buyer and lender at risk.



Buyers and lenders expect their homes to be safe, sound and free from contamination.

Disclosure of contaminated or expansive soil helps protect the financial and structural integrity of homes and the health, safety and welfare of homeowners.

Require full written disclosure to buyers, lending institutions and title companies of dangerous soil conditions prior to the sale of the property.