

**U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON FINANCIAL SERVICES
REP. BARNEY FRANK (D-MA)
Ranking Democratic Member**

For Immediate Release
June 29, 2004

Contact: Jennifer Porter Gore, 202-225-7141
Kay Gibbs, 202-225-7054
Stuart Chapman/Rep. Barbara Lee. 202-225-2398
Alison Mills/ Rep. Michael Capuano 617-621-6208

Committee Members Decry HUD Secretary's Comments on the Poor

WASHINGTON--Rep. Barney Frank (D-MA), Ranking Member of the House Financial Services Committee, and committee members Reps. Barbara Lee (D-CA) and Michael Capuano (D-MA) today expressed their dismay at remarks made by U.S. Department of Housing and Urban Development (HUD) Secretary Alphonso Jackson during a hearing before the committee.

When responding to a question from one of the committee members, Mr. Jackson stated that he doesn't talk about housing the poor because "being poor is a state of mind, not a condition."

"Given the assault HUD has been waging on programs that help people in need, his cavalier assertion that being poor is simply a state of mind could serve as a dictionary illustration of adding insult to injury to poor people in America," said Rep. Frank.

During later questioning, Rep. Barbara Lee (D-CA) asked Mr. Jackson to clarify his remarks and Mr. Jackson reiterated his statement.

"It's obvious then," Lee replied, "why you're cutting Hope VI, Shelter Plus, and all the other homeless programs."

Rep. Capuano subsequently expressed his distress at the Secretary's remarks.

"Secretary Jackson's comments are offensive to the thousands of unemployed Americans who have been looking for work during the Bush recession," said Rep. Capuano. "There are real economic disparities in this country, and these kinds of comments will do nothing to help us bridge the growing gap between the rich and the poor."

After a break in the proceedings, Mr. Jackson attempted to recast his remarks indicating that his father had taught his family that they were not poor and that (anyone) that has hope can make it in this country.

The members feel that it is inappropriate for a cabinet secretary heading an agency that assists the housing needs of more than four million of this nation's poorest individuals to suggest they are to live on hope. The statement betrays his belief that poor people are responsible for their own plight. In light of recent proposed budget cuts to the Section 8 housing voucher program such a statement is particularly cruel.

"The Secretary's statement was really unconscionable and insensitive," Rep. Lee added. "I defy the Secretary to tell all those people looking for jobs in this horrible economy; all those people who spend

night after night in the cold; and all those working poor and their families who must live in transitional shelters because the cost of housing is so high that ‘poor is a state of mind.’ ”

-30-

The Committee oversees all components of the nation’s housing and financial services sectors including banking, insurance, real estate, public and assisted housing, and securities. The Committee continually reviews the laws and programs relating to the U.S. Department of Housing and Urban Development, the Federal Reserve Bank, the Federal Deposit Insurance Corporation, Fannie Mae and Freddie Mac, and international development and finance agencies such as the World Bank and the International Monetary Fund. The Committee also ensures enforcement of housing and consumer protection laws such as the U.S. Housing Act, the Truth In Lending Act, the Housing and Community Development Act, the Fair Credit Reporting Act, the Real Estate Settlement Procedures Act, the Community Reinvestment Act, and financial privacy laws.