



[Housing rescue bill passes, heads to Bush for OK](#)

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WASHINGTON — Congress passed a housing rescue bill Saturday aimed at sparing 400,000 struggling homeowners from foreclosure. President Bush is expected to sign the measure quickly.

The measure, approved by a 72-13 vote during a rare weekend session in the Senate, lets homeowners who cannot afford their monthly payments refinance into more affordable government-backed loans rather than losing their homes. The bill also offers a temporary financial lifeline to the troubled mortgage companies Fannie Mae and Freddie Mac, and tightens controls over them.

There would be higher limits on loans that Fannie Mae and Freddie Mac can buy and the Federal Housing Administration can insure. The loans would be capped at \$625,000.

Those ailing companies back or own \$5 trillion in mortgages, or nearly half the nation's total. The rescue plan is intended to prevent the two pillars of the home loan market from failing and causing broader market turmoil.

Bush initially said the proposal was a burdensome bailout for irresponsible borrowers and lenders. But he dropped a threat to veto it this week after Treasury Secretary Henry M. Paulson argued that the support for Fannie Mae and Freddie Mac was vital to calming markets in the U.S. and abroad.

Bush opposed \$3.9 billion in the bill that would help neighborhoods devastated by the housing crisis buy and fix up foreclosed properties. The administration argues this would hurt homeowners by giving lenders an incentive to foreclose rather than help people stay in their homes.

Supporters said the bill was a long-overdue response to the mortgage meltdown and would help boost the sagging economy. Democrats bashed Republicans for delaying the measure and forcing the Saturday session.

The House approved the bill on Wednesday.