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## ***Home prices expected to fall again***

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While President Barack Obama [recently announced the expansion of HARP](#) — a mortgage relief program established in 2009, one of the frequent points of critics is that the impact of the move is limited to a small number of homeowners. Bob Barr, a former Congressman from Georgia, [explained this point](#) over at *The Daily Caller* last week:

The program itself suffers from significant limitations. Most notably, it applies only to mortgages backed by Fannie Mae and Freddie Mac. According to Mark Calabria of the Cato Institute, the program “is available only to those who have already had a mortgage for over two years, are current on their mortgage, and have missed no more than one payment per year.” Calabria equates the program to “helping only those that do not need any help.”

James Pethokoukis, an economist at the American Enterprise Institute, explains that the idea behind HARP is full of holes, and that similar tricks in the past have not aided our sluggish economy. He notes, for example, that Obama promised that some 4 million homeowners would benefit with the creation of HARP in 2009. However, only about 20% took advantage of the program. Pethokoukis also concludes that the high-end estimate that 1 million homeowners will take advantage of HARP represents only a fraction of the 11 million property owners who are underwater in their mortgages.

But the point that this program does nothing really to lift the economy is further emphasized by the news that the housing market, which has yet to hit rock bottom, [is heading for yet another dip](#):

According to Fiserv (FISV), a financial analytics company, home values are expected to fall another 3.6% by next June, pushing them to a new low of 35% below the peak reached in early 2006 and marking a triple dip in prices.

Several factors will be working against the housing market in the upcoming months, including an increase in foreclosure activity and sustained high unemployment, explained David Stiff, Fiserv’s chief economist.

Should home values meet Fiserv’s expectations, it would make it the third (and lowest) trough for home prices since the housing bubble burst.

There are gimmicks that members of Congress are pushing, Mark Calabria [notes the most recent](#) from Sens. Michael Bennet (D-CO) and Johnny Isakson (R-GA). The government continuing to meddle in the market isn’t going to fix this problem.

It's not like I'm not suffering from the excess of homes in my neighborhood. Our home value has dropped in half since my wife and I bought in back in 2007. The latest thing we need, as Ron [wrote last week](#), is for the government and the Federal Reserve to start reinflating the housing bubble...because that worked so well the last time.