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## At Twitter town hall, Obama concedes 'not enough' done to address housing crisis

By Peter Wallsten and [Cecilia Kang](#), Published: July 6

President Obama made a rare admission of a policy misstep Wednesday, acknowledging that his administration failed to provide enough support to struggling homeowners and recognize the scope of the nation's housing crisis.

Despite predictions by Obama's advisers that the housing market would rebound by now, [real estate prices are falling once again](#). And the administration's efforts to push banks to modify the mortgages of families who missed their monthly payments have been widely criticized as lacking.

Obama first raised the issue Wednesday when a questioner during a town hall event [asked](#) what mistakes the president had made in handling the economy.

"The continuing decline in the housing

market is something that hasn't bottomed out as quickly as we expected," Obama responded.

Later, he added, that his administration's efforts to help struggling homeowners were "not enough."

"And so we're going back to the drawing board," he said.

The housing issue threatens to loom over Obama's reelection campaign, with foreclosures piling up and real estate markets in turmoil in pivotal swing states such as Florida and Nevada, which voted for him in 2008.

Obama has not often discussed the housing crisis with much of his time in Washington and on the campaign trail focused on job creation and deficit reduction.

But the issue repeatedly came up Wednesday as Obama conducted his first ever [town hall meeting via Twitter](#).

One person [asked in a tweet](#): "How will admin work to help underwater homeowners who aren't behind in payments but are trapped in homes they can't sell?"

Later, another questioner — whose Twitter handle was [@Shnaps](#) — asked a [follow-up question](#) about whether the market could heal itself.

Obama responded that "given the size of the housing market, no federal program is going to be able to solve the housing problem."

He later added: "Some folks just bought more home than they could afford and probably they're going to be better off renting."

Much of the criticism of the administration's housing policy has focused on the Treasury Department's foreclosure prevention initiative called the Home Affordable Modification Program, or HAMP.

The program was funded by the financial bailout and carved out tens of billions of dollars to pay banks to modify the mortgages of distressed homeowners, or at least lower their monthly payments.

The administration has said that HAMP helped more than a million families in this way. But critics say that the aid was not long-lasting and that the initiative's design was too complicated for the industry to implement effectively.

During Wednesday's town hall, Obama said his administration would press banks to modify loans more quickly and, where possible, reduce the principal owed by homeowners.

The questions submitted to the president were wide ranging, though Twitter co-founder Jack Dorsey, who moderated the event, noted that 6 percent of the tweets focused on housing. Other hot topics included jobs, the economy and education.

The president spent much of the time responding to questions verbally, leaving it to his staff and officials from Twitter to parse his words down to 140-character tweets, the maximum allowed on the microblogging Web site.

Obama sent a live tweet [only once](#), patting himself on the back for being the first president in history to do so.

While the event was billed as a "discussion," the format provided a platform for Obama to repeat his positions on the economy with little follow-up from the moderator and Twitter users.

Obama got a laugh, though, when he took a question from House Speaker John A. Boehner (R-Ohio), who is known as [@speakerboehner](#) on Twitter.

Boehner asked, "Where are the jobs?"

Obama joked: "This is a slightly skewed question." He then acknowledged that job growth has been slow. But he also accused Republicans of standing in the way of infrastructure and public works programs that would have created work for Americans.

"Eventually, I'm sure the speaker will see the light," Obama quipped.

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