

HUD's Jackson rumored to be stepping down

by UPI

WASHINGTON -- U.S. Housing and Urban Development Secretary Alphonso Jackson reportedly will resign Monday, which observers say would hurt efforts to fix the housing crisis. U.S. Sens. Patty Murray, D-Wash., and Christopher Dodd, D-Conn., sent a letter to U.S. President George Bush earlier in March, urging him to ask for Jackson's resignation, saying accusations of wrongdoing made him ineffective, The Wall Street Journal reported. Jackson has denied any impropriety while leading HUD. HUD runs the Federal Housing Administration, which insures mortgages for low-income homeowners and first-time home buyers. Congress and the White House have discussed expanding the FHA to play a bigger role in stabilizing the mortgage market. The agency also would be the keystone of a HUD plan to provide partial insurance to homeowners who owe on their mortgages more than their homes are worth, the Journal reported. The latest claim of wrongdoing by Jackson stems from a Philadelphia redevelopment deal. The city's housing authority has sued, charging Jackson tried to punish the agency for blocking a deal involving a friend of his. Jackson earlier was cleared of wrongdoing after he made remarks that could be that contracts were awarded in some cases based on political affiliation.

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