

The Obama-Biden Plan

Our country faces its most serious economic crisis since the great depression. Working families, who saw their incomes decline by \$2,000 in the economic "expansion" from 2000 to 2007, now face even deeper income losses. Retirement savings accounts have lost \$2 trillion. Markets have fallen 40% in less than a year. Millions of homeowners who played by the rules can't meet their mortgage payments and face foreclosure as the value of their homes have plummeted. With credit markets nearly frozen, businesses large and small cannot access the credit they need to meet payroll and create jobs.

Barack Obama and Joe Biden have a plan to revitalize the economy.

1. Immediate Action to Create Good Jobs in America
2. Immediate Relief for Struggling Families
3. Direct, Immediate Assistance for Homeowners, Not a Bailout for Irresponsible Mortgage Lenders
4. A Rapid, Aggressive Response to Our Financial Crisis, Using All the Tools We Have

1. IMMEDIATE ACTION TO CREATE GOOD JOBS IN AMERICA

The economy has lost 760,000 jobs this year -- and some forecasters expect the unemployment rate to exceed 8 percent by the end of next year. Addressing the financial crisis will help prevent the most severe loss of jobs from the crisis. But taking direct steps to create jobs will also strengthen the economy and help with the financial crisis. Barack Obama and Joe Biden's overall economic agenda is pro-jobs, including their plans to eliminate America's dependence on foreign oil and bring down healthcare costs. But Obama and Biden believe we must take additional aggressive steps to jump-start job creation right now:

- **A New American Jobs Tax Credit:** Obama and Biden will provide a new temporary tax credit to companies that add jobs here in the United States. During 2009 and 2010, existing businesses will receive a \$3,000 refundable tax credit for each additional full-time employee hired. For example, if a company that currently has 10 U.S. employees increases its domestic full time employment to 20 employees, this company would get a \$30,000 tax credit -- enough to offset the entire added payroll tax costs to the company for the first \$50,000 of income for the new employees. The tax credit will benefit all companies creating net new jobs, even those struggling to make a profit.

- **Raise the small business investment expensing limit to \$250,000 through the end of 2009:** Obama and Biden will give small businesses an additional incentive to make investments and start creating jobs again by providing temporary business tax incentives through 2009. The February 2008 stimulus bill increased maximum Section 179 expenses to \$250,000 but this expires in December 2008. This provision will encourage all firms to pursue investment in the coming months, but will particularly benefit small firms which generally have smaller amounts of annual property purchases and so choose to expense the cost of their acquired property.
- **Zero capital gains rate for investment in small businesses:** Barack Obama and Joe Biden believe that we need to encourage investment in small businesses to help create jobs and turn our economy around. That's why they will eliminate all capital gains taxes on investments made in small and start-up businesses. They also want to cut taxes for the small businesses that create jobs but are struggling with restricted access to credit on top of skyrocketing health care and energy costs.
- **Save one million jobs through immediate investments to rebuild America's roads and bridges and repair our schools:** The Obama-Biden emergency plan would make \$25 billion immediately available in a Jobs and Growth Fund to help ensure that in-progress and fast-tracked infrastructure projects are not sidelined, and to ensure that schools can meet their energy costs and undertake key repairs starting this fall. This increased investment is necessary to stem growing budget pressures on infrastructure projects. In addition, in an environment where we may face elevated unemployment levels well into 2009, making an aggressive investment in urgent, high-priority infrastructure will serve as a triple win: generating capital deployment and job creation to boost our economy in the near-term, enhancing U.S. competitiveness in the longer term, and improving the environment by adopting energy efficient school and infrastructure repairs. In total, Obama and Biden's \$25 billion investment will result in 1 million jobs created or saved, while helping to turn our economy around.
- **Partner with America's automakers to help save jobs and ensure that the next generation of clean vehicles is built in the United States:** Senator Obama pushed for \$50 billion in loan guarantees to help the auto industry retool, develop new battery technologies and produce the next generation of fuel efficient cars here in America. Congress passed only half of this amount -- it is critical that the administration speeds up the implementation of the first half and that Congress move quickly to enact the second half. In addition, Obama and Biden believe that with the tremendous uncertainty facing

the auto industry, and the small and medium business suppliers who depend on them, it is critical that we keep all options on the table for helping them weather the financial crisis.

2. IMMEDIATE RELIEF FOR STRUGGLING FAMILIES

Even when the overall economy was growing, most American families were not sharing in this growth. The typical non-elderly household saw its income decline by more than \$2,000 from 2000 to 2007 as expenses skyrocketed. Weekly wages, adjusted for inflation, are now lower than they were a decade ago. Barack Obama and Joe Biden's overall economic plan will relieve the squeeze on families and foster bottom-up growth. But they are proposing that we implement several measures immediately:

- **A tax cut for 95 percent of workers and their families -- plus seniors:** Barack Obama and Joe Biden propose a permanent tax cut of \$500 for workers and \$1,000 for families. A first round of these tax credits could be mailed out quickly by the IRS based on tax returns already filed for tax year 2007. In addition, Obama and Biden would extend these expedited tax credits to senior citizens who are retired as a down payment on his plan to eliminate taxes for all seniors making up to \$50,000.
- **Extend unemployment insurance benefits and temporarily suspend taxes on these benefits:** Millions of Americans are looking for work but unable to find it in the weak economy. Today, more than one in five unemployed workers has been out of work for more than half a year -- the highest level since early 2005. Obama supported extending unemployment insurance this summer, but already 800,000 jobless workers have exhausted those benefits and are being left without any unemployment compensation. Obama and Biden believe Congress should immediately extend unemployment insurance for an additional 13 weeks to help families that are being hit hardest by this downturn. In addition, they believe we should temporarily suspend taxes on unemployment insurance benefits as a way of giving more relief to families.
- **Penalty-free hardship withdrawals from IRAs and 401(k)s in 2008 and 2009:** Many families are going to be facing unique economic hardship over the coming year. To help these families pay their bills and their mortgages and make it through these tough times, Obama and Biden are calling for legislation that would allow withdrawals of 15% up to \$10,000 from retirement accounts without penalty (although subject to the normal taxes). This would apply to withdrawals in 2008 (including retroactively) and 2009.

- **Instruct the Treasury to allow seniors to delay required withdrawals from 401(k)s and IRAs:** Currently seniors are required to start withdrawing from their 401(k)s and IRAs at age 70 1/2 and every year thereafter over their lifetime. But the explicit requirement that withdrawals continue on an annual basis -- and the related requirement that the amount withdrawn be based on currently much higher year-end 2007 asset values -- is based on Treasury regulations, not the statute, which has a less specific mandate. That means the Secretary of the Treasury has authority to change its regulations to protect seniors from being forced, at this critical time, to sell their investments and "lock in" their losses just after market values have plummeted in an almost unprecedented fashion. Obama and Biden are calling on Treasury to temporarily suspend the required withdrawals for retirees over age 70 1/2. Because retirees often make these required withdrawals late in the year, there is still time to help millions of affected seniors -- but only if done promptly. In addition, because lower-income seniors may have no choice but to take withdrawals this year and in 2008, Obama and Biden will exempt any withdrawals made up to the required minimum amount from taxation. This will give seniors the flexibility they deserve -- to forgo withdrawals if they choose or to take those withdrawals tax free if they need those resources to pay their bills.
- **Funds to counteract high heating costs this winter:** Obama and Biden are calling for supplementing the recently passed LIHEAP funding to ensure that cold-weather states can cushion the impact of high energy prices for their residents this winter. The Energy Information Administration said that consumers will pay a projected \$1,137 to heat their homes from Oct. 1 to March 31 -- 15 percent more than last year's heating outlay during this time. Homeowners that use heating oil rather than natural gas could see increases of 23 percent compared to last year. As part of his \$25 billion state fiscal relief package, Obama's plan will supplement existing LIHEAP funding to help state programs expand to cover more residents while continuing to provide a meaningful benefit.

3. DIRECT, IMMEDIATE ASSISTANCE FOR HOMEOWNERS, NOT A BAILOUT FOR IRRESPONSIBLE MORTGAGE LENDERS

Over the past two years, Americans have lost 20 percent of the value of their homes. In some parts of the country home values have fallen by twice that amount. In combination with a rapidly deteriorating economy, that means more and more families are having a hard time meeting their monthly mortgage payments. At the same time, many states are considering property tax hikes that will burden homeowners still further. And millions of families who have seen the value of their homes fall below the cost of their mortgages need assistance in restructuring their mortgages to stay in their homes.

Barack Obama and Joe Biden's plan provides direct relief to help America's homeowners pay their mortgages, stay in their homes, and avoid painful tax increases while protecting taxpayers and not rewarding the bad behavior and bad actors who got us into this mess:

- **Instruct the Secretaries of the Treasury and Housing and Urban Development (HUD)**

- **to use their existing authority to more aggressively modify the terms of mortgages:**

- Barack Obama was an early champion of the HOPE for Homeowners Act that passed over the summer. In addition, Obama insisted that the financial rescue plan Congress recently passed include authority for the Secretary to work with servicers to modify the terms of mortgages for homeowners who played by the rules. Obama and Biden believe that both of these plans should be implemented aggressively and comprehensively. In addition, Obama and Biden are calling on Treasury and HUD to develop a plan to work with state housing agencies to coordinate broad mortgage restructurings. The Dodd-Frank legislation gives states broader authority to help struggling homeowners, and coordination is essential to ensure that state and national efforts are working in concert to help as many homeowners as possible at the minimum cost to taxpayers.

- **Reform the bankruptcy code to assist homeowners and remove legal impediments to**

- **encouraging broader mortgage restructuring:** Obama and Biden are also calling for legislation to close the loophole in our bankruptcy code that allows bankruptcy judges to modify the terms of mortgages on investment properties and vacation homes but not on primary residences. He also believes we should clarify the legal liability of mortgage servicers so that servicers who work with struggling homeowners to modify their mortgages will receive legal protections. And we should remove any tax- or legal-related impediments to encouraging shared-equity mortgages within the HOPE for Homeownership process.

- **Enact a 90-day foreclosure moratorium for homeowners who are acting in good faith:**

- Financial institutions that participate in the financial rescue plan should be required to adhere to a homeowner's code of conduct, including a 90-day foreclosure moratorium for any homeowners living in their homes who are making good faith efforts to pay their mortgages. This will help create stability until the more far-reaching solutions are implemented and give both sides a chance to work out an agreement.

- **Provide \$25 Billion in state fiscal relief to help avoid painful property tax increases:**

- Budget crunches across the nation are putting our local governments in the untenable position of having to choose between raising property taxes and cutting vital services.

Obama has proposed \$25 billion in state fiscal relief that, coupled with the new emergency facility to address the state credit crunch, will help states and localities continue to provide essential services like health care, police, fire and education without raising taxes or fees.

- **Create a universal mortgage tax credit for homeowners:** Barack Obama believes we should immediately enact a 10 percent refundable tax credit on the mortgage interest paid by hardworking American families who do not itemize their taxes. This credit will help offset the cost of mortgage payments for at least 10 million middle-class homeowners.

4. A RAPID, AGGRESSIVE RESPONSE TO THE FINANCIAL CRISIS -- USING ALL THE TOOLS WE HAVE

Barack Obama and Joe Biden believe that our deep systemic financial market crisis requires a systemic response. They fought to ensure that the recently-passed financial rescue package gave the Treasury the tools to stabilize the financial system, while protecting taxpayers and ensuring CEOs would not get rich in the process. However, this stabilization will only occur if the Treasury, Federal Reserve, FDIC, and other government entities use their authority and move quickly and aggressively to address the financial crisis.

It is now clear that our financial markets will not restart until financial institutions are lending again. Because of the extensive losses many of these institutions have suffered, they need more capital so that they will have the money to lend to families and businesses. Obama and Biden recognized this early, and were heartened by the Treasury's stated intention to use its recently granted authority to inject capital into our financial institutions. However, Secretary Paulson must turn this intention into action quickly and aggressively, in a manner that strengthens confidence in our banks, protects taxpayers, does not reward CEOs, and is strictly temporary.

In addition, our financial authorities must stand ready to take additional, complementary actions -- consistent with the systemic nature of this crisis -- to ensure this Treasury initiative is successful:

- **Be prepared, if necessary, for broader assurances for credit to banks:** First, we must be prepared to provide additional, temporary assurances to achieve the effective functioning of financial markets. Depending on developing circumstances, these steps could include additional measures by the Federal Reserve, extending insurance to all deposits, or guaranteeing a broader range of liabilities of the banking system including overnight loans. Any such steps should be coordinated internationally where appropriate and feasible. They should be accompanied by additional oversight to ensure appropriate use

of guaranteed funds and by the expectation that financial institutions taking advantage of these guarantees will raise more capital.

- **Extend asset purchases to unfreeze other critical sectors:** Second, the Treasury should not limit itself to purchasing mortgage-backed securities under the financial rescue plan recently passed by Congress. The Treasury should use the authority it has under the new law to help unfreeze markets for individual mortgages, student loans, car loans, loans for multi-family dwellings, and credit card loans.

- **Make credit available to small businesses and state or local governments:** Third, we should take immediate steps to support non-financial institutions including small businesses and states and municipalities. The Federal Reserve and Treasury have acted to preserve the availability of liquidity for financial institutions and, more recently, have created a program to purchase commercial paper directly from the large corporate issuers. Small businesses and state and local governments, however, are having serious difficulty obtaining necessary financing from debt markets.
 - **Address the credit crisis facing our states and localities:** Barack Obama and Joe Biden propose that the Federal Reserve and the Treasury work together to design a facility to provide a funding backstop to the state and municipal government debt market similar to the recently announced program for the commercial paper market. The Federal Reserve should determine whether it has sufficient legal authority to establish such a facility on its own -- if not, it should work with Treasury and the Congress to achieve this goal. This new facility should be designed to protect taxpayer resources while ensuring that state and local governments can continue to provide vital services to their residents.

 - **Address the credit crisis facing our small businesses:** To address the massive credit crunch that is threatening America's small businesses, Barack Obama and Joe Biden are proposing two immediate steps: (1) a nationwide emergency lending facility for small businesses that could be run through the SBA's Disaster Loan Program, which helped thousands of businesses in the wake of 9/11; and (2) temporarily eliminating fees on the SBA's 7(a) and 504 loan guarantee programs for small businesses, to help increase private lending for small businesses.

Barack Obama and Joe Biden believe that trade with foreign nations should strengthen the American economy and create more American jobs. They will stand firm against agreements that undermine our economic security.

- **Fight for Fair Trade:** Obama and Biden will fight for a trade policy that opens up foreign markets to support good American jobs. They will use trade agreements to spread good labor and environmental standards around the world and stand firm against agreements like the Central American Free Trade Agreement that fail to live up to those important benchmarks. Obama and Biden will also pressure the World Trade Organization to enforce trade agreements and stop countries from continuing unfair government subsidies to foreign exporters and nontariff barriers on U.S. exports.
- **Amend the North American Free Trade Agreement:** Obama and Biden believe that NAFTA and its potential were oversold to the American people. They will work with the leaders of Canada and Mexico to fix NAFTA so that it works for American workers.
- **Improve transition assistance:** To help all workers adapt to a rapidly changing economy, Obama and Biden will update the existing system of Trade Adjustment Assistance by extending it to service industries, creating flexible education accounts to help workers retrain, and providing retraining assistance for workers in sectors of the economy vulnerable to dislocation before they lose their jobs.
- **End tax breaks for companies that send jobs overseas:** Barack Obama and Joe Biden believe that companies should not get billions of dollars in tax deductions for moving their operations overseas. They will fight to ensure that public contracts are awarded to companies that are committed to American workers.
- **Reward companies that support American workers:** Barack Obama introduced the Patriot Employer Act of 2007 with Senators Richard Durbin (D-Ill) and Sherrod Brown (D-Oh) to reward companies that create good jobs with good benefits for American workers. The legislation would provide a tax credit to companies that maintain or increase the number of full-time workers in America relative to those outside the U.S.; maintain their corporate headquarters in America if it has ever been in America; pay decent wages; prepare workers for retirement; provide health insurance; and support employees who serve in the military.

Manufacturing and Green Jobs

- **Invest in our next generation innovators and job creators:** Obama and Biden will create an Advanced Manufacturing Fund to identify and invest in the most compelling advanced manufacturing strategies. The Fund will have a peer-review selection and award process based on the Michigan 21st Century Jobs Fund, a state-level initiative that has awarded over \$125 million to Michigan businesses with the most innovative proposals to create new products and new jobs in the state.
- **Double funding for the manufacturing extension partnership:** The Manufacturing Extension Partnership (MEP) works with manufacturers across the country to improve efficiency, implement new technology and strengthen company growth. This highly-successful program has engaged in more than 350,000 projects across the country and in 2006 alone, helped create and protect over 50,000 jobs. But despite this success, funding for MEP has been slashed by the Bush administration. Barack Obama and Joe Biden will double funding for the MEP so its training centers can continue to bolster the competitiveness of U.S. manufacturers.
- **Invest in a clean energy economy and create 5 million new green jobs:** Obama and Biden will invest \$150 billion over 10 years to advance the next generation of biofuels and fuel infrastructure, accelerate the commercialization of plug-in hybrids, promote development of commercial scale renewable energy, invest in low emissions coal plants, and begin transition to a new digital electricity grid. The plan will also invest in America's highly-skilled manufacturing workforce and manufacturing centers to ensure that American workers have the skills and tools they need to pioneer the first wave of green technologies that will be in high demand throughout the world.
- **Create new job training programs for clean technologies:** The Obama-Biden plan will increase funding for federal workforce training programs and direct these programs to incorporate green technologies training, such as advanced manufacturing and weatherization training, into their efforts to help Americans find and retain stable, high-paying jobs. Obama and Biden will also create an energy-focused youth jobs program to invest in disconnected and disadvantaged youth.
- **Boost the renewable energy sector and create new jobs:** The Obama-Biden plan will create new federal policies, and expand existing ones, that have been proven to create new American jobs. Obama and Biden will create a federal Renewable Portfolio Standard (RPS) that will require 25 percent of American electricity be derived from renewable sources by 2025, which has the potential to create hundreds of thousands of new jobs.

They will also extend the Production Tax Credit, a credit used successfully by American farmers and investors to increase renewable energy production and create new local jobs.

National Infrastructure Investment

Barack Obama and Joe Biden believe that it is critically important for the United States to rebuild its national transportation infrastructure -- its highways, bridges, roads, ports, air, and train systems -- to strengthen user safety, bolster our long-term competitiveness and ensure our economy continues to grow.

- **Create a National Infrastructure Reinvestment Bank:** Barack Obama and Joe Biden will address the infrastructure challenge by creating a National Infrastructure Reinvestment Bank to expand and enhance, not supplant, existing federal transportation investments. This independent entity will be directed to invest in our nation's most challenging transportation infrastructure needs. The Bank will receive an infusion of federal money, \$60 billion over 10 years, to provide financing to transportation infrastructure projects across the nation. These projects will directly and indirectly create up to two million new jobs and stimulate approximately \$35 billion per year in new economic activity.

Technology, Innovation and Creating Jobs

Barack Obama and Joe Biden will increase federal support for research, technology and innovation for companies and universities so that American families can lead the world in creating new advanced jobs and products.

- **Invest in the sciences:** Obama and Biden support doubling federal funding for basic research and changing the posture of our federal government from being one of the most anti-science administrations in American history to one that embraces science and technology. This will foster home-grown innovation, help ensure the competitiveness of U.S. technology-based businesses, and ensure that 21st century jobs can and will grow in America.
- **Make the Research and Development Tax Credit permanent:** Barack Obama and Joe Biden want investments in a skilled research and development workforce and technology infrastructure to be supported here in America so that American workers and communities will benefit. Obama and Biden want to make the Research and Development tax credit permanent so that firms can rely on it when making decisions to invest in domestic R&D over multi-year timeframes.

- **Deploy next-generation broadband:** Barack Obama and Joe Biden believe we can get broadband to every community in America through a combination of reform of the Universal Service Fund, better use of the nation's wireless spectrum, promotion of next-generation facilities, technologies and applications, and new tax and loan incentives.

Small Business

- **Provide tax relief for small businesses and start-up companies:** Obama and Biden will eliminate all capital gains taxes on start-up and small businesses to encourage innovation and job creation. Obama and Biden will also support small business owners by providing a \$500 "Making Work Pay" tax credit to almost every worker in America. Self-employed small business owners pay both the employee and the employer side of the payroll tax, and this measure will reduce the burdens of this double taxation.
- **Create a national network of public-private business incubators:** Obama and Biden will support entrepreneurship and spur job growth by creating a national network of public-private business incubators. Business incubators facilitate the critical work of entrepreneurs in creating start-up companies. Obama and Biden will invest \$250 million per year to increase the number and size of incubators in disadvantaged communities throughout the country.

Labor

Obama and Biden will strengthen the ability of workers to organize unions. He will fight for passage of the Employee Free Choice Act. Obama and Biden will ensure that his labor appointees support workers' rights and will work to ban the permanent replacement of striking workers. Obama and Biden will also increase the minimum wage and index it to inflation to ensure it rises every year.

- **Ensure freedom to unionize:** Obama and Biden believe that workers should have the freedom to choose whether to join a union without harassment or intimidation from their employers. Obama cosponsored and is a strong advocate for the Employee Free Choice Act (EFCA), a bipartisan effort that makes sure workers can exercise their right to organize. They will continue to fight for EFCA's passage and Obama will sign it into law.
- **Fight attacks on workers' right to organize:** Obama has fought the Bush National Labor Relations Board (NLRB) efforts to strip workers of their right to organize. He is a cosponsor of legislation to overturn the NLRB's "Kentucky River" decisions classifying

hundreds of thousands of nurses, construction workers, and professional workers as "supervisors" who are not protected by federal labor laws.

- **Protect striking workers:** Obama and Biden support the right of workers to bargain collectively and strike if necessary. They will work to ban the permanent replacement of striking workers, so workers can stand up for themselves without worrying about losing their livelihoods.
- **Raise the minimum wage:** Barack Obama and Joe Biden will raise the minimum wage, index it to inflation and increase the Earned Income Tax Credit to make sure that full-time workers earn a living wage that allows them to raise their families and pay for basic needs.

Mortgages, Homeownership, and Bankruptcy

Obama and Biden will crack down on fraudulent brokers and lenders. They will also make sure homebuyers have honest and complete information about their mortgage options, they'll give a tax credit to all middle-class homeowners, and they'll reform our bankruptcy laws to protect working people.

- **Create a universal mortgage credit:** Obama and Biden will create a 10 percent universal mortgage credit to provide tax relief to homeowners who do not itemize. This credit will provide an average of \$500 to 10 million homeowners, the majority of whom earn less than \$50,000 per year.
- **Ensure more accountability in the subprime mortgage industry:** Obama has been closely monitoring the subprime mortgage situation for years, and introduced comprehensive legislation over a year ago to fight mortgage fraud and protect consumers against abusive lending practices. Obama's STOP FRAUD Act provides the first federal definition of mortgage fraud, increases funding for federal and state law enforcement programs, creates new criminal penalties for mortgage professionals found guilty of fraud, and requires industry insiders to report suspicious activity.
- **Mandate accurate loan disclosure:** Obama and Biden will create a Homeowner Obligation Made Explicit (HOME) score, which will provide potential borrowers with a simplified, standardized borrower metric (similar to APR) for home mortgages. The HOME score will allow individuals to easily compare various mortgage products and understand the full cost of the loan.

- **Close bankruptcy loophole for mortgage companies:** Obama and Biden will work to eliminate the provision that prevents bankruptcy courts from modifying an individual's mortgage payments. They believe that the subprime mortgage industry, which has engaged in dangerous and sometimes unscrupulous business practices, should not be shielded by outdated federal law.

Credit Cards and Lending

Obama and Biden will establish a five-star rating system so that every consumer knows the risk involved in every credit card. They also will establish a Credit Card Bill of Rights to stop credit card companies from exploiting consumers with unfair practices.

- **Create a credit card rating system to improve disclosure:** Obama and Biden will create a credit card rating system, modeled on five-star systems used for other consumer products, to provide consumers an easily identifiable ranking of credit cards, based on the card's features. Credit card companies will be required to display the rating on all application and contract materials, enabling consumers to quickly understand all of the major provisions of a credit card without having to rely exclusively on fine print in lengthy documents.
- **Establish a Credit Card Bill of Rights to protect consumers:** Obama and Biden will create a Credit Card Bill of Rights to protect consumers. The Obama-Biden plan will:
 - Ban Unilateral Changes
 - Apply Interest Rate Increases Only to Future Debt
 - Prohibit Interest on Fees
 - Prohibit "Universal Defaults"
 - Require Prompt and Fair Crediting of Cardholder Payments
- **Cap outlandish interest rates on payday loans and improve disclosure:** Obama and Biden will extend a 36 percent interest cap to all Americans. They will require lenders to provide clear and simplified information about loan fees, payments and penalties, which is why they'll require lenders to provide this information during the application process.
- **Encourage responsible lending institutions to make small consumer loans:** Obama and Biden will encourage banks, credit unions and Community Development Financial

Institutions to provide affordable short-term and small-dollar loans and to drive unscrupulous lenders out of business.

- **Reform bankruptcy laws to protect families facing a medical crisis:** Obama and Biden will create an exemption in bankruptcy law for individuals who can prove they filed for bankruptcy because of medical expenses. This exemption will create a process that forgives the debt and lets the individuals get back on their feet.

Work-Family Balance

Obama and Biden will double funding for after-school programs, expand the Family Medical Leave Act, provide low-income families with a refundable tax credit to help with their child-care expenses, and encourage flexible work schedules.

- **Expand the Family and Medical Leave Act:** The FMLA covers only certain employees of employers with 50 or more employees. Obama and Biden will expand it to cover businesses with 25 or more employees. They will expand the FMLA to cover more purposes as well, including allowing workers to take leave for elder care needs; allowing parents up to 24 hours of leave each year to participate in their children's academic activities; and expanding FMLA to cover leave for employees to address domestic violence.
- **Encourage states to adopt paid leave:** As president, Obama will initiate a strategy to encourage all 50 states to adopt paid-leave systems. Obama and Biden will provide a \$1.5 billion fund to assist states with start-up costs and to help states offset the costs for employees and employers.
- **Expand high-quality afterschool opportunities:** Obama and Biden will double funding for the main federal support for afterschool programs, the 21st Century Learning Centers program, to serve a million more children. Obama and Biden will include measures to maximize performance and effectiveness across grantees nationwide.
- **Expand the child and dependent care tax credit:** The Child and Dependent Care Tax Credit provides too little relief to families that struggle to afford child care expenses. Obama and Biden will reform the Child and Dependent Care Tax Credit by making it refundable and allowing low-income families to receive up to a 50 percent credit for their child care expenses.

- **Protect against caregiver discrimination:** Workers with family obligations often are discriminated against in the workplace. Obama and Biden will enforce the recently-enacted Equal Employment Opportunity Commission guidelines on caregiver discrimination.
- **Expand flexible work arrangements:** Obama and Biden will create a program to inform businesses about the benefits of flexible work schedules; help businesses create flexible work opportunities; and increase federal incentives for telecommuting. Obama and Biden will also make the federal government a model employer in terms of adopting flexible work schedules and permitting employees to request flexible arrangements.