

Chinese Drywall

Beginning in April, 2009, Senator Webb's office became aware of reports that Chinese-made drywall was impacting a number of homeowners in Virginia and around the country; since then, we have taken a number of steps to address the situation.

Actions taken by our office to assist those impacted:

- April, 2009-present - Staff has opened cases on every affected constituent, including a synopsis of their situation (date of Chinese drywall awareness, family illnesses, whether they are still living in their homes, financial stresses, etc.). Staff has ensured that each registers with the Consumer Product Safety Commission (CPSC), and relevant case information has been shared with CPSC, EPA, FEMA, IRS and CDC.
 - **Response received:** Have received notifications on these cases and CPSC database registration has been confirmed.
- April-May 2009 - Worked to include funding for federal efforts to analyze and remedy the problem.
 - \$8 million in funding was designated in the Financial Services Appropriations bill for the Consumer Product Safety Commission's efforts to determine the environmental, health and structural impacts of affected homes.
- June 16, 2009 – Sent letters to the IRS and the Treasury Department, seeking clarification as to whether victims of Chinese drywall can qualify for section 165(h) of the IRS code for deductions resulting in casualty losses.
 - **Response received (July 2, 2009):** The IRS noted that, if it is determined that fumes emitted by Chinese drywall cause the extreme and unusual damage described, affected taxpayers can qualify for a casualty loss deduction based on the property damages incurred.
- July 28, 2009 – Sent a letter to the Small Business Administration, asking them to consider a disaster declaration, and to provide the assistance that comes with such designations from the SBA.
 - **Currently awaiting SBA response**
- July 28, 2009 – Sent letters to the Departments of Treasury and Housing and Urban Development asking for the deployment of HUD Foreclosure Rapid Response Teams and for assistance with mortgage lenders for homeowners who have been impacted.
 - **Response received (Sept. 15, 2009):** “Internal defects in a home would not render a borrower ineligible for with the Home Affordable Refinance Program or the Home Affordable Modification Program unless the...building was determined by the local authorities not to be habitable.” Additional questions about the refinancing program directed to the Federal Housing Finance Agency (FHFA).
- October 6, 2009 – Sent letter to the Federal Emergency Management Agency, asking whether FEMA has the authority to declare a disaster in this situation and offer related assistance, to include housing/relocation funding assistance.
 - **Currently awaiting FEMA response**

Potential remedies depend on the outcome of the technical/scientific assessments currently being conducted. Those assessments, as listed below, are nearing completion.

Evaluations currently underway:

- **Elemental and Chemical Testing** (CPSC & EPA's Environmental Response Team): Analysis completed by end of October 2009
- **Chamber Testing** (CPSC interagency agreement with Lawrence Berkeley National Laboratory): (to identify the specific chemicals and their impact) Preliminary health risk assessment will be completed by CPSC staff by end of October 2009
- **In-Home Indoor Air Sampling** (CPSC contract with Environmental Health and Engineering): Contractor report to CPSC by early November 2009
- **Engineering Analyses: Electrical and Fire Safety** (CPSC interagency agreements with Sandia National Laboratory and the National Institute for Standards and Technology) Studies to commence after chamber study & air sampling (which provide necessary inputs)
- **Tracing the drywall chain of commerce:** CPSC is pursuing a detailed investigation into the origination and distribution of drywall, including an investigatory visit to China. The inquiry involves over 100 manufacturers, importers, drywall distributors and builders. CPSC staff is also gathering detailed information from home owners about the composition of their homes and the health and corrosion effects experienced.