

women become pregnant at least once before they reach the age of 20—one million a year.

This is a problem that has a devastating impact on California as a whole (which has the second worst teen pregnancy rate in the nation) and Hispanic teenagers in particular, who have the highest rates of teen pregnancy of any ethnic group. The cost to the United States in health care and education alone is at least \$7 billion annually, and the human cost in dreams deferred and children with limited opportunities is immeasurable. Reducing unwanted pregnancies also reduces the number of abortions.

We must act now to build on the success of existing programs that have helped reduce teen pregnancy rates nationwide so that we may ensure young women and men have the information and confidence they need to make wise choices about their sexual behavior.

The approach of our legislation is very straightforward: fund programs that work.

Over the past decade, a wide variety of teen pregnancy prevention programs have shown dramatic results in delaying teenagers' sexual activity, promoting the safe use of contraceptives, and reducing teen pregnancy. These programs don't fit a particular model: some provide comprehensive sex and HIV education, some provide information on and access to contraception, some provide economic or service opportunities to youth. Some use media campaigns, some intervention and counseling, and some youth development programs.

Successful education programs do, however, all share a common feature: they deliver the message that abstaining from sexual activity is the only 100 percent effective way to prevent teen pregnancy, but recognizing that teens will not always abstain from sex, also provide accurate information on contraception and other means to prevent pregnancy.

The grant program authorized by the bill we introduce today targets new funding at high-risk communities and groups, and allows a wide range of organizations—from local coalitions to State agencies—to apply for funds.

This bill represents an effective and proven way to move forward on teen pregnancy prevention. The program will fund diverse teen pregnancy prevention programs, so long as they are based on methods and programs that work.

This legislation is a win-win deal for teens, their families, and their communities across the nation, and I urge all of my colleague to support it.

---

RECOGNIZING THE GINNIE MAE  
CHOICE PROPOSAL

**HON. BOB BARR**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, December 20, 2001*

Mr. BARR of Georgia. Mr. Speaker, as a member of Congress, and a member of the Financial Services Committee, I share the goal of increasing homeownership opportunities for American families. Our government and the Congress have made policy choices to support this goal. These policy choices have paid off for our nation and for American families with more than 67 percent of American families owning their own homes today.

The present system works well and when someone comes up with an idea to change to system, we must be very mindful of the maxim "Do No Harm." One such proposal to alter this system is called the Home Ownership Expansion and Opportunities Act, H.R. 3206 or Ginnie Mae "Choice." For the first time, this legislation would place the full faith and credit guarantee behind conventional mortgage loans.

Ginnie Mae "Choice" would—in effect—create yet another housing GSE, but with the difference being that this one would have an explicit government guarantee behind all that it does, unlike the current housing GSEs such as Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.

The Ginnie Mae Choice proposal would authorize Ginnie Mae (GNMA) to guarantee securities backed by mortgages with loan-to-value ratios of over 80 percent. Interest and principle payments on these mortgages would be insured first by partial private mortgage insurance (PMI), second by insurance issued by the United States Department of Housing and Urban Development (HUD), and lastly by the GNMA guarantee.

Private mortgage insurers would assume a minimum first loss position that varies from 12 to 35 percent of outstanding principal and interest depending on the loan-to-value ratio, and the federal government (HUD and GNMA combined) would assume all residual risk. In general, loans potentially qualifying for the GNMA Choice program are conforming loans that meet the PMI requirements.

I would like to thank my colleague, Representative MARGE ROUKEMA (R-NJ) for introducing the bill. We share the common goal of wanting to increase homeownership, but upon reflection, I am not certain that this bill will achieve the stated goal. In contrast to Fannie Mae and Freddie Mac, this legislation would impose no housing goals on Ginnie Mae. If the goal of the legislation is to increase homeownership among low-income families, it would seem logical to have some kind of housing targets or loan amounts. Yet, this legislation is silent in that regard.

As a practical matter, I remain unconvinced an agency within HUD has the capacity to manage a mortgage volume of some \$30 billion per year. Granted, private MIs would pick up 12 to 35 percent of losses, but the prospect of this agency being able to manage both credit and interest rate risk on these mortgages is somewhat dubious. HUD's management track record in this regard is spotty at best.

H.R. 3206 contemplates no Risk Based Capital Standards (RBCS). Fannie Mae and Freddie Mac must adhere to strict RBCS imposed from the 1992 legislation that revised their charters. Both companies are now doing business under the RSBCSs from the 1992 legislation. Indeed, under the Risk Based Capital Standards applied to Fannie Mae and Freddie Mac, GNMA would experience losses in the range of \$9.35 billion under severe stressful conditions to \$1.86 billion under less stressful conditions—according to an analysis by Pricewaterhouse Coopers.

In conclusion, it seems H.R. 3206 is uncertain to achieve its stated goal of increasing homeownership significantly, while at the same using the explicit backing of the United States Government to potentially cause losses of several billion dollars to the taxpayers.

Therefore, I would discourage my colleagues from supporting this bill.

---

TRIBUTE TO MR. WILLIAM (BILL)  
HEVERT

**HON. ELIOT L. ENGEL**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, December 20, 2001*

Mr. ENGEL. Mr. Speaker, I rise today in order to honor William (Bill) Hevert on the occasion of his retirement after 28 years of dedicated service to Bessemer Trust Ltd.

Born in the Bronx on September 22, 1943, Bill graduated from Dewitt Clinton High School in June 1961. After graduating with a BA from City College of New York-Baruch School in 1965, Bill took a job with the Internal Revenue Service (IRS). In 1966 he joined the Medical Services Corps at Fort Meade in Laurel, Maryland where he received the Army Commendation Medal for service through January 1968 as a First Lieutenant. After finishing his service in the U.S. Armed Forces, Bill went back to the IRS for two years before he joined SD Leidersdorf as an accountant. After two years at SD Leidersdorf, Bill joined Bessemer.

For most of his life, Bill lived in the Bronx where he was respected and admired by the community around him. His dedication has touched many others, including former President George H. W. Bush and the former First Lady Barbara Bush, who had the pleasure of working with Bill in the preparation of their own tax returns. Lewis Goldstein, a friend of Bill for over forty years, fondly recalls the many holiday celebrations they shared and the many trips to places such as Palisades Amusement Park and the Bronx Zoo. He also recalls many summers spent at Rockaway where Bill and his family rented a bungalow for many years.

After retiring from Bessemer, Bill plans on spending time in New York as well as Florida. He also plans on traveling extensively with his partner, Larry Bartelsen, who is also retiring. Bill and Larry hope to use their new free time to enjoy the things they love, including the New York Philharmonic, the Metropolitan and New York City Operas, theater and dining out. I would like to congratulate both Bill and Larry and wish them all the best in their retirement.

---

HONORING BOB KELSEY

**HON. SCOTT McINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, December 20, 2001*

Mr. McINNIS. Mr. Speaker, I would like to recognize the selfless contributions of one individual in the Grand Junction community of Colorado who has rallied the support of others for a noble cause. In 1997, Bob Kelsey founded, and has since directed, the Catholic Outreach Day Center.

Mr. Kelsey was inspired by the words of a homeless man who was trying to find work one day. With the help of Catholic Outreach and an initial grant from the city, his vision has become a reality. The Catholic Outreach Day Center performs basic services for homeless people and provides opportunities for them to