INTRODUCTION OF THE HUD REVERSE MORTGAGE PROGRAM PROTECTION ACT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1997

Mr. BROWN of California. Mr. Speaker, I rise today, along with five Members of the California Congressional Delegation, to introduce the HUD Reverse Mortgage Program Protection Act, a bill to prohibit the charging of unreasonable and excessive fees in connection with equity conversion mortgages for senior homeowners.

Many senior homeowners, especially in California, have recently been victimized by estate planning companies that charge thousands of dollars each for information about the Home Equity Conversion Mortgage administered by the Department of Housing and Urban Development [HUD]. Home equity conversion mortgages, commonly known as reverse mortgages, allow senior homeowners—62 and over—to turn their home equity into spendable cash without having to make monthly interest or principal payments. About 45,000 reverse mortgages have been closed in recent years, the bulk of them through the HUD Reverse Mortgage Program.

Senior homeowners interested in a reverse mortgage are asked to sign an agreement permitting the estate planning company to take 8 to 10 percent off the top of the lump-sum payment as its commission. The company who refers the senior to lender active in the HUD program can pocket an average of $5,000 to $8,000 for a referral. These fees are exorbitant, especially because most, if not all, of the services performed for the 8 to 10 percent fee are obtainable free or at a minimal cost from a HUD-approved nonprofit counseling entity.

Unfortunately, as a result of the full court lobbying initiated by the alleged estate planning company, a preliminary injunction has been issued barring HUD from enforcing its directive to crack down on companies victimizing our Nation's senior homeowners. to reinforce HUD's existing authority to properly regulate the estate planning industry, my California colleagues and I are pleased to introduce the HUD Reverse Mortgage Program Protection Act.

Mr. Speaker, we should not allow senior homeowners to be robbed of thousands of dollars in an instant by smooth-talking scam artists. My legislation will reinforce HUD's existing authority to protect senior homeowners from being charged thousands of dollars for information about reverse mortgages they could get from the Government for free. For the purpose of consumer education, the bill has a provision to require HUD to launch a major effort to make more senior homeowners aware of the reverse mortgage program and increase public access to HUD-approved entities that provide counseling, information and referral services. The bill also has a provision that would allow HUD to continue its Reverse Mortgage Program beyond its scheduled expiration in the year 2000.

We should not tolerate those estate planning companies muggings of our parents and grandparents, who have made mortgage payments for decades. I urge my colleagues to join me in supporting the passage of this legislation to help protect senior homeowners from being charged excessive and unreasonable fees for reverse mortgage information available from the Government for free.

THE INTRODUCTION OF THE SINGLE STANDARD OF AVIATION SAFETY ACT

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1997

Mr. MENENDEZ. Mr. Speaker, in the wake of a Department of Agriculture inspector general report which uncovered serious wrongdoing in the Forest Service leading to the deaths of 14 pilots, we must take action. This is a shocking and outrageous waste of life. I have introduced the Single Standard of Aviation Safety Act to get to the bottom of this scandal and root out these unsafe aviation practices.

It was only 2 years ago that the National Transportation Safety Board was given authority to investigate accidents involving ''public use'' aircraft like those used by the Forest Service. Prior to NTSB independent review many of these accidents were never properly investigated and may have been preventable. It appears there has been deliberate and methodical disregard for the safety of these pilots. It is time to shine a light on the practices of public agencies to insure safety. I am confident that a thorough airing of these highly unsafe practices will spell an end to blatant disregard for safety issues by any public agency.

The exemption for public aircraft is an unsafe relic of the past. There is no reason to allow public aircraft to operate under a lesser standard of safety than is required of the private sector—except cost. Cost is not a compelling reason to rationalize the loss of human life. We have lost physicians, firefighters, and most notoriously Secretary of Commerce Ron Brown in public aircraft which did not meet minimum FAA standards for safety. Accidents will happen with the many, difficult and dangerous tasks we ask our public servants to face. We should not ask anyone who must place themselves in harm's way to face the unforeseeable peril in the use of aircraft that do not represent the common standard of aviation safety. I know that public agencies are facing unprecedented budget reductions buy flying is an expensive undertaking and the temptation to cut corners has never been greater. We do not allow the private sector to take safety shortcuts. Public entities must respect the same standards in protecting their passengers. I urge prompt action on the Single Standard of Aviation Safety Act.

THE CRIMINAL SERVITUDE ACT OF 1997

HON. JIM BUNNING

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1997

Mr. BUNNING. Mr. Speaker, I commend to my colleagues' attention a ''bill'' that was drafted by a high school advanced placement government class at Lloyd High School in Erlanger, KY in my congressional district. I ask that it be made part of the RECORD.

I know that the students worked hard on the ''Criminal Servitude Act of 1997'', and I think that their final ''bill'' mirrors the predominant attitude toward crime in our country today. In fact, several of their recommendations, including the elimination of amenities for prisoners and increasing the scrutiny of the whereabouts of released sex offenders, are issues that this body has debated on more than one occasion in recent years.

Promoting awareness of current events and civic involvement is one of the most important aspects of Members' responsibilities as public servants, and it always pleases me to see young Kentuckians wrestling with the issues of the day and trying to understand exactly how their Government works.

Again, I commend this ''bill'' to my colleagues. It is an example of what conscientious young people can do when they set their minds to a task.

Be it enacted by the Senate and House of Representatives of The United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Criminal Servitude Act of 1997''.

SEC. 2. PUBLIC HUMILIATION FOR CRIMES.

PART A

All local, national, and international media organizations/individuals may print, broadcast, etc., names and/or pictures of persons convicted of felonies or misdemeanors as a means of socially deterring crime through the use of ''stigma''.

PART B

All nonviolent[1] criminals (excluding those with physical disabilities) will spend an eight hour work day six days per week performing laborious community service for the duration of the term of the individual's incarceration. The exact nature of the tasks to be performed will be given at the time of the individual's sentencing. Prisoners will be exempt from work on designated holidays.

PART C

All violent criminals will spend eight hour work days six days per week performing extremely laborious community service for the duration of the term of the individual's incarceration. The exact nature of the tasks to be performed will be given at the time of the individual's sentencing. Prisoners will be exempt from work on designated holidays.

PART D

Prisoners will wear the orange prison garb with first and last names printed on the front and back of their uniform and will be forced to wear this during all community service hours.

PART E

Second time juvenile offenders will perform their second terms of community service in standard prision garb in accordance with Part D with the exception that their names will not be printed on their uniform.

PART F

Local and national TV networks will be given the opportunity and encouraged to air the results of city and national trials displaying mugshots and descriptions of offenders and crimes.

Subsection 1, to Part F. The presence of released or paroled sex offenders in a community will be a matter of public record and therefore subject to media scrutiny.

SEC. 3. CAPITOL PUNISHMENT.

This section hereby makes legal, but not mandatory, capitol punishment in all states.