United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, SECOND SESSION

Vol. 144 WASHINGTON, TUESDAY, JULY 28, 1998 No. 103

Senate

The Senate met at 9:45 a.m., and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, whose mercies are new every morning, we praise You for Your faithfulness. We exalt You with a rendition of the words of that wonderful old hymn, ''Great is Your faithfulness! Great is Your faithfulness! Morning by morning, new mercies we see; all we have needed Your hand has provided. Great is Your faithfulness, Lord, unto us!'' As we begin this new day, we thank You for Your faithfulness to our Nation throughout history. And one of the ways You express that now is through the labors of the women and men of this Senate. May they experience fresh assurance of Your faithfulness that will renew their faithfulness to be God-centered, God-honoring, God-guided, God-empowered leaders.

In the quiet of this moment, we ask You to help us experience Your grace in the midst of the grief of this day. We ask You to be with us as we honor the memory of Officers Chestnut and Gibson. Especially, Lord, be with their families and with their fellow officers, that they may know that You are the Lord of life and eternity. Through our Lord and Savior. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT of Mississippi, is recognized.

Mr. LOTT. Thank you very much, Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, I remind all Senators that we will be recessing from 11:55 a.m. until 12:15 p.m. so that the Senate may proceed as a body to the Rotunda to pay our proper respects to the two fallen U.S. Capitol policemen and their families. The Senate will recess again today from 2:45 p.m. until 3:45 p.m. so Members may attend the memorial service for these two heroes.

With regard to the Senate's schedule this morning, the Senate will resume consideration of the credit union bill, with 15 minutes for debate remaining on the Shelby amendment regarding small business exemptions. At approximately 10 a.m; the Senate will proceed to vote on, or in relation to, the Shelby amendment. Following that vote, it is the hope that the Senate will move quickly to final passage of the credit union legislation.

For the remainder of today's session, the Senate may begin consideration of the Treasury appropriations bill, health care legislation, or other appropriations bills or conference reports as available and after consultation with the leadership on both sides of the aisle. Therefore, Members should expect votes throughout today's session and into the evening as the Senate attempts to complete its work prior to the August recess.

I want to emphasize something here, too. The plan has been we would spend Friday afternoon on the credit union bill, and we would have votes Monday afternoon late, and this morning we would vote on the Shelby amendment and go to passage. I understand the managers are not sure they are ready to do that, or other people are showing up with amendments. I discourage amendments. Senators had an opportunity Monday afternoon and Friday afternoon to offer amendments, and to show up now and say, ''Oh, by the way, I have another amendment,'' I think, is not helpful in trying to get done what we agreed to and move our schedule along.

Let's have the final debate on the Shelby amendment and let's vote and move to passage of this legislation, and then go to an appropriations bill. I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. ENZI). Under the previous order, the leadership time is reserved.

CREDIT UNION MEMBERSHIP ACCESS ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 1151, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1151) to amend the Federal Credit Union Act to clarify existing law with regard to the field of membership of Federal credit unions, to preserve the integrity and purpose of Federal credit unions, to enhance supervisory oversight of insured credit unions, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Gramm amendment No. 3336, to strike provisions requiring credit unions to use the funds of credit union members to serve persons not members of the credit union. (By 44 yeas to 50 nays (Vote No. 236), Senate failed to table the amendment.

Shelby amendment No. 3338, with respect to exempting certain financial institutions from the Community Reinvestment Act of 1977.

AMENDMENT NO. 3338

The PRESIDING OFFICER. Under the previous order, there will now be 15 minutes equally divided prior to a motion to table Shelby amendment No. 3338.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. SHELBY. Mr. President, does this side have 7½ and a half minutes and the other side 7½ minutes? That is my understanding.

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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The PRESIDING OFFICER. That is correct.

Mr. SHELBY. Mr. President, there has been a lot said about the amendment that we have offered to exempt small banks from the Community Reinvestment Act. A popular mantra is that if the small bank exemption amendment passes, President Clinton will veto the bill; therefore, the Senate should not take up this amendment. I have also been told this is not the time or the place to take up an amendment to CRA. But I believe, Mr. President, that such assertions are not valid.

H.R. 1151 essentially eliminates the common bond requirement, allowing credit unions to serve virtually any and every group now.

In addition, H.R. 1151 explicitly authorizes credit unions to perform commercial lending activities. In doing so, this Congress is overturning a historical Supreme Court decision and the law of the land for about 60 years. While expanding the role of credit unions, we continue to protect the tax exemption credit unions now enjoy.

Small community banks, Mr. President, however, serve the local community but have to compete with the higher cost of funds, a higher regulatory burden, and of course a considerable tax burden. While we increase the competitive advantage of small bank competitors in this bill, we do nothing to help small banks compete on a more level playing field.

So, Mr. President, for those who suggest that this is not the time or the place for this amendment to exempt the small banks of America from the CRA, I have to disagree. Credit unions are increasing their market share over community banks in small local markets with higher savings rates and lower lending rates, rates small banks cannot match thanks to the tax and regulatory burdens that constitute the competitive disadvantage here. The small bank exemption from the Community Reinvestment Act has everything to do with the competitive equity we are talking about—leveling the playing field between local community banks and credit unions.

The President, of course, has the right to veto a bill if he so chooses. That is the legislative process. We all know that. However, I do not believe the President would veto this bill if this amendment were part of it. The Senate Banking Committee worked very hard to draft a responsible bill, and, by and large, I think we did just that. Nevertheless, Mr. President, I believe H.R. 1151, the bill before us now, can be improved. And, to that extent, this is the time and this is the place to improve the bill.

Yesterday, the Senate failed to table Senator GRAMM's amendment to strike the community-reinvestment-like provisions on credit unions from the bill. I supported that. As a result, it appears the Senate has chosen to adopt Senator GRAMM's amendment to eliminate the expansion of regulatory burden and mandated credit allocation on to credit unions, which I think is good.

If the Senate votes to table the small bank exemption from CRA, the Senate will make a very hypocritical policy statement to the American people, I believe, saying, essentially, that we do not support the expansion of mandated credit allocation and regulatory burden on credit unions, but, Mr. President, on the other hand, we do support the mandated credit allocation and regulatory burden on small community banks. Now that is not what we call competitive equity.

I believe the worst part about this inconsistent policy is that consumers are the ones who bear the brunt of the cost of the Community Reinvestment Act. The CRA tax on banks only gets passed on to the consumer. While the intention, Mr. President, of the Community Reinvestment Act may have been to help consumers, in practice I believe it hurts them. CRA is bad for consumers. CRA is, I believe, bad public policy.

Contrary to what opponents of the amendment would have you believe, the small bank exemption would not gut CRA. Banks with less than $250 million in assets account for less than 12 percent of bank assets nationwide. This is a vote for small community banks in America. I think it is time to do it and the time is now.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. D'AMATO. Mr. President, let me say that I am deeply appreciative of the problem that my good friend, the senior Senator from Alabama, Senator SHELBY, expresses as it relates to community banks. I believe they do need help. Indeed, I think we have to give them some tax relief. I think we can and we should. That is why I have cosponsored the Small Business Financial Institution Tax Relief Act. I believe Senator SHELBY is also a cosponsor. And I believe the Presiding Officer is a cosponsor as well. There are other things we can do.

I think we have to examine CRA as it applies to those who have outstanding records year after year. Should they be subjected to the same compliance requirements or shouldn't there be some way to relieve them of the annual reporting process? Shouldn't there be more flexibility, if an institution has been exemplary for X number of years? Let us discuss that in a different arena and let us not put it on this bill. We can work towards a solution on this important issue and other relief for small banks so they can continue to compete and serve in communities that otherwise would be left without.

So I am sympathetic to the issue of CRA. But again, to put it on this bill, when the administration said clearly they will veto it, I say, will only undo all the effort put into preserving credit unions and making them safer and sounder. I urge restraint on the part of my colleagues, notwithstanding the fact that we need to do something to help that segment of our community which is so vital—the community bank.

Mr. REED. Mr. President, I rise in strong opposition to the Shelby amendment to create a small bank exception to the Community Reinvestment Act.

Mr. President, the Community Reinvestment Act requires financial institutions to meet the credit needs of local communities—including low and moderate income areas—consistent with safe and sound lending practices.

Unfortunately, many proponents of the Shelby amendment have argued that this obligation is tantamount to government mandated credit allocation. Nothing could be further from the truth. Neither the Act nor the regulations specify the number of loans, the type of loans, or the parties to CRA loans. To the contrary, CRA relies on market forces and private sector ingenuity to promote community development lending. This is evidenced by the tremendous flexibility that financial institutions have in satisfying CRA. For example, loans to nonprofits serving primarily low- and moderate-income housing needs; loans to financial intermediaries such as Community Development Financial Institutions; and loans to local, state, and tribal governments may qualify for CRA coverage. Moreover, loans to finance environmental clean-up or redevelop industrial sites in low- and moderate-income areas also qualify as CRA loans.

In addition to lending, CRA is satisfied through investments by financial institutions in organizations engaged in affordable housing rehabilitation, and facilities that promote community development such as child care centers, homeless centers, and soup kitchens. These all qualify for CRA coverage.

Even Federal Reserve Chairman Alan Greenspan has weighed in on this issue, arguing:

> The essential purpose of the CRA is to try to encourage institutions who are not involved in areas where their own self-interest in involved, in doing so. If you are indicating to an institution that there is a foregone business opportunity in an area X or loan product Y, that is not credit allocation. That, indeed, is enhancing the market.

As illustrated by these examples and Chairman Greenspan's comments, it is clear that CRA is a far cry from government mandated credit allocation. To be sure, CRA is predicated on two simple assumptions that should be shared by my colleagues on both sides of the aisle: (1) that a public charter for a bank or savings institution conveys numerous benefits, including deposit insurance, and it is fair for the public to ask something in return, and (2) government cannot and should not provide more than a limited part of the capital required for local housing and economic development needs; financial institutions in our free economic system must play the leading role.

In the words of former Comptroller of the Currency Eugene Ludwig, ''CRA is

in many respects a model statute. It requires no public subsidy, no private subsidy, and no massive Washington bureaucracy.''

These simple concepts, which are the embodiment of CRA, are perhaps most responsible for the significant democratization of credit that we have seen over the last 20 years. Since its enactment in 1977, CRA has resulted in more than $397 billion in loan commitments for low- and moderate-income borrowers. In my state of Rhode Island, it has been estimated that CRA has resulted in over $61 million in commitments for community development lending since 1977.

Mr. President, I fear that the Shelby amendment will significantly undermine these advances. This amendment will exempt 86 percent of all banks from CRA, thereby doing irreparable harm to our communities that are in dire need of investment and opportunity. The adverse impact on community lending will be particularly severe in states such as Iowa, Kansas, Minnesota, Montana, Nebraska, and Oklahoma, where 95 percent of all banks are small and would be exempt from CRA. If communities in these states are not able to turn to their financial institutions for rural and community development lending, to whom will they turn?

Mr. President, this amendment is unnecessary. In response to concerns about regulatory burdens voiced by small banks, CRA was revised in 1995 to provide regulatory relief. The new regulations provide a streamlined examination process for independent banks and thrifts with assets under $250 million. In addition, under the new regulations, the smallest banks have been exempted from all reporting requirements, and are no longer subject to process-based documentation requirements. Moreover, the actual time spent in the smallest banks on CRA examinations has dropped by 30 percent.

Following promulgation of the revised CRA regulations, many small bankers were effusive in their praise of the reforms. For example, Richard Mount of the Independent Bankers Association of America, which represents small banks, indicated,

> We commend the regulators for instituting a meaningful, streamlined, tiered examination system that recognizes the differences between community banks and their large regional and multinational brethren. The new rules should eliminate the paperwork nightmare of CRA for community banks and allow them to concentrate on what they do best—reinvest in their communities.

Finally, Mr. President, this amendment will significantly weaken one of our most important tools in preventing lending discrimination. Perhaps because of its success, many have forgotten the embarrassing state of lending in many urban communities prior to CRA's enactment. In a Senate Banking Committee hearing in 1977, a study of six banks was presented which showed that these banks, which held $144 million in deposits from low-income and minority communities, returned an embarrassing one-half cent on the dollar in home loans. Throughout hearings on CRA, witnesses from around the country recounted similar stories of lending discrimination.

While certainly we have come a long way since 1977, lending discrimination, unfortunately, persists. In a study published earlier this year by the Fair Housing Council of Greater Washington, it was revealed that Washington area lenders discriminate against two out of five African American and Hispanic mortgage applicants. In one incident cited in the study, a Rockville lender advised a black tester that the lender did not make loans to first-time home buyers. The same lender later met with a white tester, also posing as a first-time home buyer, giving the tester an appointment and encouraging him to apply for a mortgage loan. Lending studies by other organizations reveal similar findings. These studies have shown that minority borrowers receive fewer bank loans even when their financial status is the same as or better than white borrowers.

By encouraging lenders to extend credit to all communities, CRA has been an important weapon in fighting lending discrimination. Because the Shelby amendment would exempt 86 percent of all banks from its coverage, lenders could find it easier to discriminate in the provision of credit.

Mr. President, I do not think we want to return to the dark days before CRA, where access to credit and investment in our urban and rural communities was limited for all the wrong reasons. Instead, with the movement of assets out of the banking system and with increasing industry consolidation, we should be seeking ways to expand community investment, not limit it. For this reason, I will strongly oppose the Shelby amendment, and I encourage my colleagues to do likewise.

Ms. COLLINS. Will the Senator from New York yield for a question?

Mr. D'AMATO. I am happy to yield.

Ms. COLLINS. The Senator from New York, the distinguished chairman of the committee, knows I am very sympathetic to the goals of the amendment offered by the Senator from Alabama. I am concerned about the burden that the CRA imposes on our small community banks. It is my understanding, however, based on the representations of the chairman and a letter from the administration, that if this amendment is adopted, it will lead to the veto of this legislation, which I strongly support.

So I find myself in a real quandary. I support the amendment of the Senator from Alabama, yet I strongly support the underlying bill and do not want to jeopardize it being signed into law.

Could the distinguished chairman give me assurances that he is willing to work with me, with the Senator from Alabama, and others who are concerned about easing this burden on our small banks?

Mr. D'AMATO. I not only give that assurance to you, but to all of my colleagues in the Senate and the House. I think we can do a better job ensuring that small community banks have the ability to compete. We will address some of the requirements that are placed upon them that preclude them from using chapter S corporations in the bill Senator ALLARD has introduced. And while we are at it, we will review some of the regulatory requirements for reporting as required by CRA and we will look for ways to diminish the burdens these requirements place on banks that have exemplary CRA records.

That would be the absolute priority of this Senator, starting now. We will begin with holding hearings, and from the information we gather, we will craft and seek the support of legislation. Certainly I think next year we will be able to come forth and pass, in both Houses, and get signed into law, the kind of relief that does not jeopardize the legitimate use of CRA but, by the same token, does not compromise those institutions that are doing a good job.

I believe my colleagues on the Democratic side would join with us in that effort, but not here, not now, without study and careful craftsmanship.

Again, I understand the need to make these reforms.

Ms. COLLINS. I thank the Senator very much for his assurances. This is a matter of great concern for me. I would very much like to vote for this amendment, but in view of the fact that the President has made it very clear he would veto the bill if it were included, I, unfortunately, am going to have to vote against the amendment.

I thank the Senator.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Mr. SARBANES. Mr. President, when this debate on the Shelby amendment first began, my colleague from Alabama quoted the introductory statement made by former chairman William Proxmire when he introduced the CRA legislation. We pointed out at the time that we thought the Proxmire rationale still supported his original position.

I have received a letter from Senator Proxmire and he has asked me to read it into the RECORD. I will do that now.

> DEAR PAUL: I would appreciate your reading this letter into the Congressional Record at the appropriate time during the debate on the Credit Union bill.
>
> I am totally opposed to the Shelby amendment which would exempt small banks from the Community Reinvestment Act and take strong exception to the thrust of his ''Dear Colleague'' letter which quotes my remarks as the author of CRA and the Chairman of the Banking Committee at some length.
>
> Throughout my 32 year career in the Senate I championed the cause of the independent small banks of America. In my home state of Wisconsin they represented an important constituency. As Chairman of the Banking Committee from 1975–1980 and 1987–1989 and a member of the Committee from 1957–1989 no one fought harder to protect their interests.

I count the enactment of CRA as one of the achievements of which I am most proud. I introduced CRA in 1977 because banks receive significant public benefits, such as federal deposit insurance and access to the Federal Reserve Board's discount window. In turn, banks have an obligation to help meet the credit needs of the localities they are chartered to serve. This obligation should apply to all banks, large and small alike, all of whom receive significant public benefits.

I regret that the statement I made on the Senate floor in 1977 introducing the Community Reinvestment Act is being used to undermine the purpose for which I introduced the legislation.

Sincerely,

WILLIAM PROXMIRE, U.S.S.
(Retired—D–Wis.)

That is Senator Proxmire's direct response to the effort to use his statement to, in effect, undermine support for the CRA.

Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Maryland has 46 seconds remaining.

Mr. SARBANES. Mr. President, very quickly, let me just say to my colleagues that this legislation is not an allocation of credit. Larry Lindsey has said, and I quote him, former member of the Federal Reserve:

Many [institutions] now recognize in an era of growing competition, CRA performance may be critical to an institution's ability to adjust to the new banking environment. CRA-related activities can help to develop new markets, potentially profitable business and improve a bank's public image.

Federal Reserve Chairman Alan Greenspan stated:

The essential purpose of the CRA is to try to encourage institutions who are not involved in areas where their own self-interest is involved in doing so. If you are indicating to an institution that there is a foregone business opportunity in an area X or loan product Y, that is not credit allocation. That, indeed, is enhancing the market.

Let's continue to enhance the market by supporting CRA and rejecting this amendment.

The PRESIDING OFFICER. All time has expired. The Senator from Alabama has 2 minutes 12 seconds remaining.

Mr. SHELBY. I yield the remaining time to the distinguished Senator from Oklahoma, the assistant majority leader.

Mr. NICKLES. Mr. President, first, I compliment my colleague from Alabama for bringing this amendment because it is a really good, commonsense amendment.

I might mention to our colleagues, yesterday we voted to exempt credit unions from the Community Reinvestment Act. Most of us support that amendment. I supported that amendment. I mentioned to somebody that said I am not sure we should do that because banks have to comply, and I said we have the Shelby amendment that will at least exempt small banks.

Most of my banks in the State of Oklahoma are small banks. They don't need the Federal Government to tell them to invest in their community—they do it anyway. If you have a meeting with your bankers in your State, particularly your small bankers, they will tell you the Community Reinvestment Act is one of the most bureaucratic messes they deal with. They really don't have to have the Federal Government to tell them to invest in their own community. So now we are going to say we will exempt credit unions from the CRA, but we will not exempt small banks? That is not fair. That is not equitable.

Senator SHELBY's amendment would correct that for the small banks. I compliment him for doing it. I think now is the time to do it. We are going to create greater inequities between credit unions and banks; I don't think that is fair. So Senator SHELBY's amendment would at least provide relief for small banks. That is the right thing to do. It is the timely thing to do.

The fact that the President says he might veto—if we pass this by an overwhelming vote, and if we have the Shelby amendment, it would be passed overwhelmingly, it would be adopted by the House, and I think the President would see the wisdom of signing the bill as amended with the Shelby amendment.

I thank my colleague from Alabama.

Mr. D'AMATO. Mr. President, I understand my colleague, the Senator from Alabama, has yielded back the time.

The PRESIDING OFFICER (Mr. SANTORUM). All time has expired.

Mr. D'AMATO. I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Shelby amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS), is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. HELMS) would vote ''no.''

Mr. FORD. I announce that the Senator from Iowa (Mr. HARKIN) is absent due to a death in family.

I further announce that, if present and voting, the Senator from Iowa (Mr. HARKIN) would vote ''aye.''

The result was announced—yeas 59, nays 39, as follows:

[Rollcall Vote No. 238 Leg.]

YEAS—59

Akaka	Byrd	Domenici
Baucus	Campbell	Dorgan
Biden	Chafee	Durbin
Bingaman	Cleland	Feingold
Bond	Collins	Feinstein
Boxer	Conrad	Ford
Breaux	D'Amato	Glenn
Bryan	Daschle	Graham
Bumpers	Dodd	Hollings
Inouye	Lieberman	Santorum
Jeffords	Lugar	Sarbanes
Johnson	Mikulski	Smith (OR)
Kennedy	Moseley-Braun	Snowe
Kerrey	Moynihan	Specter
Kerry	Murray	Stevens
Kohl	Reed	Torricelli
Landrieu	Reid	Warner
Lautenberg	Robb	Wellstone
Leahy	Rockefeller	Wyden
Levin	Roth	

NAYS—39

Abraham	Frist	Lott
Allard	Gorton	Mack
Ashcroft	Gramm	McCain
Bennett	Grams	McConnell
Brownback	Grassley	Murkowski
Burns	Gregg	Nickles
Coats	Hagel	Roberts
Cochran	Hatch	Sessions
Coverdell	Hutchinson	Shelby
Craig	Hutchison	Smith (NH)
DeWine	Inhofe	Thomas
Enzi	Kempthorne	Thompson
Faircloth	Kyl	Thurmond

NOT VOTING—2

Harkin	Helms

The motion to lay on the table the amendment (No. 3338) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3336

The PRESIDING OFFICER. The question occurs on the Gramm amendment.

The Senator from Maryland.

Mr. SARBANES. Mr. President, we had a tabling motion on this yesterday. I am prepared to take it on a voice vote, but I understand there may be some colleagues either who didn't vote who weren't here to vote yesterday or others who may want a rollcall vote.

We can have a rollcall vote at this point on the Gramm amendment, as I understand it.

Mr. LOTT. Mr. President, will the Senator yield?

Mr. President, I believe that vote was 59—what was the vote?

The PRESIDING OFFICER. The motion to table was defeated 44 to 50.

Mr. LOTT. If we could avoid a vote and go on to final passage, I wish we could do that.

Mr. President, I ask that we pass the Gramm amendment on a voice vote.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object—I shall not object—I don't like to have voice votes by unanimous consent. I don't believe we should do that, but we can have a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the Gramm amendment.

The amendment (No. 3336) was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3339

(Purpose: To amend the bill with respect to review of regulations and paperwork reductions, consultation with State supervisory agencies, and the field of membership exception for underserved areas, and to require a study by the Secretary of the Treasury of member business lending)

Mr. D'AMATO. Mr. President, I would like to send to the desk a managers' amendment that has been approved by both sides and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO], for himself and Mr. SARBANES, proposes an amendment numbered 3339.

Mr. D'AMATO. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 40, strike lines 6 through 11, and insert the following:

''(i) is an 'investment area', as defined in section 103(16) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4703(16)), and meets such additional requirements as the Board may impose; and

On page 54, line 8, insert ''(a) IN GENERAL.—'' before ''The''.

On page 57, between lines 16 and 17, insert the following:

(b) STUDY AND REPORT.—

(1) STUDY.—The Secretary shall conduct a study of member business lending by insured credit unions, including—

(A) an examination of member business lending over $500,000 and under $50,000, and a breakdown of the types and sizes of businesses that receive member business loans;

(B) a review of the effectiveness and enforcement of regulations applicable to insured credit union member business lending;

(C) whether member business lending by insured credit unions could affect the safety and soundness of insured credit unions or the National Credit Union Share Insurance Fund;

(D) the extent to which member business lending by insured credit unions helps to meet financial services needs of low- and moderate-income individuals within the field of membership of insured credit unions;

(E) whether insured credit unions that engage in member business lending have a competitive advantage over other insured depository institutions, and if any such advantage could affect the viability and profitability of such other insured depository institutions; and

(F) the effect of enactment of this Act on the number of insured credit unions involved in member business lending and the overall amount of commercial lending.

(2) NCUA COOPERATION.—The National Credit Union Administration shall, upon request, provide such information as the Secretary may require to conduct the study required under paragraph (1).

(3) REPORT.—Not later than 12 months after the date of enactment of this Act, the Secretary shall submit a report to the Congress on the results of the study conducted under paragraph (1).

On page 57, line 16, strike the quotation marks and the final period and insert the following:

''(e) CONSULTATION AND COOPERATION WITH STATE CREDIT UNION SUPERVISORS.—In implementing this section, the Board shall consult and seek to work cooperatively with State officials having jurisdiction over State-chartered insured credit unions.''.

On page 92, strike line 7 and all that follows through page 93, line 15, and insert the following:

SEC. 402. UPDATE ON REVIEW OF REGULATIONS AND PAPERWORK REDUCTIONS.

Not later than 1 year after the date of enactment of this Act, the Federal banking agencies shall submit a report to the Congress detailing their progress in carrying out section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994, since their submission of the report dated September 23, 1996, as required by section 303(a)(4) of that Act.

Mr. D'AMATO. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3339) was agreed to.

Mr. ROBB. Mr. President, I rise today in support of H.R. 1151, the Credit Union Membership Access Act. I do so because I believe that the legislation is necessary to preserve membership opportunities in these financial cooperatives. Given the Supreme Court ruling limiting membership, it is both appropriate and necessary for Congress to pass this legislation to ensure that the requirements for membership in a specific credit union reflect current practices.

As my colleagues know, since 1982, credit unions have been able to take in new groups of members outside their original common bond provided that the additional groups brought in shared a common bond. Not only was this done for safety and soundness concerns, but it also has helped individuals maintain their credit union ties through base closings and other employment changes.

The bill before us today guarantees that no existing member will be forced to give up his or her ties to their current credit union as a result of the Supreme Court decision. It also allows credit unions to continue to attract new members who are part of an existing membership group as well as new groups provided that the new group has a common bond of occupation or association and has less than 3,000 members at the time they join the credit union. This effectively covers 98% of all businesses in America.

I for one have never quarreled with the need for credit unions to continue to attract new members. But with new opportunities come new responsibilities. If credit unions are to have all the rights of a for-profit financial institution, equity requires that they share in their responsibilities. For this reason, I voted to keep the community reinvestment responsibilities in the bill and I also voted to further limit commercial lending activities of credit unions, hoping thereby to keep them to their original focus of consumer lending. In my view, the continuation of their tax-exempt status is threatened by efforts to have credit unions undertake all the rights of a for-profit financial institution.

In conclusion, Mr. President, I want credit union members in the Commonwealth of Virginia to know that I am a strong supporter of their institutions and their rights of membership. As a credit union member myself, I will continue to preserve membership opportunities in these important institutions.

Mr. GRASSLEY. Mr. President, I would like to say a few words about the Community Reinvestment Act or ''CRA'' as it is commonly known. The CRA requires banks to extend loans and credit to low- and moderate-income Americans who reside in low-income areas.

Obviously, as we can tell by the tone of the debate in the Senate today, there are strong feelings about whether it's a good idea for the Federal Government to require that credit be extended to people of modest means since these people may not be good credit risks. I would like to focus on some of the comments of those who support the CRA. They claim that credit should be as widely available as possible. The supporters of the CRA argue that requiring banks to open up credit is good for low- and moderate-income people. It gives these people the opportunity to purchase a home, pay for college or better their lives in important ways.

On last Friday—July 24th—several Senators took to the floor to talk about the value of making credit as widely available as possible. For instance, Senator KENNEDY said ''In this period of sustained economic growth, it is vital that all families have the opportunity to obtain credit in order to buy a home, start a small business or send a child to college.'' Senator KENNEDY went on to observe that ''There is no capitalism without capital.'' These are strong words in favor of making credit widely available.

It will be interesting, Mr. President, to see if the supporters of the CRA take the same position when my bankruptcy reform bill comes to the Senate floor in September. There is a fringe element which opposes all bankruptcy reform who wish to derail this legislation, which passed the Judiciary Committee by a vote of 16 to 2. One part of the effort to stop bankruptcy reform involves criticizing banks which send out a lot of credit card solicitations. The argument is apparently that the banks have made too many risky loans and that Congress should restrict these lending practices. I've heard that bankruptcy reform which doesn't include such restrictions wouldn't be fair or balanced.

Mr. President, I find it interesting that many of those who support the CRA, which requires banks to make risky loans to low-income Americans, are also arguing that we should punish banks for issuing credit cards to low- and moderate-income Americans. It seems to me that the opponents of bankruptcy reform can't have it both ways. It's totally inconsistent to push

banks to make risky loans to poorer Americans, as the CRA would have it, but then to oppose bankruptcy reform because banks have issued too many loans to poorer Americans.

I wanted to point out this striking contradiction today, Mr. President, while we're considering lending practices and the CRA and while the memory of the debate is fresh in our minds. I will return to this topic later, when the bankruptcy bill is on the floor.

Ms. MIKULSKI. Mr. President, I rise today to support the Credit Union Membership Access Act of 1998. This legislation will clearly define who is eligible to join a credit union. It will also provide important safeguards and reforms to keep our credit unions strong and to protect our constituents who use credit unions.

One of my priorities for Maryland is to maintain Maryland's robust economy. Credit unions offer an important alternative to consumers in the financial services market. Keeping financial services competitive and keeping fees down will help to keep Maryland's economy strong.

I am pleased that the Senate is finally taking up this legislation almost four months after it was passed overwhelmingly by the House. I am pleased because I know how important credit unions are for Maryland and the Nation. In fact, I helped to start a credit union at a church in Baltimore.

Credit unions are important because they provide good value and good service in a community setting. A setting where the person behind the counter knows your name not just your account number. In the current era of mega-mergers in the financial services industry, credit unions are needed more than ever.

Credit unions are a part of our communities. I have heard from many of my constituents in Maryland about this legislation. They have written letters, sent e-mail, and visited my office, all to express their support for their credit unions. I have heard from Marylanders who are members of credit unions from the Allegany County Teachers Credit Union in LaVale to the Douglas Memorial Credit Union in Baltimore to the Choptank Electric Cooperative Credit Union in Denton. They love their credit unions because they know their credit unions deliver.

I have also heard from members of the Maryland banking community about their concerns with this legislation. Although I can appreciate their reservations, I believe many of their concerns are addressed in this compromise legislation. However, on one significant point I disagree with them. Credit unions should not pay taxes because credit unions are non-profits. The credit union slogan is ''not for profit, not for charity, but for service.'' I applaud that slogan and I stand with the credit unions today.

There are several provisions in this legislation that I feel deserve to be noted. Not only will this legislation allow small groups that share a common bond to join credit unions, but this legislation will improve credit unions by strengthening regulations to ensure safety and soundness of credit unions and to strengthen the credit union deposit insurance fund.

I also want to praise the ''common sense'' reforms that are included in this legislation, such as the use of Generally Accepted Accounting Principles in credit union reports filed with the National Credit Union Administration, Independent Audits of Credit Unions with more than $500 million in assets, and restrictions on the compensation packages of senior managers in credit unions that convert to for-profit banks.

Finally, Mr. President, I want to send my thanks to the 1.6 million credit union members in Maryland. I am proud of them and the work they do every day. I urge my colleagues to support this bill and to support their local credit unions.

Mr. CHAFEE. Mr. President, I would like to clarify a point that was raised on the floor yesterday concerning an unfortunate event that occurred in my home State of Rhode Island almost a decade ago: the failure of the Rhode Island Share Deposit Insurance Corporation (RISDIC). Some Senators have suggested that the failure of RISDIC was triggered by credit unions getting overly involved in business lending. That is not entirely accurate.

The credit unions did not trigger the RISDIC crisis. Instead, the collapse of the system can be traced to a substantial embezzlement from the Heritage Loan and Investment Corporation, a type of state-chartered bank. In fact, of all the credit unions that were closed in Rhode Island during that crisis, none was federally insured and none was either supervised or examined by federal regulators. Indeed, during that entire period of the so-called credit union crisis, those credit unions that were chartered, insured, supervised, and regulated by the federal government continued to perform flawlessly, despite the disastrous economic turmoil around them.

So I just want to say again that the RISDIC crisis was not caused by credit unions. Rather, the credit unions were the unfortunate victims of a crisis brought about by embezzlement from a bank.

Mr. TORRICELLI. Mr. President, today I rise in support of H.R. 1151. Credit unions have been, and remain, a vital component of our national banking system. At a time when credit unions serve more than 74 million people nationally, any initiative that would impede the ability of credit unions to provide services to their members, would seriously undermine the financial well-being of the public, and the fortitude of our financial industry. That is why today's action is so important to the future of the credit union industry.

Despite the claims by opponents of credit unions that state otherwise, credit unions are nonprofit entities that provide much needed opportunities for hard-working people. To millions of Americans, the low-interest loans that credit unions offer represent the opportunity to buy their first home, the chance to purchase a much needed automobile, the ability to send their children to college, or achieving the dream of starting their own business. For example, in my home State of New Jersey, there are over 315 credit unions that serve more than 1.1 million people.

Passage of this credit union legislation demonstrates a commitment by the U.S. Senate to millions of hard-working American families. Supporting credit unions means bolstering our economy and providing more financial opportunities to save and invest soundly.

Mr. President, I urge my colleagues to support credit unions by voting in favor of H.R. 1151.

Mrs. MURRAY. Mr. President, I rise to state my strong support for the Senate version of H.R. 1151. This legislation is important, bipartisan and should be adopted unanimously by my Senate colleagues. I commend the members of the Banking Committee, where I served for four years, for crafting this legislation and moving it to the floor for full Senate consideration.

I will vote for the Credit Union Membership Access Act. It is the right thing to do and the Senate is overdue in taking this action. This legislation clarifies credit union membership in a manner that protects consumers and the competitive financial services industry. In the Senate bill, existing credit union members are grand-fathered into their current credit unions and new common bond criteria are established for future growth in the credit union industry.

Mr. President, the credit union legislation is widely supported by consumer rights organizations including the Consumer Federation of America and the American Association of Retired Persons. Other key supporters of this legislation include the National Farmers Union, the National Rural Electric Cooperative Association, the National Association of Counties, the Fraternal Order of Police and the American Small Business Association. Perhaps most noteworthy to me is the strong support of my constituents for this legislation. Thousands and thousands of credit union members have contacted me, hundreds have visited my office with personal credit union anecdotes, and numerous others have approached me on my travels through Washington state. This issue has resonated with my constituents who value and want to preserve and protect credit unions and the services they provide.

Importantly, with the August recess approaching and the 105th Congress soon to adjourn, we still have time to get this legislation to President Clinton for his signature. That must be the

Senate's objective today; to get this legislation to President Clinton so that we may address the field of membership situation created by last February's Supreme Court decision.

The Senate did make a number of important changes to the House passed bill. For example, the Senate version of credit union legislation includes new provisions to protect the soundness of credit unions, new capital standards and prompt corrective action for undercapitalized institutions, limitations on commercial lending, new accounting and auditing procedures, and community reinvestment requirements.

While I support the Senate Banking Committee's efforts to improve the House adopted bill, the field of membership issue is really what this bill is all about. The Senate should not lose sight of this objective and certainly, the Senate should not let additional issues imperil this bill. Therefore, I will vote against the amendments to this bill; some of which have been described as killer amendments, and others that will complicate final passage of this bill.

I urge prompt passage of the credit union legislation.

Mr. MCCAIN. Mr. President, as a strong supporter of the credit union industry, I rise to express my support for H.R. 1151, the Credit Union Membership Access Act, on which the Senate will vote today.

As my colleagues are aware, this bill was overwhelmingly passed in the House of Representatives by a vote of 411–8. I anticipate that the support for this bill in the Senate will reflect that of the House of Representatives, and will again pass with a notable bipartisan majority.

Mr. President, this issue came to the forefront when the Supreme Court agreed to hear the Credit Union's arguments for increasing the size of their base membership. While I understand the objections which the banks raised regarding the growth of credit unions, I have always believed that consumers should have the broadest range of choices in financial services.

I support the Credit Union Membership Access Act because I believe that members on both sides of the aisle have worked hard to ensure that this bill is fair and balanced and protects both the rights and securities of consumers.

Mr. KERRY. Mr. President, I would like to take this opportunity to offer my congratulations to Chairman D'AMATO and Democratic Ranking Member SARBANES for their fine work on the Credit Union Membership Access Act and for successfully completing this work on this important bill today. Working families in the United States, whether they live in urban or rural areas, deserve access to fairly priced credit and other financial services.

Credit unions have historically served as a way for people of average means, without easy access to affordable credit, to pool their savings to make credit available to themselves and their fellow credit union members at competitive interest rates. In 1934, the Federal Credit Union Act created the federal credit union charter. Today in Massachusetts, there are 317 Credit Unions serving approximately 1.7 million people.

Since 1934, credit unions have been helping both individuals and working families. They have helped launch and sustain small businesses. Some of them have played an important role in the development and revitalization of economically distressed communities.

Historic mergers, consolidations and acquisitions have taken place in the financial service industry in recent years. Consumers have less choice, not more. Simultaneously, the Supreme Court earlier this year decided a case pertaining to how widely credit unions may reach for membership. These factors have created a necessity for the Congress to consider carefully the role credit unions should play in the mix of financial institutions in our nation.

Federal credit unions have traditionally had ''fields of membership'' defined by ''common bond'' of association, occupation or geographic location. In 1982, the National Credit Union Administration developed regulations that allowed credit unions to be composed of multiple unrelated employer groups, each having its own distinct common bond of occupation. In February, the Supreme Court ruled that this NCUA regulation interpreted the law so broadly that it would be permissible to grant a charter to a conglomerate credit union whose members would include employees of every company in the United States. Without the passage of the Credit Union Membership Access Act, some credit unions could be forced to expel current members not affiliated with the original occupation group.

I believe that the members of all current multiple-group credit unions should be allowed to continue in the credit unions they have chosen. It is vital to maintain the current credit union model as a key piece of the financial services system and credit unions must be permitted to prospect for members sufficiently to maintain their viability. Dislocating approximately 10 million credit union members not affiliated with their credit union's original occupation group could potentially have serious effects on the safety and soundness of credit unions in Massachusetts, and across the nation.

This legislation establishes that separate groups having their own common bond of occupation or association that have less than 3,000 members are eligible to join an existing credit union. It assures that 10 million Americans have continued access to their credit union. It will allow another 25 million the right to join a credit union as a result of their employment within a certain company or organization. Finally, this act will help insure that 62 million Americans who own, operate or are employed by a small business will not be limited in their choice of financial institutions in the future.

The purpose of credit unions—and for the tax exemption they receive—is to facilitate loans and other services to low-income communities, individuals, and very small businesses. They were never intended to be simply alternative, tax-exempt commercial banks.

I have heard from a number of community banks in Massachusetts that believe credit unions which offer business loans have a substantial advantage over banks because of their tax exemption. Most credit unions are not involved in business lending and most of those who are focus on assisting very small businesses. However, some community banks believe that a small minority of credit unions that are involved in business lending has taken advantage of the current rules and expanded their product lines to the point that they are banks in all but name.

I am also concerned about the lack of available information on the details of credit union business lending. The National Credit Union Administration does not have accurate information on the size or types of business loans made by credit unions.

That is why I successfully included in this legislation an amendment requiring the Department of Treasury to study the issue of credit union business lending. This study would include an overall examination of credit union member business lending including the amount of business lending more than $500,000 and less than $50,000, and a breakdown of what types of businesses and the size of businesses that receive loans. It would determine how much credit union business lending goes to low- and moderate-income areas and the extent to which credit union member business lending meets the financial services needs low- and moderate-income individuals. Finally, it would determine whether credit unions which engage in member business lending have an advantage over community banks and if those advantages affect the survival and profitability of community banks. I am grateful to Chairman D'AMATO and Democratic Ranking Member SARBANES for including this study in the credit union legislation.

I remain concerned as to how this legislation will affect the smaller community banks in Massachusetts and across the nation. That is why I worked to include in this legislation a study on legislative and administrative action to reduce and simplify the tax burden for community banks with less than one billion dollars in assets.

I strongly support the requirement that credit unions must hold seven percent of net worth in retained earnings to be considered well-capitalized. If a credit union is critically undercapitalized, this legislation allows the NCUA to appoint a conservator or liquidating agent to take action to avoid losses to

the National Credit Share Insurance Fund. This will limit the use of taxpayer funds to assist insolvent credit unions, and insure the credit union system remains safe and sound. In addition, I heartily endorse the section of this legislation that requires prompt corrective action for credit unions facing financial difficulty.

I am disappointed that the provision to require the NCUA to evaluate annually the record of credit unions in meeting the credit needs of their local communities and low- and moderate-income individuals was taken out of the bill. I believe that this provision would have assisted credit unions in refocusing their energies toward those who need access to financial services the most. These are the people who credit unions were designed to serve.

While not perfect, this legislation will ensure that credit unions continue to offer needed financial services to underserved, low- and moderate-income working families. This is a worthwhile compromise that I believe is basically fair to both credit unions and banks, as well as their customers. I will join my colleagues in supporting this important legislation.

Mr. SARBANES. There is a special class of credit unions—known as community development credit unions—that bear special mention. Community development credit unions serve consumers, neighborhoods, and rural areas that are predominantly low-income. Because of their special mission and circumstances, some community development credit unions may have difficulty in generating capital.

On the deposit side, community development credit unions have high operating costs because they serve an extremely labor-intensive market of very low-balance depositors. The average depositor in a community development credit union has $1,462, which is one-third the $4,300 of the average depositor in non-low-income credit unions. Typically, as much as 40 percent to 60 percent of the community development credit unions' membership base consists of persons with less than $200 on deposit. Moreover, many of community development credit unions' very-low-balance depositors use the credit union solely for transactions—that is, they deposit checks and immediately withdraw virtually the entire balance.

On the lending side, community development credit union's business consists primarily of making small loans to borrowers with imperfect credit. The average loan balance per member at a community development credit union is $1,190 compared to $3,200 at all credit unions. Thus, community development credit union loans tend to have more credit risk and higher transaction costs (i.e., noninterest costs per dollar loaned) than loans made by other credit unions, thereby resulting in lower net returns. These lower net returns mean relatively lower income for the community development credit union, which makes capital accumulation more difficult.

The challenges community development credit unions face from credit risk and low returns are exacerbated because communities served by community development credit unions are especially vulnerable to economic downturns. Unemployment rates in such communities are typically two or three times the national average. Unemployment in low-income communities is slow to decline as the economy improves, and quick to worsen when the economy deteriorates.

Despite these challenges, most community development credit unions today are quite strong and have capital ratios similar to those of other credit unions. And the changes brought about by new capital requirements and prompt corrective action will ultimately strengthen all community development credit unions.

Does the Senator agree that this is a fair description of the challenges facing community development credit unions?

Mr. D'AMATO. Yes. I think that the Senator has set forth a good analysis of the challenges community development credit unions face.

Mr. SARBANES. The bill gives all credit unions two years before these provisions become effective. Because of their mission and the special characteristics that arise from that mission, some community development credit unions may have unique difficulties in becoming and remaining adequately capitalized. Accordingly, some community development credit unions may need more time than most other credit unions to build capital in order to comply with the legislation's new capital standards and prompt corrective action provisions. Does the Senator agree?

Mr. D'AMATO. Yes, it is possible that some community development credit unions may require added time to increase their capital.

Mr. SARBANES. So, the question arises: How may the NCUA deal with this issue while implementing the bill's safety and soundness provisions?

In my view, the NCUA should be mindful of community development credit unions' unique circumstances in applying the bill's prompt corrective action provisions. In addition, community development credit unions that demonstrate that they can build their capital over time to the required levels—as evidenced by an acceptable net worth restoration plan—should be given the full opportunity to do so.

Mr. D'AMATO. The Senator is correct. Community development credit unions must meet the bill's capital requirements like any other credit union. At the same time, there is a transition period, and the bill's prompt corrective action provisions give the NCUA sufficient flexibility to work with undercapitalized community development credit unions that have an acceptable plan for meeting the bill's capital requirements.

Mr. SARBANES. I thank the Senator.

Mr. D'AMATO. Mr. President, I rise to make a few closing remarks on a job we are close to finishing—to preserve and protect the right of all Americans to join a credit union, now and into the future, and ensure that none of the 73 million Americans who are now members of credit unions have their membership status threatened in any way.

CREDIT UNIONS WORK FOR THE LITTLE GUY

People love their credit unions and why? Because credit unions take care of the little guy. This Senator is committed to not let these people down. We must pass this legislation and have it enacted to preserve the right of Americans to be members of a credit union.

CREDIT UNIONS INVEST IN PEOPLE AND COMMUNITIES WHEN OTHERS WILL NOT

For decades, the American dream has been made a reality by credit unions. These cooperatives have reached out to individuals, associations and communities that have had the door slammed in their faces by other institutions. Tens of millions of hard working people have improved their quality of life and passed the benefits along to their families, but all of that could change if we don't act.

CREDIT UNIONS PROVIDE BASIC FINANCIAL SERVICES WITHOUT EXCESSIVE FEES

Mr. President, I know this is a very personal issue, a pocketbook issue, for the over 70 million current members. For example, many people may not be aware that—

Credit unions have had the highest customer service and satisfaction ranking of any depository institution for the past 14 years.

Credit unions offer more services at lower costs than most banks.

Credit union competition is a major force keeping bank service fees and loan rates lower, and interest on savings higher.

Why such amazing support for a financial institution? The answer is simple. Credit unions are for the little guy. Credit unions make a difference.

CREDIT UNIONS PUT CONSUMERS FIRST

To their customers, credit unions are far more than just a safe place to put away a few dollars for tomorrow. Making a deposit or withdrawal is more than just a business transaction.

A credit union has an atmosphere that says friendship and family. The elected leadership is made up of volunteers who actually listen. Tellers actually talk to their customers. With service like that, why wouldn't customers like going to their credit union? It's all about neighbors and fellow employees getting together, working together and investing together for everyone's benefit. Just ask any credit union member.

Mr. President, let me emphasize that those who support credit unions are not anti-bank. After all, many credit union members also have bank accounts. And it also deserves comment that—without any cost to the taxpayer—credit unions have weathered the serious economic downturns that

have affected other financial providers. And that's something to be proud of.

Mr. President, the Senate should follow the House vote of 411 to 8 to act to save credit unions based on the principle that competition is beneficial. Without competition, interest rates paid to customers would be lower and loans and ATM fees would be more expensive. Congress should only act in ways that would increase competition between financial institutions.

CREDIT UNIONS CARE ABOUT HARD WORKING AMERICANS

As a matter of principle, it should also be the responsibility of Congress to put the consumer first. We should pass legislation that is all about what is best for individuals, small businesses, large businesses and anyone who needs the services of a financial institution. And that means no one—no one—should be thrown out of a credit union and then forced to do business with another financial institution against their will.

This Senator intends to make sure that does not happen.

Mr. President, hardworking families have a right to choices and opportunities. People with savings of less than $1,000—individuals who struggle each week to pay the mortgage, put food on the table, and put something away for the future—deserve the same financial choices and opportunities that other Americans enjoy. Credit unions are good for the consumer and good for the country.

Mr. President, credit unions work for working families.

Mr. President, again I urge my colleagues to support this legislation and vote to pass H.R. 1151, the Credit Union Membership Access Act as our colleagues did in the House with an overwhelming vote.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment, as amended, and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. HELMS) would vote ''no.''

Mr. FORD. I announce that the Senator from Iowa (Mr. HARKIN) is absent due to a death in family.

I further announce that, if present and voting, the Senator from Iowa (Mr. HARKIN) would vote ''aye.''

The result was announced—yeas 92, nays 6, as follows:

[Rollcall Vote No. 239 Leg.]

YEAS—92

Abraham	Enzi	Lott
Akaka	Faircloth	Lugar
Allard	Feingold	McCain
Ashcroft	Feinstein	McConnell
Baucus	Ford	Mikulski
Bennett	Frist	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Gorton	Murkowski
Bond	Graham	Murray
Boxer	Gramm	Reed
Breaux	Grams	Reid
Brownback	Grassley	Robb
Bryan	Gregg	Rockefeller
Bumpers	Hatch	Roth
Burns	Hollings	Santorum
Byrd	Hutchinson	Sarbanes
Campbell	Hutchison	Sessions
Chafee	Inouye	Shelby
Cleland	Jeffords	Smith (NH)
Cochran	Johnson	Smith (OR)
Collins	Kempthorne	Snowe
Conrad	Kennedy	Specter
Coverdell	Kerrey	Stevens
Craig	Kerry	Thomas
D'Amato	Kohl	Thompson
Daschle	Kyl	Thurmond
DeWine	Landrieu	Torricelli
Dodd	Lautenberg	Warner
Domenici	Leahy	Wellstone
Dorgan	Levin	Wyden
Durbin	Lieberman	

NAYS—6

Coats	Inhofe	Nickles
Hagel	Mack	Roberts

NOT VOTING—2

Harkin	Helms

The bill (H.R. 1151), as amended, was passed.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I thank all of my colleagues, not only for the final vote on this important legislation, but for the manner in which an excellent debate was conducted. I very much appreciate Senator LOTT scheduling this important bill. But a special commendation is in order to a number of people, starting with the ranking member, my friend, Senator SARBANES. I thank him for his steadfast support in developing the opportunity for Members to be heard, and for Members to have their concerns listened to, and debated, resulting in final passage of the bill, notwithstanding some very contentious issues. I believe that the credit unions, not only of Maryland but of this country, have a demonstrated champion in Senator SARBANES.

The fact is that credit unions support the little guy. Historically, credit unions have invested in people and in communities when others would not—yes, when others would not.

Credit unions have provided the basic financial services without excessive fees, and they continue to do that. We need them in this day of consolidations and megamergers to be out there to service all communities, especially the small communities and, again, the little guy. I don't mean ''little'' in terms of size and stature, because they are the hard-working, middle-class Americans who are the backbone of this country. Indeed, they set a standard and they challenge, even when others don't like that challenge.

And likewise, there may be unfair burdens on some of the community banks, and we have to deal with that challenge. But you don't do it at the expense of an organization of the thousands and thousands of credit unions and the hundreds and hundreds of members who work in these credit unions on a voluntary basis, without pay, and in many cases, without any compensation. Yes, truly, America can be proud of our credit unions. Credit unions care about hard-working Americans.

None of this could have been possible without staff because I believe that we have had the best staff that anyone could have, both Republicans and Democrats, working to bring about substantial improvements over the legislation that came from the House—I mean substantial.

For the first time, we set rigorous standards to protect the taxpayers of the United States—that is right—to protect them. For the first time, we limit—and I think prudently so—commercial lending activities that credit unions can undertake while giving them the opportunity to continue doing so and to continue serving their communities. And again, I believe we applied limits to commercial lending in a prudent manner.

Mr. President, I take this opportunity to thank the hard-working staff, a bipartisan staff. I want to acknowledge Senator SARBANES' staff—Steve Harris and Marty Gruenberg and Dean Shahinian. And Phil Bechtel, Madelyn Simmons, Rachel Forward, and our staff director Howard Menell, I thank them for their hard work on this bill. They have done a unique job in working together, never allowing political differences to interfere with the people's work.

Let me say, Mr. President, that the House is to be applauded for moving so speedily on their legislation. I hope

that they will accept the improvements that we have made without the necessity of going to conference. Representatives KANJORSKI and LATOURETTE took the lead on this bill in the House. I am hopeful they will view the Senate's well-considered modifications to the original bill as positive changes to enhance the safety and soundness of credit unions and expedite the enactment of this legislation.

I also commend Chairman LEACH and the House leadership in sending us H.R. 1151 as speedily as they did, because were we not to have gotten it in such a timely manner, we could never have completed the legislative changes that we have made part of the legislation.

Mr. President, again, I thank all of my colleagues for their outstanding work and for their cooperation, notwithstanding the differences that may have existed. We passed a good bill for working Americans.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Maryland.

Mr. SARBANES. Mr. President, first of all, I express my appreciation to the distinguished chairman for his very kind remarks about my efforts with respect to this legislation. But I really want to underscore the very skillful leadership which Chairman D'AMATO provided in helping to move the bill through the committee and then through the Senate on the Senate floor.

This was not a bill without significant controversy in it. I think the committee worked out a balanced package and preserved most of it on the Senate floor—I regret not all of it. But in any event, I think the legislation we now have passed is a reaffirmation for the credit union movement of their important role in serving consumers.

When the cooperative movement was established in the early part of the century, it was premised on the proposition that individuals coming together, ''small people,'' would gain access to credit; that the credit union movement would remain concerned and dedicated to their needs and would provide them an opportunity to share in the American economy.

Credit unions, by and large, have done a good job of that over the years. And this legislation, I think, will enable them to continue to do a good job. It has important safety and soundness provisions in it, the consequence of a very comprehensive and thorough Treasury study on the basis of which the committee was able to incorporate into the legislation some very important safeguards.

But I say to the credit union movement: We worked very hard in the aftermath of the Supreme Court decision which, of course, cast a pall over the credit union movement. It really raised very severe questions as to what the future of the credit union movement would be. This legislation has answered that question.

But I think implicit on the part of the Congress, in answering that question, is that credit unions will redouble their efforts in terms of serving the purposes for which they were established.

Some have criticized the credit union movement. They say they are getting away from those purposes. I am frank to say I do not think that is generally true of the credit union movement. I think you can point to isolated exceptions. And I only raise the warning flag that to the extent those exist, they tarnish the image of the credit union movement in the eyes of many.

So with this legislation, which has given them a path to move forward, a firm and secure path to move forward, I look forward to the credit union movement reaffirming its basic and original purposes and look forward to continuing to try to work closely with them in achieving those objectives.

I, too, like the chairman, express my very deep appreciation to the staff on both sides, to Howard Menell and Phil Bechtel and Rachel Forward and Madelyn Simmons on the Republican side—we depend very heavily on our staff; they are extremely competent and dedicated; they were in here many nights, late into morning hours in order to help put this legislation together—and Steve Harris and Marty Gruenberg and Dean Shahinian and Mike Beresik on our side of the aisle.

We were able to work together in a cooperative and positive and constructive manner on this legislation. I always look forward to those opportunities with the chairman. It is not always possible. Usually when it is not possible, we set up a separate committee to deal with the issues and work within our own committee.

I close, again, by commending the chairman for a very skillful job in helping to move this legislation through the Senate.

Mr. President, I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent to proceed—I tell my colleagues I will be very brief—as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO JOHN GIBSON AND JACOB CHESTNUT

Mr. LEAHY. Mr. President, much has been said on the Senate and the House floor about John Gibson and Jacob ''J.J.'' Chestnut, two police officers on the Capitol Police Force. And much more will be said. I add my words of praise and appreciation to both of them.

I knew both these police officers. Officer Chestnut—J.J.—would see us come through the Senate at several different times, and he would tell me a member of my family has already gone through because he had seen them, or conversely, if they came through he would tell them where I was.

Detective Gibson traveled with many of us at different occasions. He even came to one, I believe, with the ''Singing Senators'' from the other side of the aisle. He was the man who at events where Senators would gather, would be there because he would recognize not only the Senators, but their spouses; would wave them on through, would greet them, would make them know they were among friends. We always knew we were.

Mr. President, I have been a Senator now for nearly 24 years. I walk into this building every day that we are in session, many when we are not. I have gotten to know many of the police officers, and so many others, the hundreds of people that make this body run, make this Capitol run.

This truly is a death in the family.

Even if I had not known the officers as I did, I would feel that way. But knowing them in some ways makes it even sadder, more poignant, more difficult.

I love the Senate and I love the symbol of democracy that our Capitol holds to the public. To see this terrible, terrible thing happen in something that means so much to all of us, it is almost impossible to describe my feelings.

My wife and I had flown to Vermont last Friday. We got to my office in Burlington and were there only a matter of minutes and heard the news. Much of the rest of the evening was a blur, just sitting in our farmhouse watching the news and not believing it.

Probably the greatest tribute to two brave police officers was the fact that this Capitol, this symbol of democracy not only to our own Nation of a quarter of a billion people but to the rest of the world, this Capitol was open almost immediately thereafter.

There is no way we could bring these officers back. It is a tragedy that will be felt by their spouses and their children, in one case, grandchildren, for the rest of their lives. No matter what we do as Members of the Senate or the House, we cannot bring them back to their families. We can only offer our profound sympathy to their families. It is a sympathy that is felt deeply by every single Member of the Congress, Republican or Democrat. It makes no difference whether they have been here a long time or a short time. Our hearts go out as human beings to the families of these officers.

What we have done in immediately reopening the Capitol, in saying to the public today they can walk in here at any time as they do in the galleries today, we are saying to those officers that your deaths were not in vain. Think, Mr. President, what a different country this would be if somehow this Capitol, this symbol of democracy, was closed down. Think what it would be like if the public, not only Americans but those visiting from around the world, think what it would be like if