

(2) CONFORMING AMENDMENT.—Section 803(6) of the Fair Debt Collection Practices Act (15 U.S.C. 1692a(6)) is amended by striking “808(6)” and inserting “808(a)(6)”.

Mr. WELLSTONE. Mr. President, there are a few of the truly onerous provisions of this bill affecting hard-pressed, working families.

Section 105—someone needs to focus on this—imposes mandatory credit counseling on debtors before they can seek bankruptcy relief, at the debtor's expense. This is regardless of whether the bankruptcy would be the result of simple overspending or something unavoidable such as a serious illness in your family and a medical expense.

Forty-four million people in our country do not have health insurance.

There is no waiver of this requirement if the debtor needs to make an emergency bankruptcy filing to stave off eviction or a utility shutoff. It is amazing. I can't believe this.

Again, you have a situation—I used to do a lot of work organizing with poor people—with a family, and these people are denied. They have to go through mandatory credit card counseling before they can seek bankruptcy relief, even when it is clear it isn't because they just overspent, that it is because something happened to them that was beyond their control, such as an illness in their family. And there isn't even a waiver of this requirement when the family has to get the emergency bankruptcy filing in order to stave off an eviction or a utilities shutoff.

It is cold outside today in Washington, DC. Do you know what a utility shutoff would mean to family?

Section 311 would end the practice under current law of stopping eviction proceedings against tenants who are behind on rent who file for bankruptcy. What we are saying is if a tenant is filing for bankruptcy right now, they have at least some protection. Section 311 will basically end this protection. You can go on with the eviction proceedings.

Section 312 will make a person ineligible to file for chapter 13 bankruptcy if he or she has successfully emerged from bankruptcy within the past 5 years, even if it was a successful chapter 13 reorganization where the debtor paid off all the creditors. If they have been through it successfully before and paid off all of the creditors, and there is an emergency medical bill or whatever happened—they lost their job—they are ineligible.

This is called reform?

I started out saying before the Chair came that you have this unbelievable practice right now that I am trying to go after with one amendment—these title car pawn loans and payday loans—car title pawn loans, again, where somebody needs \$100, or \$200, and basically they get the loan. The unscrupulous creditor says: We give you the loan. You pay us the high interest. In addition, we want the key to your car. We have a loan on your car.

If they do not pay it back at the end of the week, or after 2 weeks, they take the car key and sell it. Whatever money they make, they can keep, even if it is above and beyond what they owe the debtor. It is unbelievable. We ought to do something about that. This is a ludicrous business. These are hard-pressed people and this is the only place they can go right now.

I talked about these payday loans. In all due respect, again, these folks who do this ought not be covered by this bankruptcy. They ought not be able to collect these payday loans. It is unbelievable. It is the same thing. You need a loan of \$100 for a week or two. You are charged 15 percent interest. They roll over again and again. It can be as high as 300 or 400. There have been some cases where it has been as high as 2,000 percent interest.

We ought to say, in all due respect, if you folks want to be allowed to claim, we ought to put a limit, and if the limit is going to be at 100-percent interest, it seems to me that is pretty high—100 percent interest payments? Maybe we want to say then we prohibit the recovery of loans.

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

Mr. WELLSTONE. I am sorry to say to my colleague that I have been yielding over and over again. I will try to finish by 12:30. Let me finish, and then I will yield.

Mr. President, on this piece of legislation, I started out citing that there are three or four national studies—three or four independent national studies, credible national studies. That is a matter of fact. What is supposed to be a crisis no longer exists, and the trend is that there are going to be fewer bankruptcies.

I then went on to say there are still too many. But the irony is that the reason a lot of people have to file for bankruptcy is because we haven't done a darned thing when people do not have health insurance. We haven't done a darned thing to make sure people find a job with descent wages. We haven't done a darned thing about affordable child care. We are doing nothing about the crisis in affordable housing, including in rural areas. All of this impinges on these families, but instead we have this piece of legislation.

I then went on to argue, and I cited a number of provisions which are draconian, this piece of legislation targets low-income people. The people who are going to be most harshly treated by this are poor people, senior citizens, women, and single parents.

I then went on, and I gave many instances to say that it does nothing about the unscrupulous creditors—nothing at all. There is no accountability there. There was not a call for responsibility on their part.

I will be back next week with two amendments. I will have an hour to argue my case. I hope at least on these two amendments I can receive majority support. I have tried to take some

time this morning and I will take more time next week to at least get people in the country, people who watch this debate or people who write about this debate, to understand there are a lot of punitive provisions in this piece of legislation. It hardly can be called “reform.”

There are many organizations—consumer organizations, senior organizations, children's organizations, labor organizations—that have raised important questions about this. I think rather than a step forward, this is a very harsh step backward.

I am pleased to yield for a question or comment from my colleague from Alabama.

The PRESIDING OFFICER. Is the Senator aware we are under a previous order to get to recess at 12:30?

Mr. WELLSTONE. I am pleased to debate this subject with my colleague next week.

Mr. SESSIONS. I had a question about the amendment but I don't think it is necessary to pursue it today at this time.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:31 p.m., recessed until 2:16 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mrs. HUTCHISON].

#### BANKRUPTCY REFORM ACT OF 1999—Continued

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Madam President, I rise today in strong support of S. 625, the Bankruptcy Reform Act. This legislation is urgently needed to address abuses of our bankruptcy laws and help make sure bankruptcy is reserved for those who truly need it.

We have had Federal bankruptcy laws for 100 years, and no one disputes that some people must file for bankruptcy. Some people fall on hard times and have financial problems that dwarf their financial means. They need to have the debts that they cannot pay forgiven, and they need a fresh start.

However, other people who file for bankruptcy have assets or have the ability to repay their debts over time. These people should reorganize their debts. Bankruptcy should not be an avenue for people to avoid paying their debts when they have the ability to do so. People should pay what they can.

The problem is becoming more serious because more and more people are filing for bankruptcy every year. The number of consumer bankruptcy filings has more than quadrupled in the last 20 years. More Americans filed for bankruptcy last year than ever before.

S. 625 addresses the issue by making it easier for judges to transfer cases