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House of Representatives

The House met at 10 a.m.

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

O Lord, open my lips.

And my mouth shall declare Your praise. O Lord, give us voice that Your justice be heard again on Earth; and Your goodness be revealed in signs of unity and peace.

May all the words echoed in this Chamber today spring forth from Your spirit living in the hearts of this Nation.

Let Your truth and Your beauty be our guide as we gather to serve the common good.

We ask Your blessing now and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Florida (Ms. ROS-LEHTINEN) come forward and lead the House in the Pledge of Allegiance.

Ms. ROS-LEHTINEN led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain 5 one-minutes on each side.

ELIAN'S UNCERTAIN FUTURE

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, this morning, Juan Miguel Gonzalez arrived in the United States, more than 4 months after his little boy Elian was rescued at sea under miraculous circumstances.

Elian's fate is still uncertain. However, if deported there are truths we could be certain about. If deported, Elian will become the property of the Castro regime. Castro officials themselves declared just this week that Elian is Cuba's possession.

If forced to return to Cuba, Elian will be hospitalized for an undetermined period of time, and hospitalized is Castro's euphemism for reeducation and reprogramming.

If deported, 6-year-old Elian will be subjected to the type of education pictured here where children are given combat training and are forced to use rifles and other weapons as part of their elementary school curriculum.

Despite Elian's mother's ultimate sacrifice for him to live in freedom here in the United States, despite Elian's struggle to survive the perilous journey from Castro's Cuba, despite Elian's desire to remain in the United States, his days of liberty may give way to a future of forced child labor, enslavement, and oppression.

Today may mark a sad day for democracy, freedom, and the rule of law.

ENRON FIELD, NEW HOME OF THE HOUSTON ASTROS

(Mr. GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, I rise today to speak about a new baseball park that is opening for the Houston Astros National League opening this Friday night.

I know a lot of times Members get up, and I do it too, on 1-minutes and talk about the issues of the day, and that is important because that is what we are here for, but it is also used to talk about things that are happening across this great country of ours.

In Houston, Texas' tomorrow night National League opener, the Houston Astros, is in our new Enron Field. Having grown up in Houston and watched the old Colt 45s in Colt Stadium and the Astros in the Astrodome, our new home, the three-time defending National League Central Champions, the Houston Astros are opening in Enron Field. It has been called the ninth wonder of the world now because it replaces the Astrodome which was the eighth wonder of the world.

The new diamond was approved by the voters and built in the heart of downtown Houston, like a lot of baseball stadiums are being done today in advancing the economic vitality of our city centers. It features 42,000 seats and all the amenities that everyone could ever imagine that those of us who grew up with baseball cannot imagine that would be available. I am proud of the Astros along with the City of Houston, and best of luck tomorrow night when they play the Philadelphia Phillies.

PRESIDENT CLINTON'S TRIP TO INDIA

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, we serve in historic times. This is the first administration in history to consume $50 million in what amounts to a 6-day expedition. The President has just returned from an official trip to India and Pakistan. On this trip, he took 77 Air Force planes and a huge entourage. He said he was going there to try to stop the arms race between India and Pakistan. It seems that the President and his aides spent more time sight-seeing at the Taj Mahal and looking for tigers

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than engaging in productive diplomacy, and all of this cost the taxpayers $50 million.

How interesting that it took Ken Starr 6 years to spend that much investigating indiscretions at the White House, and the White House called that investigation a waste of taxpayer money. Think of it, 6 days of sight-seeing versus 6 years of investigations. It turns out that Starr may have been the most frugal executive branch employee of them all.

INTERNATIONAL FAMILY PLANNING

(Mrs. MALONEY of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MALONEY of New York. Mr. Speaker, I rise today in support of international family planning. Today international guests from Kenya, Albania, Nigeria, Colombia, and Bangladesh will be visiting offices and participating in a forum cosponsored by the Congressional Caucus on Women'S Issues on why family planning matters.

They will testify with personal stories from the field on how important family planning is in saving women's lives.

In 1998, this body cut all U.S. funding for UNFPA and drastically cut USAID. Along with many of my colleagues, we fought back by introducing legislation to reinstate the U.S. contribution to UNFPA. We were successful last year in securing $25 million. This year it is time to go back to the future, back to 1995 levels for international family planning. I hope my colleagues will take advantage of our international guests visiting with us today and take the time to speak with them on what family planning programs give to communities around the world.

I hope they will support our bill H.R. 3634, the Saving Women's Lives Through International Family Planning Act.

FEED THE POOR AND HUNGRY CHILDREN IN AMERICA WITHOUT FRAUD AND ABUSE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, I support giving all the help we can to poor, hungry children in America, but when the programs that are supposed to help children are wasting money instead, that is a problem.

A recent review by the House Committee on the Budget found that the food stamp program made an estimated $1.4 billion in improper payments in 1998, because food stamps are like currency, they can be easily used for fraudulent purposes.

For example, 14 members of an Indiana gang stole $728,000 worth of food stamps from four county welfare offices and proceeded to trade them for cocaine and explosives.

In 1995 and 1996, a total of $8.5 million in food stamps were paid out to 26,000 dead people in four States. No one knows who cashed in the benefits.

These are types of blatant fraud and abuse that hurt the children's food stamps that were designed to help and we need to do something about it.

INVESTIGATE CHINESE THREATS TO NATIONAL SECURITY

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the Justice Department has attacked Bill Gates and Microsoft with a passion, literally trying to destroy the company. Meanwhile, the Justice Department refuses to investigate serious allegations of crimes involving Communist Chinese nationals and top White House officials. Something is wrong here, very wrong. Microsoft may be a threat to software, but China is an absolute threat to hardware and the national security of the United States of America.

Now we may never see the day, but I predict unless Congress intervenes, our children and their children may some day meet a massive Chinese military threat armed to their dragon teeth with arms and weapons bought by the American taxpayers no less. Beam me up.

I yield back the fact that we need an investigation into these allegations.

PORKER OF THE WEEK AWARD

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, not too long ago I gave Bill Clinton my porker award for his $72 million trip to the African continent. Well, it looks like he is at it again. Clinton just returned from India, Pakistan, Bangladesh, and Switzerland with not one foreign policy success. He did nothing to ease the poverty in Bangladesh, was scoffed at by the Indian parliament, dismissed by Pakistani leaders, and rebuffed by the President of Syria.

Instead, he showered the America public with photos of himself playing with elephants, dancing with, quote, empowered women and touring the Taj Mahal with daughter Chelsea.

The 10-day trip included a virtual aerial armada of 26 military cargo planes and more than 50 other support aircraft. The Air Force, which had to do 177 strategic lift missions and 460 mission launches, has estimated that the price tag for the Asian tour could top $75 million.

Now I know the President needs to be protected but give me a break. ABC pegged this junket correctly when it said it was a protected sight-seeing tour. Bill Clinton gets my porker of the week award.

THE INTERNATIONAL ABDUCTION OF GLENN GEBHARD'S CHILDREN

(Mr. LAMPSON asked and was given permission to address the House for 1 minute.)

Mr. LAMPSON. Mr. Speaker, I rise today to continue in my mission to help bring our children home. Glenn Gebhard and his twin children Glenn and Shannon are just one example of the 10,000 American children who have been abducted to foreign countries. Shortly after he was married, Glenn's ex-wife moved back to Germany and took their children with her. For 2 years, he had contact with his children; but in 1994, she decided she would have no future contact.

Glenn has gone through the German court system numerous times and has actually been told by German judges that they do not believe in the laws that provide for unquestionable rights to access.

Glenn Gebhard has done nothing wrong. He has played by the rules. He has continued paying child support, yet he has not seen his children in almost 6 years, an eternity to a 7-year-old. Physical and psychological bonds have been severed between two children and their father who loves them. American children who are being held abroad must be returned to their parents. Countries who are not abiding by The Hague convention must be entreated to do so, and I ask my colleagues not to think as Members of Congress but as parents and grandparents and work with me to solve this pervasive problem.

American children and their parents are asking for your help. Please listen.

SPENDING KEEPS GOING HIGHER WHILE SAT SCORES KEEP GETTING LOWER

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, is there a relationship between how much money is spent on education and how well students do? If I look at a graph showing SAT scores since 1960 and spending on education since 1960, I note that spending just keeps going higher and higher while SAT scores keep going lower and lower. Or if I look at how much money is spent in cities like Washington, New York, Chicago, or Kansas City, I note that school districts that spend the most money often have the lowest SAT scores, presumably meaning the worst schools.

What am I to conclude? Mr. Speaker, when I talk to teachers, and I don't mean education establishment bureaucrats in Washington, D.C., when I talk to teachers in the classroom they all agree that it is important that schools are adequately funded. But no one, virtually no one, says that money is the most important thing. So what makes

for better school achievement? Most important are loving parents who teach their children that education is important. No government program can do that. That is something that money cannot buy.

□ 1015

WORLD HEALTH DAY

(Mr. CROWLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CROWLEY. Mr. Speaker, tomorrow we celebrate World Health Day. Unfortunately, though, too many of the world's women have no cause for celebration. Nearly 600,000 women die each year from pregnancy and childbirth-related complications. That is one woman every minute.

For every maternal death that occurs worldwide, an estimated 30 additional women suffer pregnancy-related health problems.

More than 150 million married women in developing nations still want to space or limit childbearing, but do not have access to modern contraceptives.

Yet, despite these startling statistics, the U.S. commitment to women's health remains woefully inadequate.

That is why I, along with 31 of my colleagues, support legislation to increase the U.S. commitment to women's health by $300 million as part of our legislation, the Global Health Act 2000.

Mr. Speaker, H.R. 3826, the Global Health Act of 2000, authorizes $1 billion in additional resources to improve children's and women's health and nutrition, provide access to voluntary family planning, and combat the spread of infectious diseases, particularly HIV/AIDS.

Mr. Speaker, by passing the Global Health Act, the United States would make a giant leap forward in promoting access to healthcare for millions of the world's women. I hope we all can keep this in mind as we observe World Health Day tomorrow.

AMERICAN HOMEOWNERSHIP AND ECONOMIC OPPORTUNITY ACT OF 2000

Ms. PRYCE of Ohio. Mr. Speaker, by the direction of the Committee on Rules, I call up House Resolution 460 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 460

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1776) to expand homeownership in the United States. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Banking and Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. OSE). The Chair recognizes the gentlewoman from Ohio (Ms. PRYCE) for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the distinguished gentleman from Massachusetts (Mr. MOAKLEY), ranking member of the Committee on Rules; pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 460 is a structured rule providing for the consideration of H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000.

The rule provides for 1 hour of general debate, after which the House will consider a bipartisan manager's amendment, as well as 11 other amendments that the Committee on Rules made in order. Of these amendments, five will be offered by Democrats, four will be offered by Republicans, and three are bipartisan. Additionally, the rule allows the minority to offer the customary motion to recommit with or without instructions.

So I think it is fair to describe this rule as carefully balanced and fair. It gives Members on both sides of the aisle equal opportunity to alter the legislation, and the House will have the opportunity to fully debate the merits of the bill.

Mr. Speaker, the American Homeownership Act is the result of hard work and negotiation, and I commend the gentleman from New York (Mr. LAZIO) for his continued commitment to updating and improving our Nation's housing policies.

The goal of H.R. 1776 is simple. The bill seeks to help more Americans realize the dream of owning their own home. While today's economic prosperity has allowed our Nation's homeownership rate to peak at 67 percent and nearly 70 million households own their homes, we all know that not every American is enjoying today's economic boom. For too many hardworking families, homeownership seems an unattainable dream.

H.R. 1776 takes a number of steps to reduce the barriers to homeownership that low-income Americans face. For example, the bill reduces unnecessary, excessive regulation that adds thousands of dollars to the cost of a home.

Under this legislation, all proposed Federal regulations must include a housing impact analysis so that the Government can determine if policies will jeopardize the availability of affordable housing.

H.R. 1776 also empowers local communities to boost homeownership in their neighborhoods. People who own their homes have a greater stake in their neighborhoods; and by increasing homeownership, cities can look forward to cleaner, safer neighborhoods.

Under the bill, localities will be able to leverage public funds with private funds in order to increase homeownership opportunities. Through the creation of a mixed-income loan pool and a home loan guaranteed program, more Americans will have access to affordable housing.

Local flexibility is also enhanced by provisions that allow mayors and local government officials to use Federal funds to assist first-time home buyers who are municipal employees to purchase homes in the communities where they serve.

It makes sense for those who are largely responsible for the safety of our communities and who act as role models for our children, such as police officers, fire fighters, teachers, to actually live in the neighborhoods where they work.

This bill will grant localities the flexibility to establish smarter urban planning policies and strengthen their communities by allowing city workers to become our neighbors and keeping workers closer to their jobs.

The American Homeownership Opportunity Act also helps families who

rely on section 8 rent assistance, by giving public housing authorities the option of providing a single grant to a tenant as a down payment assistance in lieu of the monthly assistance for rent.

Special assistance is also provided to the disabled, to Native Americans, rural residents, and senior citizens through this bill.

Another housing policy that H.R. 1776 corrects is the existence of HUD-foreclosed, vacant, and substandard properties that scar neighborhoods and hamper economic vitality. This bill seeks to put these properties into the hands of local governments and community development corporations who can revitalize these neglected neighborhoods.

Finally, the bill updates the antiquated provisions of the Manufactured Housing Act to improve the quality, safety, and affordability of manufactured homes and the Federal management of the program. These changes are the result of cooperation and negotiation among Congress, the industry, and consumer groups.

In fact, Mr. Speaker, on the whole, H.R. 1776 is the product of cooperative efforts between Democrats and Republicans, and it enjoys the support of numerous organizations, including the National Education Association, the Homebuilders, the Mortgage Lenders, Community Bankers, the Fraternal Order of Police, the National Association of Realtors, to name just a few.

Still, for those who are not fully supportive of this bill, the rule provides the House with an opportunity to consider a number of amendments that may alter its provisions.

I hope that after today's full debate of this measure, its merits will be very clear and that the House will preserve the good policy of this long-awaited and carefully crafted bill.

I urge my colleagues to support the rule and the American Homeownership and Economic Opportunity Act. Let us take this opportunity to help more Americans know the pride and independence that owning a home offers.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE), my dear friend, for yielding me the customary half hour; and I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this rule and in support of the bill to help more Americans own their homes. My Democratic and Republican colleagues on the Committee on Banking and Financial Services have worked together to fashion a housing bill designed to help working families to own homes, despite the rising home prices, as well as to address other inequities in our housing market. This is an excellent bipartisan bill, and I thank all Members on both sides of the aisle for their hard work.

Thanks to the 1993 Budget Act passed by the Democrats in Congress, the United States is now experiencing the highest rate of homeownership in history. Sixty-seven percent of Americans own their own homes. The 1993 Budget Act lowered mortgage rates, created budget surpluses, and sparked 7 years of economic growth, all of which have made it easier for people to own their own homes.

But as people throughout Massachusetts can tell us, with this strong economy, home prices continue to soar, making it harder and harder for low-income and middle-income families to buy their own homes. So this bill, Mr. Speaker, really responds by helping make sure that working-class families are not priced out of the housing market by the strong economy.

It also contains a provision called the teacher-next-door program, which expands the cop-next-door program, to help teachers, to help fire fighters, and police officers to buy homes.

That way, Mr. Speaker, public servants can stay near their important jobs by coming up with just 1 percent of the down payment instead of the usual 5 or 10 percent. Cities will be revitalized, and children will really have positive role models living right next door.

The bill also will help families who receive section 8 housing assistance also to buy homes. It will enable senior citizens who are house rich, cash poor, to borrow against the value of their homes for essentials like medication, food, and home repairs.

Mr. Speaker, last year, the Federal Housing Authority paid claims on over 71,000 defaulted loans for houses that were discovered to have major structural defects. This bill will help home buyers become aware of these major structural defects in the homes they are considering buying before it is too late.

My Republican colleagues on the Committee on Banking and Financial Services included many Democratic suggestions to require companies that manufacture homes to update their safety and construction standards. For that, I thank them.

I am sorry the Committee on Rules did not make in order the amendment of the gentleman from Massachusetts (Mr. FRANK) to take the safety standards for manufactured homes even a step further. My Republican colleagues also agreed to other pro-consumer provisions to help families, to protect families who buy these manufactured homes.

This bill contains a proposal to fight discrimination and a proposal to virtually eliminate the capital gains tax on principal home sales.

The American Homeownership bill is a bipartisan collection of many good ideas designed to strengthen and empower cities, reduce discrimination, and make it easier for working-class families to own their own homes. I commend my colleagues on the Committee on Banking and Financial Services committee for their excellent work.

I urge my colleagues to support both the rule and support the bill.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, we have no requests for time, so I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BACA), who is the author of one of the amendments that was adopted in the committee.

(Mr. BACA asked and was given permission to revise and extend his remarks.)

Mr. BACA. Mr. Speaker, I support the rule, and I would like to commend members of the Committee on Rules for including the manager's amendment that I proposed. As amended, I support the legislation.

As previously discussed, this is an opportunity for homeownership that presents an opportunity for pride for many individuals to own a home.

□ 1030

I know what it was like. I came from a family of 15, being the 15th in the family and not owning a home, and I remember the very first time that my parents could afford to buy a home. This opens an opportunity for many other individuals who will have that same opportunity to take pride and have dignity in a home. It is positive for our communities throughout the Nation that individuals will be able to afford to buy their home.

My amendment expresses the sense of the Congress that the Secretary of Housing and Urban Development should consult with other agencies to make additional properties available for law enforcement officers, teachers, and fire fighters. As we expand HUD's existing programs to cover fire fighters in this bill, it is essential that we encourage HUD to work with other agencies to find additional properties. These individuals have made great sacrifices for our communities, and that is fire fighters, and that is the amendment that I propose. We should recognize them for their unselfishness and their heroic actions. They are a part of our community. They are role models in our communities.

My amendment is supported by 230,000 fire fighters of the International Association of fire fighters. It is also supported by the San Bernardino Community College District which trains fire fighters through ongoing programs. I urge adoption of this rule and support of the legislation.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Once again I would like to emphasize the fairness of this rule. Of the 12 amendments made in order by the rule, five are Democrats' amendments, four are Republicans' amendments and three are bipartisan. I would say this is not only fair but generous since the

bill itself is not particularly controversial. Like the rule, the underlying bill is a careful balance built on compromise which has earned the support of 155 bipartisan cosponsors. It is also supported by numerous organizations from the Fraternal Order of Police and the Consortium for Citizens With Disabilities to the Homebuilders and America's Community Bankers.

Mr. Speaker, as Congress grapples with budget surpluses and many Americans bask in our Nation's economic prosperity, we cannot turn a blind eye to those who have been left behind and who are still struggling to know what the American dream is all about. We can give these hardworking individuals a chance to experience the pride and independence that is the heart of the American society by giving them a chance to own their own home. The flexibility, local control and personal empowerment that this bill offers to our housing policies is the right way to lend a helping hand to those Americans who are honest, hardworking citizens and who need a small boost to get ahead and improve their lives for themselves and their families. I urge support for this fair rule and for the American Homeownership and Economic Opportunity Act.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. OSE). Pursuant to House Resolution 460 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1776.

The Chair designates the gentleman from Indiana (Mr. PEASE) as Chairman of the Committee of the Whole, and requests the gentleman from Colorado (Mr. HEFLEY) to assume the chair temporarily.

□ 1033

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1776) to expand Homeownership in the United States, with Mr. HEFLEY (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New York (Mr. LAZIO) and the gentleman from New York (Mr. LAFALCE) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. LAZIO).

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume. I am going to begin, if I can, by noting the bipartisan nature of this bill and the fact that we have had both Republicans and Democrats bring this bill together. I want to thank the gentleman from New York (Mr. LAFALCE) and the gentleman from Massachusetts (Mr. FRANK) on the Democratic side and the gentleman from Iowa (Mr. LEACH) as well as many members of the committee for helping to contribute to this bill, particularly the gentleman from California (Mr. CAMPBELL). We would not be here picking up the last piece of the housing puzzle if it were not for the gentleman from Iowa (Mr. LEACH).

Over these last 5 years, we have taken up homeless legislation and passed it in the House, we have taken up section 8 and assisted housing reforms, passed it in the House, seen it signed into law, we have taken up Native American housing provisions in this House, had it passed and signed into law, did a 50-year rewrite of public housing reforms, took it up, passed it in this House, had it signed into law, and now we are on the threshold of completing the continuum of housing by addressing the American dream, homeownership. Again, we would not be here but for the fact of the leadership of the chairman of the committee, the gentleman from Iowa.

Mr. Chairman, I yield 3 minutes to the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Mr. Chairman, I thank the gentleman for yielding me this time. Let me just stress that the litany of bills that the gentleman from New York has just read off are testaments to the most extraordinary subcommittee chairmanship in the House of Representatives. They are all reflective of the work and the thoughtfulness of the gentleman from New York and the complementary bipartisan assistance of the minority, the gentleman from Massachusetts (Mr. FRANK) and the gentleman from New York (Mr. LAFALCE) in particular.

I would just like to mention two things about this bill. One is the big picture, macroeconomics. That is, that housing is getting more difficult for more Americans because of two phenomena.

One phenomenon is that the strong economy has made it more difficult for many people to purchase higher-priced houses. Pricing of housing is simply going up in some cases faster than income levels. Secondly, interest rates are at a credible rate compared to some periods in American history but an historically unprecedented differential has come into being between inflation and long-term interest rates, with inflation at 1½ percent, long-term interest at 8½ percent. That is a 7 point differential which is truly extraordinary when you think of mortgages being for 20- and 30-year time periods.

The second point I would like to make is that this bill has a number of elements, very carefully crafted elements. The most ingenious is that we are looking at particular professional classes of people, teachers and uniformed municipal employees as well as handicapped individuals, and giving them new rights and capacities that have never existed in law before.

The possibility of buying a House under FHA with a 1 percent down payment is an unprecedented new right that will give uniformed municipal employees greater incentive to live in the communities in which they save and serve the people and give teachers the greatest benefit that they have ever been given by the Federal Government.

I am very proud under the leadership of the gentleman from New York (Mr. LAZIO) that this Congress is bringing out one of the most extraordinary pro-education initiatives in the history of the House of Representatives. In the circumstance in which teacher shortages are mounting, there will be huge new incentives for young people to go into the teaching profession and huge new opportunities for teachers to live in the communities in which they actually teach.

And so I think this is something that this House can take great pride in at this time. Let me just conclude again by thanking the gentleman from New York, one of the most far sighted Members of this body and again point out that this bill has terrific collegial bipartisan support. I am particularly grateful to the gentleman from New York (Mr. LAFALCE) and the gentleman from Massachusetts (Mr. FRANK).

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume. I rise in support of this legislation.

I would first like to recognize the very hard work that has gone into this legislation on both sides of the aisle. In particular, I would like to thank the gentleman from Iowa (Mr. LEACH), the committee chairman; the gentleman from New York (Mr. LAZIO), Housing and Community Opportunity Subcommittee chairman; and the gentleman from Massachusetts (Mr. FRANK), the Housing and Community Opportunity Subcommittee ranking member. I also want to express my appreciation to the majority for the bipartisan manner in which this bill has been considered, especially with respect to their receptivity to a number of Democratic proposals and recommendations which have been incorporated into this bill.

As we begin the debate on this housing bill, we should recognize that when it comes to the areas of homeownership and economic opportunity, we are doing remarkably well. Our Nation is enjoying a record homeownership rate of 67 percent, and we are enjoying the 7th year of strong economic growth.

While reasonable people can disagree, a strong case can be made that it was the budget policies that we launched in 1993 that are largely responsible for this record. A Federal budget deficit of $300 billion a year has given way to huge surpluses. We have experienced lower interest and mortgage rates, 7 years of robust economic growth and record levels of consumer confidence. This has translated into higher homeownership levels and obviously increased prosperity.

And so the question is, why even bring this bill up? The answer is that

our strong economy can have a downside for some. Rising home prices means that many young families still find themselves priced out of the housing market. Rising home prices mean that working families may find it hard to obtain housing anywhere near where they work or where good jobs are. And schools, police departments, fire departments, especially in high-cost areas find it increasingly difficult to recruit and retain public servants.

This bill addresses these challenges by using the FHA single family home loan program, CDBG, HOME and other Federal programs to increase opportunities for low- and middle-income families. I am pleased to report that many of the bill's provisions have come from our side of the aisle. For example, section 203 of the bill incorporates the provisions of legislation I introduced with a number of other Democrats, the Homeownership Opportunities for Educators and Municipal Employees Act.

This bill authorizes 1 percent cash down payment FHA loans for teachers, policemen, and firemen buying a home in the school district or jurisdiction that employs them. This provision has the strong support of the National Education Association, the American Federation of Teachers, the American Association of School Administrators and the Fraternal Order of Police.

Further, the Congressional Budget Office has concluded that if this provision is adopted, it would result in an additional 125,000 FHA loans to teachers, policemen, and firemen over the next 5 years, a significant increase in homeownership opportunities for our public servants.

The CBO has also concluded that the provision would increase our budget surplus by $162 million over that same period. This is a win-win situation. Our bill, H.R. 1776, also includes important HUD proposals for hybrid, ARM loans and down payment simplification to make FHA more flexible and to make it work more like the private sector.

I am also very pleased that the bill includes the text of a bill I recently introduced, the Affordable Long-term Care Insurance Act. Long-term care insurance is growing in popularity, growing in need. It is growing in popularity as a way to provide seniors with financial security against the threat of staggering nursing home costs, to preserve assets and to potentially reduce Medicaid expenditures.

The bill I introduced that is incorporated in H.R. 1776 would make it easier for senior citizens to buy long-term care insurance by making it more affordable through the FHA reverse mortgage loan program. This is done by waiving the up-front fee that HUD charges for such loans by as much as $4,400 when loan proceeds are used exclusively on an annual basis to purchase long-term care insurance.

The attractiveness of reverse mortgages then with an FHA guarantee which some 13 million Americans who own their home free and clear are eligible for is that reverse mortgages allow seniors to borrow against the equity in their own home without having to make monthly payments of principal or interest.

□ 1045

I would also like to acknowledge a number of provisions in the bill authored by my colleagues on the Democratic side of the aisle. These include the provision of the gentleman from Massachusetts (Mr. FRANK) to include financing opportunities for manufactured home lots, and to make CDBG and HOME more effective in high-cost jurisdictions; the provision of the gentleman from Massachusetts (Mr. CAPUANO) to create a pilot program to allow CDBG and HOME funds to be used for home down-payment assistance for two- and three-family residences and to allow use of HOME funds in conjunction with section 8 assistance for ''grand-families''; the amendment of the gentleman from Rhode Island (Mr. WEYGAND) dealing with the problem of lead paint poisoning; the provision of the gentlewoman from Oregon (Ms. HOOLEY) for funding for consortia to use for planning money for housing affordability strategies; the amendment of the gentleman from Texas (Mr. BENTSEN) to provide that unincorporated communities can fully participate in homeownership zones; and the amendments of the gentleman from Vermont (Mr. SANDERS) to promote homeownership for low-income renters and for those buying duplexes.

Finally, I would like to mention briefly Title XI, the manufactured housing section. Everyone agrees that we need to jump start the process of updating our manufactured housing construction and safety standards. The bill seeks to do that through the establishment of a private sector consensus committee to develop recommendations to make to HUD for the revision of these standards. Democrats' problems with this approach have been that earlier versions of these bills were tilted against the consumer and in favor of industry. During hearings last year, AARP testified that they were very concerned about this tilt, and we concurred in this assessment. Therefore, over the last year, my Democratic colleagues on the Committee on Banking and Financial Services have offered a number of changes to the bill to restore HUD control over the process of establishing standards and regulations to provide more balance to the consensus committee deliberations and to ensure that all existing regulatory activities are fully protected. I have much appreciate the willingness of the majority to work together with us and to accept these recommendations.

So in closing, this is a good bill. It has been considered in a bipartisan fashion. I urge Members to support it in a bipartisan fashion and the many important provisions included within it.

Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. NEY), who was a contributor to many aspects of this bill. He is a Member of the Committee on Banking and Financial Services, and I am happy to have him here in support of the bill.

Mr. NEY. Mr. Chairman, I want to thank the gentleman for yielding me this time.

Mr. Chairman, H.R. 1776, the American Homeownership and Economic Opportunity Act, opens the prospect of homeownership to many deserving American families. It is good, sound legislation; and I rise today to indicate my full support in its behalf and encourage my House colleagues to support its passage as well.

Homeownership continues to be a strong personal and social priority, occupying a preferred place in our Nation's system of values. Yet, significant numbers of households are still precluded from sharing in the benefits of homeownership, despite a strong economy and a record percentage of Americans who own their own home. This measure addresses those inequalities.

This bill contains several key provisions that expand homeownership opportunities and improve access to affordable housing for low- and moderate-income individuals. Additionally, the bill utilizes the strength of the FHA and expands homeownership opportunities for many deserving public employees and school personnel who can now find little or nothing affordable in the communities in which they work. Specifically, H.R. 1776 includes special provisions to help schoolteachers, police officers, firefighters, municipal employees, and corrections officers across America to purchase homes.

Mr. Chairman, this measure was approved by the House banking committee in the spirit of strong bipartisanship, largely through the perseverance and tireless efforts of my colleague, the gentleman from New York (Mr. LAZIO). I commend Members on both sides, especially the gentleman from New York, and I urge support for the bill.

Mr. LAFALCE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas (Mr. BENTSEN), a member of the Committee on Banking and Financial Services.

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of this legislation. This is good bipartisan legislation that the Committee on Banking and Financial Services on which I have the honor of serving reported a couple of weeks ago. It is important that it removes barriers to housing affordability and encourages homeownership, particularly for low- and moderate-income Americans.

It also creates for the first time a new type of adjustable rate mortgage financing product for first-time homebuyers through the FHA Guarantee program, and it authorizes the Section 203 program in this bill for qualified teachers, police, firefighters and municipal employees to apply for a 1 percent down FHA mortgage loan, making it easier for them to buy homes in communities in which they work. It is a program that has been utilized in my district in earlier incarnations and one that I think will be quite successful.

It also enhances the FHA guarantee of reverse mortgages for senior citizens. This is something I have worked on with my legislature in Texas, in the State of Texas. The people of Texas recently adopted a constitutional amendment providing for this, and this bill will make it even easier.

I am particularly pleased that this legislation includes a section dealing with the prevention of fraud in the HUD 203 K Title I program. Over the last couple of years, I have worked with the chairman of the housing subcommittee on abuse in this program. And in my district and around my district in the greater Houston, Texas, area, we have seen tremendous abuse of this program by contractors, unscrupulous contractors who come and defraud primarily elderly folks on fixed incomes and leave the taxpayers footing the bill.

Quite frankly, HUD had not done a sufficient job in monitoring this program. The gentleman from New York (Mr. LAZIO) and I had asked the General Accounting Office for a study on this program; and we found that there was a great deal of abuse, and this bill takes some steps to try and correct that. I commend the gentleman from New York for his work on that.

This bill also includes language which will, for the first time, have HUD take a look at unincorporated areas in the ETJ, in some of their homeownership grant programs; whereas before, that has not always gotten, I think, a fair hearing. This affects a lot of areas in my district and a lot of districts in Texas where we are at the perimeter of city boundaries, but it is still an urban-like area. I appreciate both the chairman and the ranking member for agreeing to include my language in the manager's amendment.

The bottom line, Mr. Chairman and my colleagues, is that this is a very good bill that I think both sides should support unanimously. It enhances homeownership opportunities for all Americans and will help build stronger communities. I commend the chairman and the ranking member of the subcommittee and the full committee for their work on this bill.

Mr. LAZIO. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from New York (Mrs. KELLY), a member of the Committee on Banking and Financial Services.

Mrs. KELLY. Mr. Chairman, I thank my friend and fellow New Yorker for yielding me this time.

Mr. Chairman, I rise today in strong support for H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000.

Today, we will consider this very important legislation which addresses a problem too many Americans face: the lack of available, affordable housing. The legislation enhances existing homeownership opportunities, but it creates new homeownership opportunities for low- and moderate-income Americans. It strengthens consumer protections for the single largest and most important purchase the majority of most Americans will make.

Homeownership is vital in any community and encourages homeowners to become more involved in their community. When a family owns a home in a community, they want that area to be clean and safe, and homeownership gives them a vested interest in making sure this happens. The pride and accomplishment of homeownership encourages owners to improve their property, to work together with neighbors, to improve the community as a whole. Homeownership and neighborhood improvements only enhance the lives of people living within the community.

While it is easy to see how homeownership can be a cornerstone of a community, it is unfortunately not available to all segments of the population. We must take the necessary steps to ensure that all Americans have an opportunity to achieve this part of the American dream.

Mr. Chairman, in H.R. 1776 we take steps to see that homes are available, strong, safe, and clean. Through flexibility granted by Federal agencies, these goals can be reached. We promote more available, affordable housing by establishing practical, uniform performance-based Federal construction standards for manufactured housing. We also reauthorize the Community Development Block Grant program and improve it by adding homeownership assistance for municipal employees and reauthorizing housing opportunities for people with the AIDS program. The reauthorization of the Home Investment Partnership programs makes affordable homes available to more people.

These are only a few of the many positive steps we take in H.R. 1776. I want to in particular make it very clear that by making homeownership assistance available to municipal employees, it makes it possible for many employees to live in the cities and municipalities in which they work.

I want to take a moment to thank my subcommittee chairman, the gentleman from New York (Mr. LAZIO), and our ranking member, the gentleman from Massachusetts (Mr. FRANK), for their strong cooperative effort in crafting and refining this vital legislation. Let me also note my appreciation for their openness to my efforts to help in this work.

Mr. Chairman, I encourage my colleagues on both sides of the aisle to join us in strong support for this necessary legislation.

Mr. LAFALCE. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Massachusetts (Mr. FRANK), the ranking member of the Subcommittee on Housing, who really has been responsible for such a great bulk of the provisions of this bill.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the ranking member of the full committee who has been very instrumental in our working this out. I want to begin with more than a normal acknowledgment of the staffs on both sides, Democratic and Republican, because this is a bill in which a great deal of work has been done.

For example, the manufactured housing sections, there was an article in the Washington Post recently raising some questions from the consumer's standpoint about manufactured housing, and some of the questions were legitimate questions. I was pleased on reading the article to be able to say to myself, since I was alone when I read it, but to say that we had, in fact, anticipated many of those questions and had resolved them in a way that was mutually acceptable and protected the consumer interest, while at the same time recognizing that manufacturing continues to be a valuable housing resource for people of limited incomes.

So I think Members will find that the manufactured housing section there satisfies legitimate concerns raised by the American Association of Retired Persons, by residents of the mobile homes, and also by those in the States that have regulatory authority, as well as manufactured housing. That is clearly the motif of this bill.

I have said this before; I said this last year when we debated legislation to preserve existing section 8 tenancies. There is both a partisan ideological and a nonpartisan, nonidealogical aspect to housing. The partisan idealogical one is very legitimate, and we have a responsibility to deal with it. We deal with it when we debate the budget; we deal with it when we debate appropriations. That is, given the wealth of this country, many of us believe that we are dedicating insufficient resources to housing needs. Indeed, it is the very wealth and the increase in wealth that to many of us demands greater Federal funding to help with housing.

In many parts of the country, including the greater Boston area where much of my district is located, in the northern part of California, in other metropolitan areas, it is precisely the prosperity which we are enjoying as a Nation which helps drive up housing costs so that people who are not themselves direct participants in the new economy, people who are not prospering from stock options, who are not getting higher salaries because they bring skills that the global economy wants, these people now find themselves priced out of neighborhoods where they used to live.

□ 1100

It is, it seems to me, the responsibility of this society to take some small percentage of the wealth that is being generated and use it to help protect people who are the victims of the unequal distribution of that wealth. Those are efforts we will deal with.

We will get some aspects of that today. There will be legislation to increase, for instance, the authorization, an amendment to increase the authorization for housing with people with AIDS, bipartisan, and I strongly will support it.

But on the whole, this bill comes within the constraints that have been given to the Subcommittee on Housing and Community Opportunity and the full Committee on Banking and Financial Services by the budget process; that is, this is not an opportunity, and I wish it were, greatly to expand what we do. If it were, we would have legitimate ideological debates of the sort that a democracy ought to foster.

Today, however, we have the end product of negotiations within the framework that we were given. How do we then use those resources best? Those are less likely to be ideological. Once we have the resources, once we confront the existing realities, then we do have a situation where we have to figure out how best to make it work.

That is what this bill essentially does today. It makes some improvements, some adjustments. It is the best we can do with where we are.

There were a couple of pieces that I want to refer to involving Community Development Block Grants, because I believe strongly that the Community Development Block Grant should remain primarily a low-income program. I was pleased that the House last week, when we debated the supplemental appropriation bill, apparently to no purpose, since it never made it past the Rotunda, but we and the gentleman from New York, and the chairman of the subcommittee took a major role, the gentleman from Florida of the Committee on Appropriations did a major job on it, we said, yes, we want to make firefighting a CDBG-eligible activity, but we do not want to dilute the commitment to low-income people in that bill. That is what we did.

There are some amendments to this bill that some people say, are you not diluting it? I want to explain one in particular. I am a cosponsor of one that is in the manager's amendment that adds ten more areas which are high-cost areas which will get a change.

Here is the change. Right now under CDBG we use the national median. I represent some communities where, frankly, if you go by the national median, given the higher income in some of these communities, nobody would be eligible. So we are asking not that we ignore a low-income requirement, but that the low-income requirement be defined in terms of that particular metropolitan area.

There is another one that some people object to which says, we want to be able to let firefighters, police officers, teachers, live in the community. People have a paradox. In some cities we have passed laws saying to municipal employees, you must live in the city. What happens when we tell them they must live in the city because we think it is a value, but it becomes too expensive? So there is language that tries to deal with that.

On the whole, this is a bill which is inadequate in one sense, because it represents a national decision to devote too little of our wealth to this problem. But given that decision, which this subcommittee and committee could not affect within the context of this bill, I think we do an excellent job of adjusting within those restraints the programs so we get the maximum out of them. For that reason, I hope that the bill is passed.

On the amendments, I will myself be opposing any amendment which tries to dilute the CDBG income guidelines. But otherwise, I think we have a useful bill.

One other thing I would add. My colleague, the gentleman from Rhode Island, has an amendment to increase the FHA limits to reflect inflation and price increases. It is especially important, again, for those of us in the high-cost areas. That, it seems to me, is a good amendment. I will be strongly supporting it.

On the whole, this bill does the best we can with the limited resources this subcommittee was given to work with.

At the heart of Title XI of HR 1776, the Manufactured Housing Improvement Act is a consensus standards development process to update federal standards on manufactured housing.

It is important to note that this process of modernizing the safety standards has already begun. In June of 1998, the U.S. Department of Housing and Urban Development designated the Massachusetts-based National Fire Protection Association (NFPA) to make recommendations to HUD. NFPA is fully accredited by the American National Standards Institute (ANSI) to develop consensus American National Standards as specified by this bill.

In fact, the NFPA has submitted to HUD recommendations to completely revise and update the federal smoke detector requirements for manufactured homes. This was deemed to be a priority by consumers, fire safety experts, the manufactured housing industry and by HUD in that there has been an alarmingly high incident of non-working or disconnected smoke detectors when fires occur in these homes built to old HUD standards. These recommendations were submitted by NFPA to HUD over 14 months ago. We are still waiting for HUD to act on them. This bill will correct this deficiency by requiring that the consensus committee recommendations go into effect automatically within one year unless HUD objects.

The NFPA Consensus Committee is working on a number of other issues that concern consumers. One issue has to do with moisture and condensation problems of manufactured housing located in humid areas of our country.

In conclusion, the National Fire Protection Association has been carrying out the intent of this bill for the past two years and is ready to continue the process of updating the HUD standards, many of which are over 25 years old. This bill will require these modernized standards to go into effect on a much more expedited basis.

Mr. LAZIO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Wisconsin (Mr. GREEN), vice chairman of the Subcommittee on Housing and Community Opportunity. He has been particularly effective in his leadership in promoting affordable housing tools, and especially for persons with disabilities and law enforcement officers. He has been an integral component of the entire process.

Mr. GREEN of Wisconsin. Mr. Chairman, I thank my friend and colleague, the gentleman from New York, for yielding time to me.

Let me begin by congratulating the gentleman from New York (Mr. LAZIO) for all of his hard work in putting this together. To be honest, I feel as good about this bill as I feel about anything we have done in my brief tenure in Congress.

This legislation has something for everyone. It does not solve all the problems of the world, obviously, but I do think it touches upon some very important challenges that we are facing in modern society.

I am very proud of what it does in the area of removing regulatory barriers. I do not think we spend enough time in this Congress looking at regulatory areas for affordable housing.

As we all know, for every thousand dollars that the cost of a house increases by, we are pricing 1 percent of the population out of the market. This legislation creates a housing impact analysis. It also creates grants for removing regulatory barriers, and creates a regulatory barrier clearinghouse. That is important.

Secondly, empowerment. We often use that phrase to mean lots of things, but this bill really is about empowerment. Those who I think are most challenged in terms of getting affordable housing these days are those people among us with disabilities. This legislation creates a pilot project to help people with disabilities afford their own home.

Finally, in the area of crime, this even makes some important strides in meeting some of our crime challenges. It contains a pilot project which encourages law enforcement officers to live in those high crime areas as described by local officials. So this legislation in my view really makes some important strides in a number of important areas. I think it is something we can all be very proud of across the aisle.

I would strongly encourage my colleagues to support this legislation, vote for it today, and then, quite frankly, go home and talk about it, talk to our constituents about what we have done.

I thank my colleague for yielding time to me, and again congratulate him.

Mr. LAFALCE. Mr. Chairman, I ask unanimous consent to yield the balance of my time to the gentleman from Massachusetts (Mr. FRANK) to control the time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000.

Mr. Chairman, the issue of affordable housing has rapidly reached the level of a national crisis. From one end of this country to the other, we have working people, elderly people, low-income people who are scrambling hard to find peaceful and safe housing which they can afford.

In this, the richest country in the history of the world, in my view we should not be giving tax breaks to billionaires or spending money on wasteful military projects while so many of our people are having a hard time finding affordable housing.

This legislation is a step forward. I strongly support it. I would like to thank the gentleman from New York (Mr. LAZIO), the gentleman from Iowa (Mr. LEACH), the gentleman from New York (Mr. LAFALCE), and the gentleman from Massachusetts (Mr. FRANK), for their leadership on this legislation.

I especially want to thank them for their help in working with me on three amendments which I offered as a member of the Committee on Banking and Financial Services.

Let me briefly describe those amendments. The First Amendment would create a $5 million Federal investment to help low- and moderate-income homeowners buy duplexes. This funding would flow through the Neighborworks homeownership centers throughout the country. This amendment will make the dream of homeownership a reality for hundreds of first-time homebuyers.

Mr. Chairman, the number one barrier to homeownership is the up-front money needed to purchase a home, and this amendment helps address that problem. This amendment would allow neighborhood homeownership centers to provide some of that up-front money to hundreds of people throughout the country for the purpose of buying a duplex.

According to the Neighborhood Reinvestment Corporation, the $5 million in that amendment would generate an additional investment of $58 million, and create 285 units of duplex homeownership available to first-time homebuyers throughout the country.

The Second Amendment would authorize $2 billion to make homeownership a reality for recipients of Section 8 rental assistance. This funding will allow HUD to provide downpayment grants of up to 20 percent of the purchase price of a home in order to leverage 80 percent of the remaining costs from other sources, including State housing finance agencies and the Neighborhood Housing Services of America. A 50 percent match requirement is needed for participation in the program.

Mr. Chairman, the final amendment that I have offered would allow more nonprofits the ability to purchase single-family homes from HUD in a 50 percent discount in areas of very low homeownership. These low homeownership areas have been designated by HUD as revitalization areas.

This amendment would require HUD to designate all areas in the United States that meet the criteria for a revitalization area within 60 days after a nonprofit has made such a request.

Mr. Chairman, the bottom line is that in this country we have a housing crisis. This bill moves us a little bit closer to addressing it.

Mr. LAZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. LEACH), the chairman of the Committee on Banking and Financial Services.

Mr. LEACH. Mr. Chairman, I thank the gentleman for yielding time to me.

I would like to enter in a brief colloquy with my distinguished friend, the gentleman from New York (Mr. LAZIO). As the gentleman knows, this bill has a very important element that allows uniformed municipal employees, police, fire, to have access to certain FHA privileges, including 1 percent downpayment on mortgages.

Am I not right in believing that also this provision applies to the volunteer fire departments that exist in so many parts of America?

Mr. LAZIO. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from New York.

Mr. LAZIO. The gentleman from Iowa is precisely correct. This provision and the provisions affecting flexibility for homeownership assistance are meant to incentivize homeownership for firefighters, whether they are paid or whether they are volunteer.

As the gentleman also correctly states, in many parts of America, including my communities, firefighting is done primarily by volunteer firefighters. These provisions would be incentives for them, as well.

Mr. LEACH. I appreciate that. I would just like to make one modest point. That is, there is probably no single professional element of America that has been more unpersonally rewarded than volunteer firemen. What this bill does is create the first substantive reward for people that have served their communities so bravely for so long.

I think this is a very appropriate endeavor. I want to thank the gentleman for insisting that this provision be designed in this fashion.

Mr. LAZIO. I thank the gentleman for his comments.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. KANJORSKI), a member of the subcommittee.

Mr. KANJORSKI. Mr. Chairman, I rise today to support and speak for the American Homeownership and Economic Opportunity Act. This bill will increase homeownership opportunities for all Americans, enhance access to affordable housing for low- and moderate-income individuals, and expand economic opportunity for underserved communities.

As we know, Mr. Chairman, our economy continues its record expansion, and our Nation has achieved its highest ownership rate in its history. The 1993 Budget Act helped form the foundation on which these accomplishments have been built.

The budget policies outlined in that law have contributed to a record budget surplus, lower interest and mortgage rates, 7 years of robust economic growth, and record levels of consumer confidence.

Despite our successes, significant numbers of households are still precluded from sharing in the benefits of homeownership. H.R. 1776 addresses many of these inequities. Among its provisions, the legislation helps schoolteachers, police officers, firefighters, municipal employees, and correction officers to purchase homes in the jurisdiction that employs them with reduced down payments and deferred FHA loan insurance premiums, reauthorizes funding for Community Development Block Grants, allows elderly homeowners to refinance their reverse mortgages, while establishing consumer protections to shield them against fraud and abuse.

Although H.R. 1776 is a good beginning, more still need to be done to help encourage economic investments in underserved communities. That is why I hope the House will pass the administration's New Markets initiative.

We have in recent weeks been working and making progress and negotiating a bipartisan plan that merges Democratic and Republican ideas for helping underserved communities. Thus, I am hopeful that we can pass legislation in this area in the upcoming months, and deliver on an agreement reached between the Speaker and the President last November to cooperate on economic development issues.

In closing, Mr. Chairman, H.R. 1776 is a solid piece of legislation that helps more people become homeowners in very innovative ways. Because increased ownership rates strengthen communities, I strongly support H.R. 1776, and encourage my colleagues to support its passage.

Mr. LAZIO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida (Mr. MCCOLLUM), the vice chairman of the Committee on Banking and Financial Services, and thank him for his efforts to make sure consumers are protected, particularly with respect to with respect to low-income housing issues. That help has been invaluable.

(Mr. MCCOLLUM asked and was given permission to revise and extend his remarks.)

Mr. MCCOLLUM. Mr. Chairman, I thank the gentleman for yielding time to me.

I want to commend the gentleman from New York (Mr. LAZIO) for all the work on this bill, and everybody else who participated in it. This is one of the finest pieces of legislation dealing with housing that I have seen in the years that I have been here in this Congress.

It is simple in some respects compared to some of the complicated bills that have come to this floor, but it is something which does a good deal for a lot of people. It provides, as some have said, the opportunity for many more people to be able to get into a home and to actually own a home. I think that is the extraordinary part of this.

□ 1115

We need in America to have more homeownership. Those at the lower end of the spectrum of earnings should have the opportunity to feel a part of their community, to actually own their home. That is the beauty of this bill.

As has been said, there are several groups within the municipalities who may be employees, the firefighters, the police officers and others, who are given opportunities in this bill to be first-time homeowners that they might not otherwise have had, by the opening up of the provisions that allow the use of community development block grant monies and so forth for that purpose.

I think the central core of the bill is the portion of it that is really exciting that allows the Section 8 program of HUD to use the assistance that is provided now for rental assistance towards the purchase of a home by a down payment or a monthly mortgage payment. It is an extraordinary opportunity for many Americans under this particular section of the bill to gain their opportunities to actually own a home. A roof over one's head is a whole lot more than simply a roof. It is a part of being the community, and that is what we are all about.

Also in this bill, in H.R. 1776, there are provisions concerning manufactured housing that I think are important. It actually extends the amount of performance-based standards and enhances consumer protections that are so important to manufactured housing. It encourages the viability of that which is important to my home State and, as the gentleman from New York (Mr. LAZIO) knows, many of us have worked a long time to try to make these provisions viable. I thank the gentleman for including them in this bill.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentlewoman from Oregon (Ms. HOOLEY), another member of the subcommittee.

Ms. HOOLEY of Oregon. Mr. Chairman, I thank the gentleman from Massachusetts (Mr. FRANK) for yielding me this time.

Mr. Chairman, I would also like to thank the leadership, the gentleman from New York (Mr. LAZIO), the gentleman from Iowa (Mr. LEACH), the gentleman from New York (Mr. LAFALCE), and the gentleman from Massachusetts (Mr. FRANK) for the hard work they did on a bipartisan bill that helps increase affordability in housing for all Americans, and it hopefully will bring a lot of Americans hopefully closer to that dream of homeownership.

I just want to highlight a few provisions in the bill that I think will help people in my district. With the help of the gentleman from New York (Mr. LAZIO), I was able to insert a provision that sets aside money for a regional, affordable housing pilot project.

The Portland metropolitan area has provided the Nation with a model in successful regional planning, and despite the area's growing affluence and increase in overall housing production, poverty and the need for affordable housing has not declined. The local governments of the Portland metropolitan region have recognized that these problems cut across county lines. They believe that housing and services for low-income people are better addressed by regional cooperation and are now working together to address these issues.

The regional affordable housing pilot project would provide funds to encourage localities to reach across those boundaries, to work together to plan for and build affordable housing.

I also want to commend the ranking member, the gentleman from Massachusetts (Mr. FRANK), and others for the hard work they did on manufactured housing. Our current laws really do not protect our consumers, and so what this bill does is inserts a protection for consumer protection for dispute resolution, so if there is a problem between the housing manufacturer and the installers this can go to dispute resolution so that the consumer is not bounced back and forth.

I am also pleased with a provision that reflects H.R. 3884, the House Act, introduced by the gentleman from New York (Mr. LAFALCE), myself, and others. This bill would give teachers, police officers, and other municipal employees the opportunity to get a lower down payment FHA loan for a home in the town or county where they work. This will help address a tremendous problem in my district where city employees often have long commutes to work because they cannot afford to live in a home in the town that employs them.

Once again, I would like to congratulate the gentleman from New York (Mr. LAZIO) and the other ranking members on bringing a bill to the floor that will not only break down barriers in affordable housing but will create new housing opportunities for millions of Americans, and I urge support.

The CHAIRMAN. The Chair advises the Committee that the gentleman from Massachusetts (Mr. FRANK) has 2½ minutes remaining, the gentleman in New York (Mr. LAZIO) has 15 minutes remaining.

Mr. LAZIO. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Alabama (Mr. RILEY), a member of the committee.

Mr. RILEY. Mr. Chairman, I just want to commend the gentleman from New York (Mr. LAZIO) and the gentleman from New York (Mr. LAFALCE) for the hard work they have done on this.

Mr. Chairman, I want to proclaim my support of H.R. 1776. It seems to me that the least my colleagues and I can do is help those who serve our community and to help ease the financial burden they have in purchasing a home. I personally know how hard that can be and that is why, Mr. Chairman, it is high time that we here in Washington reach out to those people to whom we owe so much.

Who amongst us has not had a teacher that we remember or taken for granted the protection and security provided by police officers and firefighters. Heroism must be recognized and rewarded.

To my way of thinking, this is a means to say thank you to those who sacrifice so much for our protection and care. This bill would do just that, Mr. Chairman. It would reward America's heroes. I encourage my colleagues in the House to support this fine bipartisan legislation.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield our remaining 2½ minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Chairman, I rise in support of H.R. 1776, a bipartisan bill reauthorizing and improving programs that build our communities and that make housing more accessible and affordable to our citizens.

Mr. Chairman, I represent a district in North Carolina that, in most respects, is an economic success story, with a lively market in rental housing and in home building and sales. But we are in danger of pricing people upon whom our community depends out of that housing market.

For example, to afford a two-bedroom apartment, a person making the minimum wage in my district would have to work 96 hours a week. Working a 40-hour week for that same two-bedroom apartment, that person would have to make $12.40 an hour. And even with homeownership at historically high levels, the American dream is still out of reach for far too many people.

H.R. 1776 will help. It will make it easier for teachers and police officers and firefighters to buy homes in neighborhoods that need leaders as they rebuild. It will increase the ability of senior citizens to use reverse mortgages, a program I helped initiate a few years ago, to stay in their homes and to drawdown their equity for living expenses.

It will expand Section 8 assistance to permit families with disabled persons to purchase a home. It will establish workable construction, safety, installation, and dispute resolution standards for manufactured housing.

In these and many other respects, this bill will improve housing, will improve housing policy, and will improve the quality of life for thousands of Americans. I urge my colleagues to support this bill.

Mr. LAZIO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Nebraska (Mr. BEREUTER), who has been of incredible help on many parts of this homeownership bill and other housing initiatives, particularly as they affect rural America.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Chairman, I want to thank the gentleman from New York (Mr. LAZIO) for his kind remarks and thank him and the chairman of the full committee for bringing and expediting this legislation and similarly express appreciation to their Democrat counterparts.

Of course, housing is one of the most important investments that Americans make. Homeownership gives an individual or family a sense of pride in themselves, their home, as well as in their community. It is one of the reasons why this bill, H.R. 1776, is so important and I rise in support of it.

I would like to focus on four general provisions of this legislation which promote homeownership. First of all, the legislation goes to great lengths to promote homeownership for Americans across the entire country. First, families can use their Federal rental vouchers for mortgage payments.

Two, mayors and local governing officials can be given increased flexibility to use the Community Development Block Grant program and HOME Federal housing block grant funds for homeownership assistance.

Three, a HOME loan guarantee program is created to allow communities to tap into future HOME grants for affordable housing developments.

Four, all Federal agencies are required to include a housing impact analysis to ensure that proposed regulations do not have a negative impact on affordable housing.

Furthermore, I would like to focus on four specific provisions with which this Member was involved. First, H.R. 1776 extends the grandfather status until the 2010 census for similarly situated cities nationwide like Norfolk, Nebraska, to continue to be able to use the USDA Rural Housing Service programs.

Second, the American Homeownership and Economic Opportunity Act also includes a permanent authorization for Section 184, the Native American Home Loan Guarantee program, which this Member authored with the help of many of my colleagues. Under current law, the Section 184 program is authorized only through 2001.

Third, a provision is included in this legislation which would create the Indian Lands Title Report Commission, with a sunset, to improve the procedure by which the Bureau of Indian Affairs conducts title reviews in connection with the status of Indian lands. This provision is identical to a bill this Member introduced previously in this Congress. Moreover, the Commission should facilitate the use of Section 184 program to benefit additional Native Americans in purchasing homes on Indian reservations. This is the only program that effectively permits Indians who live on reservations to actually purchase a home or, more likely, to build a home.

Fourth and lastly, this Member is pleased that as a matter of equity the manager's amendment includes a provision which I support. It extends Native American housing assistance programs to native Hawaiians. In particular, the manager's amendment applies the Section 184 loan guarantee program to the unique legal status of Hawaiian homelands.

Mr. Chairman, for these and many other reasons, I urge support of the legislation and thank my colleagues, particularly the gentleman from New York (Mr. LAZIO), for his exceptional work.

Mr. LAZIO. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California (Mr. ROYCE). Again I want to thank him for his helping in bringing about a compromise among consumers, the industry, and administration with regard to manufactured housing.

Mr. ROYCE. Mr. Chairman, I rise today in strong support of title II of H.R. 1776, and specifically this title II contains H.R. 710 and that is the Manufactured Housing Improvement Act of which I am a cosponsor.

Manufactured housing represents more than 20 percent of all new single family homes sold in the United States. It is the fastest growing segment of our housing industry and despite the significant growth of that industry, the Federal manufactured housing program has not been considered a mainstream regulatory activity within HUD. As a consequence, it suffers from an outdated regulatory structure that hinders both producers and it hinders consumers. The Manufactured Housing Improvement Act addresses this problem by establishing a private sector consensus committee to make recommendations to the HUD Secretary for updating standards and regulations. This committee will be self-funded with the costs covered by label fees that the industry must pay on each home. This provision is long overdue, Mr. Chairman. I urge my colleagues to support it.

Mr. LAZIO. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Chairman, I rise in support of H.R. 1776, and I want to thank the gentleman from Iowa (Mr. LEACH), the gentleman from New York (Mr. LAFALCE), the gentleman from Massachusetts (Mr. FRANK), and especially the gentleman from New York (Mr. LAZIO) for their hard work on this legislation and their dedication to helping all families achieve the American dream.

The Homeownership and Economic Opportunity Act will help low-income families in the cycle of paying rent rather than a mortgage. One-third of American families make under $25,000 a year, putting homeownership out of reach for nearly 100 million Americans.

Increased flexibility to States within existing Federal programs will empower partnerships between public and private sectors and strengthen community-based nonprofit groups. In reducing regulatory barriers and granting local housing authorities more flexibility in promoting homeownership as this bill does will give families an alternative to paying rent. Homeownership creates equity for families and makes future investments possible.

Additionally, the impact of these regulations is clear when one considers that the cost of a $200,000 home could be cut by 14 percent, or $28,000, by streamlining the process governing land construction and land development.

I also commend the authors of H.R. 1776 for including provisions that enable teachers, firefighters, and police to live in the communities where they work. Encouraging these individuals to purchase homes can only strengthen communities. As a cosponsor of the American Homeownership and Economic Opportunity Act, I urge all my colleagues to vote for this bill.

Mr. LAZIO. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from New Jersey (Mrs. ROUKEMA), a great champion of homeowners across America.

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Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman from New York (Mr. LAZIO) for that very nice introduction.

Mr. Chairman, I rise in strong support of this legislation. It is an excellent bill. I certainly want to congratulate the gentleman from New York (Chairman LAZIO) for his leadership and his fine work. As far as I can tell, I think we have a pretty good wide base of bipartisan support for this legislation.

Now, I would like to make the point about the general subject of homeownership which is the American

dream. Sixty-seven percent of all Americans, that is an all-time high, have fulfilled that American dream and now own their own homes. Anything we can do here to make it more fair and equitable, both Republicans and Democrats, we should; and I think we are moving in that direction. Both parties are entitled to feel proud about it.

But I would, however, like to discuss one portion of this bill, title IX. This is entitled the Private Mortgage Insurance Technical Corrections Clarification Act.

This title, which is identical to the bill, H.R. 3637, which I, the gentleman from Iowa (Mr. LEACH), and the gentleman from New York (Mr. LAFALCE) introduced earlier, the gentleman from New York (Mr. LAZIO) and other Members have made it an integral part of this landmark PMI legislation. He has put it into this legislation.

PMI, as it is known, private mortgage insurance, is required on mortgages when a borrower puts down less than 20 percent equity when buying a home. Many consumers complain that it was hard, if not impossible, to terminate the PMI requirement, even after they had well over 20 percent of equity.

In 1998, Congress made it easier for homeowners to terminate the PMI payments. But more was necessary. Title IX contains several important and essential technical corrections to the 1998 law. I do not know that we have time to go into all of them, but I think that it is important for us to know that these changes, although they may seem only technical in nature, are absolutely essential for us to implement Congress's original intention in the 1998 law and to protect the consumers.

They are the product of several months of meeting between the industry, consumer groups, as well as the Republican, Democratic staff. It is a bipartisan effort that demonstrates that we in the Congress can work in the interest of the people.

In closing, Mr. Speaker, I think we should remember that PMI charges for homeowners can be anywhere from several hundred to several thousand dollars in payments annually. The PMI payments are a real cost of homeownership to millions of Americans. Lenders can and should be reasonably protected from these defaults, but there is no reason why homeowners should pay PMI charges longer than necessary. We are going to help them do the American dream and not charge them too much.

Mr. LAZIO. Mr. Chairman, may I inquire as to how much time is remaining for both sides.

The CHAIRMAN. The gentleman from New York (Mr. LAZIO) has 5½ minutes remaining. The gentleman from New York (Mr. LAFALCE) has no time remaining.

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have been laying out the debate about the underlying principles of the bill that is before us. This bill is about opportunity and empowerment, responsibility, and flexibility. It is about the underlying premise of America, which is that we are a Nation of achievers, we are a Nation that embraces opportunity, we cherish the ideal of self-sufficiency and independence; and it is embodied in the end in the family home.

For many of us, the most important financial investment that we ever make in our lives is the purchase of a home. Homeownership creates a sense of community. It binds neighbors together. It invests all in the common good. The equity that one builds up in a home is often used to help their children go to college or to tap into to start one's own business.

Today, Mr. Chairman, two-thirds of all Americans own their own homes, continuing a trend since the mid-1990s of historically high homeownership rates. Much of this success can be attributed to a strong American economy, the product of Federal fiscal restraint, a balanced budget, and the enterprising spirit of working men and women across the country.

Yet, paradoxically, it is the very strength of the economy that has had a problematic impact on some segments of the home buying population. In many of the regions of the country, particularly in those places where economic growth is the most robust, rising home prices have severely impacted homeownership affordability.

The Washington Post calls it a ''Quiet Crisis in Housing Prices.'' In New York, for example, thousands of families pay more than half their income toward rent, often for a small one-bedroom apartment. Over the last 10 years, average prices for new single-family homes have risen almost 50 percent.

For mayors and city managers trying to attract a quality workforce or revitalize inner-city neighborhoods, a lack of affordable housing is a significant barrier to community renewal. Without the right tools to draw high-quality teachers and police officers, fire fighters, and other civil servants, cities are limited in their ability to build social capital and grow community prosperity.

People like Jean-Ann Bryant, an elementary schoolteacher in suburban San Jose, California, whose $37,000 a year salary falls far, far short of what was required in a region where the average cost of a home is an unbelievable $631,000. In Austin, Texas, the price of real estate has risen to the point where accountants earning about $45,000 a year find it difficult to qualify for a mortgage.

Nor is the problem of qualifying for affordable housing to be found solely a problem in the red-hot economies of our Nation's high-tech meccas. We find similar stories in Richmond, Virginia; Denver, Colorado; and St. Louis, Missouri.

There are specific segments of the American population that have been hit particularly hard by rising home prices. Yes, it is true, when one is in the African American and Hispanic communities, we are under 50 percent. Working families are priced out of the real estate market. Despite our best effort to date, black and Hispanic homeownership rates have remained stubbornly below 50 percent.

The shortage of affordable housing becomes more severe as one descends the rungs of the socio-economic ladder. For those at the lower end of the wage scales in America, the stakes of the housing affordability issue are of a far greater weight. For the working poor or the disabled, the rise in rents and home prices can quite literally make the difference between having a roof over one's head or living on the street or in a shelter.

Our challenge must be to do more. The American Homeownership and Economic Opportunity Act is our effort to give more of these families an opportunity to achieve the American dream of owning a home.

This proposal reauthorizes existing Federal housing block grant programs under HUD, but adds additional flexibility for local communities to create their own homeownership tools.

For example, mayors and community officials are given flexibility when targeting teachers and law enforcement officials, fire fighters for homeownership opportunities, including down payment assistance. It allows 1 percent down payments for FHA-insured home loan mortgages to help increase that social capital and provide incentives for people in the community as for teachers and police officers and fire fighters living in high-crime areas.

The bill modernizes HUD's regulatory regime overseeing the manufactured housing industry, which is an increasingly lower-cost alternatives for many Americans for affordability. The proposal allows greater use of low-income rent subsidies for locally created homeownership perhaps.

So instead of living in a basement apartment, instead of having one's whole family huddled in a basement apartment, we are going to be able to use the section 8 program to actually bring the promise of homeownership to lower-income Americans.

Mr. Chairman, I am also proud, particularly proud of the provisions of the bill that attack the blight of vacant HUD-foreclosed homes and neighborhoods across the country. HUD's inventory of foreclosed properties total almost 50,000 homes, and thousands fall into the inventory every month. These vacant properties, the subject of ''Fleecing of America,'' the site of violent criminal and drug-related activity, the cause of decreasing property values in neighborhoods across the country is a national disgrace. These properties are taken over by drug dealers, properties that children are raped in and teenagers are killed in.

Every single thing we can do to ensure that these properties remain in

HUD's inventory for the shortest period of time possible will mean safer neighborhoods, safer streets, and safer families.

Mr. Chairman, I urge this body to embrace this bill.

Ms. HOOLEY of Oregon. Mr. Chairman, I would like to comment upon one aspect of the changes to the manufactured housing language within H.R. 1776—and that is the composition of the Consensus Committee. First, let me say that I applaud the diligence of all those who contributed to the final provisions of title XI of H.R. 1776—both my colleagues on the Banking Committee and those in the private sector. I believe it is a product of which we should all be extremely proud.

In the midst of modifications to the language, however, there was one change which I feel warrants brief comment during today's floor discussion. One result of the discussions which transpired over the last several months in order to reach the final version of Title XI, has been to change the makeup of the Consensus Committee so that it is in compliance with the American National Standards institute (ANSI) guidelines. Specifically, the formerly five subgroups of the Consensus Committee have been streamlined to three, with seven members serving on each.

Mr. Chairman, as you know, it is important that the consensus committee is comprised of a balance of consumers, industry experts, and government officials who will advise HUD on safety standards and regulation enforcement. I am aware that consumer groups felt they had been underrepresented in the ''Users'' category. In the process of increasing their representation in the ''Users'' category, however, others—such as the home builders—fell out of the ''General Interest'' category. This industry's presence in this category in no way undermines the additional representation of the consumer groups. In fact, I believe they are a critical component of the consensus committee and that such industry members should be members.

Mr. CALVERT. Mr. Chairman, I rise in support of H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000. This is an important housing measure being debated before us today. My personal background in the real estate industry, I believe, has given me an insider's perspective on this issue and I am confident that this bill will significantly increase the affordability and accessibility of housing.

I understand the importance of affordable family housing to the American dream. Every American family should be given the ability to purchase and own a safe, well built home. I don't think anybody in the chamber would disagree that homeownership is a fundamental component of the American dream.

H.R. 1776 will make that American dream a reality for thousands of families.

One issue of great importance to my constituents in southern California, and others throughout the nation, is that alternative affordable housing be made available. An excellent example of just that has been manufactured housing. These factory-built homes are every bit as reliable as site-built homes, and are becoming increasingly the choice of many Americans.

As cochair of the Manufactured Housing Caucus, I am happy to see the provisions in this bill that seek to update and improve the housing regulations applied to manufactured homes. Particularly, the creation of a consensus committee—comprised of consumers, manufacturers and other housing industry partners—to make sure that the concerns of all parties are addressed. H.R. 1776 will improve the installation standards that protect consumers and provide a dispute resolution program for consumers at no cost.

Mr. Chairman, these new regulations allow the manufactured housing industry to compete fairly and continue to grow. I urge my colleagues to support H.R. 1776 and homeownership.

Mr. FORBES. Mr. Chairman, as the newest Member of the House Committee on Banking and Financial Services, I am very happy that the House is now considering this important legislation, ''American Homeownership and Economic Opportunity Act'' (H.R. 1776).

Homeownership is a pivotal building block for family security, stability, and strong communities. All families deserve the opportunity to achieve the American dream of owning a home.

Like other areas around our country, Suffolk County, NY, is plagued with high property taxes and very expensive real estate prices. According to a study by the National Low Income Housing Coalition, housing costs in Long Island are the fourth highest in the country, with only San Francisco, CA, San Jose, CA, and Stamford, CT, higher.

In order to be able to afford the average two-bedroom apartment on Long Island, family needs to have an average household income of $45,000 per year—which just happens to be Long Island average household income.

Buying a home is an even greater challenge—even for middle-income families. With such high rental costs, high utility costs, and high taxes, the ability of an average family to also save for a down payment is almost impossible.

Because of these exorbitant costs, young families, senior citizens and our teachers, police officers, firefighters, and municipal civil servants can barely afford to live on Long Island.

Provisions in this bill will help my neighbors in Long Island, who work so hard just to make ends meet, finally buy their first home.

For example, this bill amends HUD program formulas so that they are based on local area, median incomes, not on the national median income. Tying the eligibility to the local median income is particularly important on Long Island to enable home ownership.

I am also proud that the HOUSE act (H.R. 3884), of which I am an original cosponsor with Mr. LAFALCE, has been included into this bill. The HOUSE act provides lower down payments and assistance with closing costs to qualified K–12 teachers, policemen, and firemen. This new program will assist some of our most honored citizens in becoming homeowners.

Overall, in addition to helping those most in need in our communities, this catchall bill will help moderate- and lower-income families in Long Island, and around the country, to purchase homes. Mr. Chairman, I am proud of this bill and urge its swift passage.

Mr. LARSON. Mr. Chairman, I rise today in support of the bill we have before the House today, which seeks to broaden the path to homeownership for our Nation's citizens and help foster the development of healthy, economically vibrant neighborhoods.

The American Homeownership and Economic Opportunity Act of 2000 encourages the removal of unnecessary regulatory barriers that hinder the production of affordable housing and drive up the costs of homeownership.

I became a proud co-sponsor of this bill last year, and I am very pleased that through the steady leadership of the gentleman from Iowa, Mr. LEACH, the gentleman from New York, Mr. LAFALCE, the other gentleman from New York, Mr. LAZIO, and the gentleman from Massachusetts, Mr. FRANK, we were able to come together to bring this important bipartisan legislation before the House today. I also want to express my appreciation for the efforts of the gentleman from Massachusetts, my good friend Mr. CAPUANO, who I know has worked very diligently on the Banking and Financial Services Committee to support this bill.

Currently, about 70 million Americans own their own homes. However, in households with annual incomes under $25,000, which is about one-third of total households in this country. Americans incur increasing hardships when buying their own homes and generally cannot afford the monthly mortgage payments. This is particularly true in African-American and Hispanic communities where the ownership rates are even lower.

This bill will help communities create homeownership programs tailored to their needs, and would enable local governments to increase the impact of their funding, thereby helping more of their citizens achieve homeownership. Specifically, it will give localities added flexibility when working with Federal housing and community development block grant programs, in order to leverage public funds with private sources of capital.

In addition, H.R. 1776 would give communities are also given the tools needed to encourage increased homeownership opportunities for working, middle class families whose occupations from the backbone of communities, and who are in integral components of our neighborhoods: teachers, police officers, fire fighters, including volunteer firefighters who are such an essential part of many communities around the country, and other municipal employees. A provision in the bill will allow urban communities to apply for funds from the Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs so homeownership assistance may be offered to municipal employees for the purchase of homes within their communities.

Finally, H.R. 1776 modernizes the manufactured housing industry by giving HUD the ability to enhance its monitoring of the industry and its protection of consumers. The current framework for regulating the manufactured housing industry is severely outdated and ill suited to address the needs of consumers. I was particularly heartened to learn that the provisions included in H.R. 1776 represent a carefully crafted compromise between HUD, the industry, and consumers to ensure that manufactured housing is a viable, affordable housing resource.

Mr. Chairman, this bill is not only about increasing homeownership around the country, it is also about empowering our lower income and minority households, rebuilding and revitalizing our communities, allowing our teachers to remain involved and active in the communities they serve, assisting police officers who are asked to remain close to the people they

protect, and rewarding firefighters who keep our homes safe for ourselves and our children. Helping all Americans, especially those who serve the public and those with lower incomes, realize the dream of homeownership must be a goal for this Congress and for this country to achieve.

Again, Mr. Chairman, I am pleased to have my name attached to this bipartisan bill as a cosponsor, and I urge all my colleagues to support it.

Mr. MORAN of Virginia. Mr. Chairman, I rise today in support of H.R. 1776, the American Homeownership and Economic Opportunity Act.

Our nation is currently enjoying its highest homeownership rate—66.8 percent. A significant cause of this achievement is the Balanced Budget Act of 1997 which has created record budget surpluses, lower interest and mortgage rates, seven years of robust economic growth, and record levels of consumer confidence.

Although great strides have been made to encourage homeownership, we must do more to advance the availability of affordable housing. H.R. 1776 reauthorizes the Community Development Block Grant and the HOME Investment Partnership Programs, both of which help localities provide affordable housing. This bill provides local governments the flexibility necessary to use federal funds to assist school teachers, police officers, firefighters and municipal employees to buy homes in the communities in which they work.

I have been a strong supporter of the creation of mixed-income communities. I support passage of H.R. 1776 which will provide localities the flexibility they need to use community development block grant programs to leverage public funds with private sources of capital. Local government officials must have access to the mechanisms necessary to generate resources that will allow them to create homeownership programs tailored to the specific needs of each locality. Passage of this bill will only enhance existing efforts to create safe and affordable housing for the citizens of Virginia's 8th district.

Other provisions of H.R. 1776 that I believe are crucial to improving homeownership in our country include:

A pilot program will be established to give Public Housing Authorities flexibility in allowing families to use Section 8 subsidies toward the purchase of a home. An identical program will be created to assist families with one or more members who are disabled.

Authorization of grants for ''homeownership zones,'' which are large scale development projects in distressed neighborhoods.

Substantial strides have been made in providing the opportunity for all Americans to achieve homeownership. While more people than ever before own their homes, there is still much work to be done toward ensuring that the opportunity to share the dream is equally available to everyone. Passage of H.R. 1776 brings us one step closer to making these dreams a reality.

Mr. UDALL of Colorado. Mr. Chairman, I rise in support of H.R. 1776, the American Homeownership and Economic Opportunity Act and urge its adoption.

While the current homeownership rate is at a record high of 66%, the purchase of a first home remains out of reach for many young people and low- and moderate-income families. I believe H.R. 1776, through a number of unique programs, will enable more Americans to purchase their first home.

A key provision in this bill would provide under the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs, a targeted homeownership program for uniformed municipal employees (policemen, firemen, city maintenance workers, and teachers). Assistance could be in the form of downpayment assistance, help with closing costs, housing counseling, or subsidized mortgage rates. I applaud this innovative approach.

I would like to call my colleagues' attention to a valuable pilot program in this bill, to encourage law enforcement agents to buy homes in locally designated high-crime areas by making them eligible for FHA mortgage loans with no downpayment.

H.R. 1776 also authorizes HUD to distribute $25 million in competitive grants to local governments for homeownership programs in ''homeownership zones''. These zones will be locally designated residential areas where large-scale development projects are designed to provide housing for low- to moderate-income families.

In addition, this bill increases the ability of senior citizens to use ''reverse mortgages'' for living expenses—particularly long-term care—by allowing them to refinance these mortgages.

Environmental cleanup and economic development activities related to ''Brownfields'' stand to benefit as well, by being classified as a permanent eligible activity for CDBG funds under this bill.

Mr. Chairman, H.R. 1776 will make substantial strides towards insuring affordable housing is a reality in our country and the dream of first-time homeownership is attainable. I urge my colleagues to vote ''yes'' on this bill.

Mrs. McCARTHY of New York. Mr. Chairman, I rise today in support of H.R. 1776, the American Homeownership and Economic Opportunity Act. This important bill increases the possibility of owning a home to many deserving American families, particularly in my district on Long Island, NY, where homeownership opportunities lag because of affordability concerns.

Despite a strong economy and record percentages of Americans who own their own homes, Long Islanders continue to experience gaps in homeownership—especially among our middle-income professionals. Hard working professionals such as teachers, police officers, firefighters and corrections officers should not have to struggle to own a home.

H.R. 1776 addresses this concern. It contains numerous provisions allowing deserving Long Island teachers and public employees to obtain mortgages with just one percent downpayment requirement through the Federal Housing Administration. Moreover, H.R. 1776 allows qualifying homebuyers to defer the payment of the upfront mortgage insurance premium—usually two percent of the mortgage amount. As a result of these beneficial provisions, qualified Long Island borrowers can expect to save thousands of dollars in upfront costs when they purchase a home.

In addition to assisting aspiring homeowners, this legislation also benefits the realtors and senior citizens in my district who also suffer from the lack of affordable housing on Long Island.

Housing is the foundation upon which everything else is built. In my district, homeownership holds many intangible benefits ranging from increased educational attainment for children to homeowners maintaining a more active interest and involvement in the communities they reside. H.R. 1776 contributes to these important outcomes and I urge my colleagues to vote in support of this measure.

Ms. SANCHEZ. Mr. Chairman, I rise today in disappointment that my amendment was not made in order to H.R. 1776.

My amendment would empower shared housing placement organizations with the authority to run background checks on potential shared housing participants.

This amendment does not mandate any agency to run background checks—they simply authorize the shared housing agencies to request FBI files through local and state agencies.

And the cost of this program is fully supported by user fees, not federal tax dollars.

It makes sense to bring this proposal during this debate of H.R. 1776.

Homeownership is said to be an important building block of strong families and healthy communities.

What's astonishing and saddening to hear, is that each year, an estimated 1 to 2 million Americans are victims of abuse in their own homes, namely seniors and the disabled.

As many people grow older, remaining in their homes should increase their level of comfort and security, rather than threaten their peace of mind.

Many seniors seeking independence during the later years of their lives enter into shared housing agreements where they can remain in their own homes and still receive daily care.

These arrangements are made by non-fee, home-finder referral services that match seniors or the disabled with others who wish to share a house, apartment, or mobile home at affordable rates.

There are more than 350 referral programs throughout the country.

Unfortunately, senior citizens and the disabled are too often manipulated and abused physically or financially, by their caretakers within the privacy of their own homes. And this abuse is on the rise.

Currently, there is neither a national nor a statewide standard procedure that is available to screen shared housing participants.

Similar laws already exist to allow for background checks of child care providers, school bus drivers, and security guards—but not shared housing applicants.

It is now only logical to extend this provision to protect seniors in their own homes.

These checks will give referral agencies the ability to protect their clients from abuse and threats by known criminals.

The International Union of Police Associations and local police departments have endorsed this amendment.

The FBI, Agency on Aging, and the Southern California Shared Housing Coalition have all endorsed the fundamental concepts behind the amendment, and agree that fighting elder abuse is an important cause.

With the ever-expanding Baby Boom Generation and their growing need for long term care, we must begin addressing the safety of their care.

It is essential to pass federal legislation in order to give these shared housing agencies

access to FBI criminal background reports. I have worked closely with the FBI on this legislation to ensure that the technical language protects all privacy rights and investigative standards.

The potential for abuse in shared housing arrangements is preventable.

This amendment gives shared housing agencies an important tool to protect the elderly from scam artists and criminals, and at no cost to the federal government.

This legislation is simple, yet it could save the life and fortunes of our elderly.

I urge my colleagues to join me in attacking crime without spending taxpayer dollars.

It is our responsibility to give the American people the tools to do so.

Although we will not have the opportunity to debate this issue today, I look forward to working with my colleagues to address this very important matter.

Mr. DOYLE. Mr. Chairman, I rise today in strong support of making it easier for more Americans to pursue the American dream. Owning a home and building a good community, in which to raise children, will become less difficult because of this bill.

Neighborhoods could possibly be the most important aspect of a child's life. Neighborhoods dictate what quality of school the child attends; the amount of crime and social decay with which child comes in contact; and the services that are available to them in times of need. This bill will accomplish the very important goal of creating a financially vested interest in creating a good environment. Homeowners are aware that the value of their homes will decrease if the schools are not kept up. The value of their home will decrease if crime goes up. This bill will give the local citizens the economic incentives to be involved in mitigating social ills and increasing the quality of life.

This bill contains a provision that will allow Section 8 rental assistance vouchers to be used as down payment assistance. This support can open the door to homeownership for many low-income citizens, and allows them to partake in the American dream. As we all know, being a home owner allows for housing tax credits and can be the only investment that many low-income folks make. Owning a home is a benefit to homeowners because they now have a significant asset. Their monthly rent check is now going to pay for their mortgage. The house will pay off in the end for them.

H.R. 1776 will also rebuild our local neighborhoods by allowing teachers, police officers, and firefighters the opportunity to buy a home in the jurisdiction in which they work. In this time of economic prosperity, there is no reason why the very people who teach our children and serve and protect our citizens should not be able to afford homeownership in the town they work in. They have chosen a life of service and are intrinsic to the well-being of the community. Making it possible for them to live in the localities is good policy, because it gives them a reason to be involved on a personal level. It is a stronger motivation for them to help in the creation, the rebuilding, or the upkeep of the community they serve.

I ask my colleagues to support this very important legislation that will bring cohesion to some disjointed communities and acknowledge the role that public servants can play in communities.

Mr. ACKERMAN. Mr. Chairman, I rise today to indicate my strong support on behalf of H.R. 1776, The American Homeownership and Economic Opportunity Act. This important bill opens the prospect of homeownership to many deserving American families, particularly in my area of Northeast Queens, northern Nassau County and Northwestern Suffolk County, New York where homeownership opportunities have lagged because of affordability concerns.

Despite a strong economy and record percentages of Americans who own their own homes, in my district we continue to experience gaps in homeownership especially among our middle-income professionals—teachers, police officers, firefighters, and corrections officers. These deserving individuals have the necessary income to make their monthly mortgage payments but not enough cash for the downpayments necessary to purchase the home in the communities where they work.

H.R. 1776 appropriately addresses this problem. The legislation contains important provisions that will now permit deserving Queens and Long Island teachers and public employees to obtain mortgages with just one percent downpayment requirement through the Federal Housing Administration. Plus, H.R. 1776 allows qualifying homebuyers to defer the payment of the upfront mortgage insurance premium—customarily two percent of the mortgage amount. As a result of these beneficial provisions, qualified borrowers can expect to save thousands of dollars in upfront costs when they purchase a home. I cannot begin to imagine how valuable the savings will mean for ownership in the Queens and Long Island areas as a result of H.R. 1776.

Mr. Chairman, housing is the foundation on which everything else is built. In Queens and Long Island, homeownership holds many tangible benefits that range from increased educational attainment for children residing in an owned home to homeowners maintaining a more active interest and involvement in the communities in which they reside. H.R. 1776 certainly contributes to these important positive outcomes and I wholeheartedly urge my colleagues to vote in support of this important legislation.

Mr. SWEENEY. Mr. Chairman, I rise today in strong support of H.R. 1776, ''The American Homeownership and Economic Opportunity Act of 2000'' and am proud to be a cosponsor of this legislation.

Many citizens in my district dream of owning their own home. Rising costs of living and increased amounts of government regulation often hinder the pursuit of this dream. Fulfillment of this ambition is sometimes unattainable without some form of assistance. H.R. 1776 provides that required assistance.

The bill affords lower and moderate income families the opportunity to buy rather than rent housing, thus allowing them to realize the American dream. This legislation streamlines the regulatory regime to make it easier for state and local officials to tailor housing for the needy to local requirements.

This Act creates a HOME Loan Guarantee program to allow communities within my district to tap into future HOME grants for affordable housing development. HOME is one of the most successful Federal block grant programs because it creates affordable housing for low-income families in rural areas. The HOME program provides a flexible resource to States and localities to increase the supply of affordable housing, through both construction and rehabilitation.

I plan to hold a Housing and Economic Development Forum in my own Congressional District later this month and am proud to trumpet H.R. 1776 as a positive achievement of this Congress. I will gather with developers, non-profit housing organizations, community bankers, state and local officials, and community development professionals to explore how our communities can best develop affordable housing and stimulate economic growth. Many of the programs established in The American Homeownership and Economic Opportunity Act will aid us in accomplishing that goal.

The citizens of my district eagerly anticipate enactment of H.R. 1776 and the joys of owning their own home. Investing in a home is the most significant equity investment for families throughout the country. We all know that housing needs to be more affordable and accessible for homeowners and H.R. 1776 provides important tools to hard working American families looking to achieve the dream of home ownership.

Mr. Chairman, please join me in voting for this bill.

Mr. DAVIS of Illinois. Mr. Chairman, I rise today in support of H.R. 1776 and specifically Title 3. Mr. Chairman, Title 3 of the Homeownership and Economic Opportunity Act allows public housing agencies in lieu of providing monthly assistance payments on behalf of a family may provide a grant to be used as a contribution toward the down payment required to purchase a home.

While this nation is enjoying its highest homeownership rate, for millions of low and moderate income families housing remains far too expensive, or is severely substandard. The absence of tools to make home ownership affordable denies many families the opportunity to contribute to the nation's economic and social well being. Just as importantly, many reports conclude that increased home ownership by those who traditionally have been restricted to neighborhoods with significant rental property or with extremely low values, can improve the family's educational attainment, health and may reduce residential segregation.

Passage of this bill is vitally important to my district the 7th district of Illinois, since I represent nearly 65% of all the public housing in the city of Chicago. Homeownership for this population prior to this bill was not available to them.

The Homeownership and Economic Opportunity Act will help my constituents achieve what for many families, 3 generations could not accomplish—homeownership. It is my view that for those individuals who toil and strain to do the deed and create things to make life worth living the opportunity of homeownership is priceless. This is an excellent bill and I congratulate the Chairman, Ranking member and all members who worked to put this bill before us today.

Therefore, I encourage my colleagues on both sides of the aisle to strongly support passage of this bill.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1776

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''American Homeownership and Economic Opportunity Act of 2000''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purpose.

TITLE I—REMOVAL OF BARRIERS TO HOUSING AFFORDABILITY

Sec. 101. Short title.
Sec. 102. Housing impact analysis.
Sec. 103. Grants for regulatory barrier removal strategies.
Sec. 104. Eligibility for community development block grants.
Sec. 105. Regulatory barriers clearinghouse.

TITLE II—HOMEOWNERSHIP THROUGH MORTGAGE INSURANCE AND LOAN GUARANTEES

Sec. 201. Extension of loan term for manufactured home lots.
Sec. 202. Downpayment simplification.
Sec. 203. Reduced downpayment requirements for loans for teachers and uniformed municipal employees.
Sec. 204. Preventing fraud in rehabilitation loan program.
Sec. 205. Neighborhood teacher program.
Sec. 206. Community development financial institution risk-sharing demonstration.
Sec. 207. Hybrid ARMs.
Sec. 208. Home equity conversion mortgages.
Sec. 209. Law enforcement officer homeownership pilot program.
Sec. 210. Study of mandatory inspection requirement under single family housing mortgage insurance program.
Sec. 211. Report on title I home improvement loan program.

TITLE III—SECTION 8 HOMEOWNERSHIP OPTION

Sec. 301. Downpayment assistance.
Sec. 302. Pilot program for homeownership assistance for disabled families.
Sec. 303. Funding for pilot programs.

TITLE IV—COMMUNITY DEVELOPMENT BLOCK GRANTS

Sec. 401. Reauthorization.
Sec. 402. Prohibition of set-asides.
Sec. 403. Public services cap.
Sec. 404. Homeownership for municipal employees.
Sec. 405. Technical amendment relating to brownfields.
Sec. 406. Income eligibility.
Sec. 407. Housing opportunities for persons with AIDS.

TITLE V—HOME INVESTMENT PARTNERSHIPS PROGRAM

Sec. 501. Reauthorization.
Sec. 502. Eligibility of limited equity cooperatives and mutual housing associations.
Sec. 503. Administrative costs.
Sec. 504. Leveraging affordable housing investment through local loan pools.
Sec. 505. Homeownership for municipal employees.
Sec. 506. Use of section 8 assistance by ''grandfamilies'' to rent dwelling units in assisted projects.
Sec. 507. Loan guarantees.
Sec. 508. Downpayment assistance for 2- and 3-family residences.

TITLE VI—LOCAL HOMEOWNERSHIP INITIATIVES

Sec. 601. Reauthorization of Neighborhood Reinvestment Corporation.
Sec. 602. Homeownership zones.
Sec. 603. Lease-to-own.
Sec. 604. Local capacity building.
Sec. 605. Consolidated application and planning requirement and super-NOFA.
Sec. 606. Assistance for self-help housing providers.
Sec. 607. Housing counseling organizations.
Sec. 608. Community lead information centers and lead-safe housing.

TITLE VII—NATIVE AMERICAN HOUSING HOMEOWNERSHIP

Sec. 701. Lands Title Report Commission.
Sec. 702. Loan guarantees.
Sec. 703. Native American housing assistance.

TITLE VIII—TRANSFER OF HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND NONPROFIT ORGANIZATIONS

Sec. 801. Transfer of unoccupied and substandard HUD-held housing to local governments and community development corporations.
Sec. 802. Transfer of HUD assets in revitalization areas.

TITLE IX—PRIVATE MORTGAGE INSURANCE CANCELLATION AND TERMINATION

Sec. 901. Short title.
Sec. 902. Changes in amortization schedule.
Sec. 903. Deletion of ambiguous references to residential mortgages.
Sec. 904. Cancellation rights after cancellation date.
Sec. 905. Clarification of cancellation and termination issues and lender paid mortgage insurance disclosure requirements.
Sec. 906. Definitions.

TITLE X—RURAL HOUSING HOMEOWNERSHIP

Sec. 1001. Promissory note requirement under housing repair loan program.
Sec. 1002. Limited partnership eligibility for farm labor housing loans.
Sec. 1003. Project accounting records and practices.
Sec. 1004. Definition of rural area.
Sec. 1005. Operating assistance for migrant farmworkers projects.
Sec. 1006. Multifamily rental housing loan guarantee program.
Sec. 1007. Enforcement provisions.
Sec. 1008. Amendments to title 18 of United States Code.

TITLE XI—MANUFACTURED HOUSING IMPROVEMENT

Sec. 1101. Short title and references.
Sec. 1102. Findings and purposes.
Sec. 1103. Definitions.
Sec. 1104. Federal manufactured home construction and safety standards.
Sec. 1105. Abolishment of National Manufactured Home Advisory Council; manufactured home installation.
Sec. 1106. Public information.
Sec. 1107. Research, testing, development, and training.
Sec. 1108. Fees.
Sec. 1109. Dispute resolution.
Sec. 1110. Elimination of annual report requirement.
Sec. 1111. Effective date.
Sec. 1112. Savings provision.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the priorities of our Nation should include expanding homeownership opportunities by providing access to affordable housing that is safe, clean, and healthy;

(2) our Nation has an abundance of conventional capital sources available for homeownership financing;

(3) experience with local homeownership programs has shown that if flexible capital sources are available, communities possess ample will and creativity to provide opportunities uniquely designed to assist their citizens in realizing the American dream of homeownership; and

(4) each consumer should be afforded every reasonable opportunity to access mortgage credit, to obtain the lowest cost mortgages for which the consumer can qualify, to know the true cost of the mortgage, to be free of regulatory burdens, and to know what factors underlie a lender's decision regarding the consumer's mortgage.

(b) PURPOSE.—It is the purpose of this Act—

(1) to encourage and facilitate homeownership by families in the United States who are not otherwise able to afford homeownership; and

(2) to expand homeownership through policies that—

(A) promote the ability of the private sector to produce affordable housing without excessive government regulation;

(B) encourage tax incentives, such as the mortgage interest deduction, at all levels of government; and

(C) facilitate the availability of flexible capital for homeownership opportunities and provide local governments with increased flexibility under existing Federal programs to facilitate homeownership.

TITLE I—REMOVAL OF BARRIERS TO HOUSING AFFORDABILITY

SEC. 101. SHORT TITLE.

This title may be cited as the ''Housing Affordability Barrier Removal Act of 2000''.

SEC. 102. HOUSING IMPACT ANALYSIS.

(a) APPLICABILITY.—Except as provided in subsection (b), the requirements of this section shall apply with respect to—

(1) any proposed rule, unless the agency promulgating the rule—

(A) has certified that the proposed rule will not, if given force or effect as a final rule, have a significant deleterious impact on housing affordability; and

(B) has caused such certification to be published in the Federal Register at the time of publication of general notice of proposed rulemaking for the rule, together with a statement providing the factual basis for the certification; and

(2) any final rule, unless the agency promulgating the rule—

(A) has certified that the rule will not, if given force or effect, have a significant deleterious impact on housing affordability; and

(B) has caused such certification to be published in the Federal Register at the time of publication of the final rule, together with a statement providing the factual basis for the certification.

Any agency making a certification under this subsection shall provide a copy of such certification and the statement providing the factual basis for the certification to the Secretary of Housing and Urban Development.

(b) EXCEPTION FOR CERTAIN BANKING RULES.—The requirements of this section shall not apply to any proposed or final rule relating to—

(1) the operations, safety, or soundness of—

(A) federally insured depository institutions or any affiliate of such an institution (as such term is defined in section 2(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(k));

(B) credit unions;

(C) the Federal home loan banks;

(D) the enterprises (as such term is defined in section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502);

(E) a Farm Credit System institution; or

(F) foreign banks or their branches, agencies, commercial lending companies, or representative offices that operate in the United States, or any affiliate of a foreign bank (as such terms are defined in section 1 of the International Banking Act of 1978 (12 U.S.C. 3101); or

(2) the payments system or the protection of deposit insurance funds or the Farm Credit Insurance Fund.

(c) STATEMENT OF PROPOSED RULEMAKING.—Whenever an agency publishes general notice of proposed rulemaking for any proposed rule, unless the agency has made a certification under subsection (a), the agency shall—

(1) in the notice of proposed rulemaking—

(A) state with particularity the text of the proposed rule; and

(B) request any interested persons to submit to the agency any written analyses, data, views, and arguments, and any specific alternatives to the proposed rule that—

(i) accomplish the stated objectives of the applicable statutes, in a manner comparable to the proposed rule;

(ii) result in costs to the Federal Government equal to or less than the costs resulting from the proposed rule; and

(iii) result in housing affordability greater than the housing affordability resulting from the proposed rule;

(2) provide an opportunity for interested persons to take the actions specified under paragraph (1)(B) before promulgation of the final rule; and

(3) prepare and make available for public comment an initial housing impact analysis in accordance with the requirements of subsection (d).

(d) INITIAL HOUSING IMPACT ANALYSIS.—

(1) REQUIREMENTS.—Each initial housing impact analysis shall describe the impact of the proposed rule on housing affordability. The initial housing impact analysis or a summary shall be published in the Federal Register at the same time as, and together with, the publication of general notice of proposed rulemaking for the rule. The agency shall transmit a copy of the initial housing impact analysis to the Secretary of Housing and Urban Development.

(2) MONTHLY HUD LISTING.—On a monthly basis, the Secretary of Housing and Urban Development shall cause to be published in the Federal Register, and shall make available through a World Wide Web site of the Department, a listing of all proposed rules for which an initial housing impact analysis was prepared during the preceding month.

(3) CONTENTS.—Each initial housing impact analysis required under this subsection shall contain—

(A) a description of the reasons why action by the agency is being considered;

(B) a succinct statement of the objectives of, and legal basis for, the proposed rule;

(C) a description of and, where feasible, an estimate of the extent to which the proposed rule would increase the cost or reduce the supply of housing or land for residential development; and

(D) an identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap, or conflict with the proposed rule.

(e) PROPOSAL OF LESS DELETERIOUS ALTERNATIVE RULE.—

(1) ANALYSIS.—The agency publishing a general notice of proposed rulemaking shall review any specific analyses and alternatives to the proposed rule which have been submitted to the agency pursuant to subsection (c)(2) to determine whether any alternative to the proposed rule—

(A) accomplishes the stated objectives of the applicable statutes, in a manner comparable to the proposed rule;

(B) results in costs to the Federal Government equal to or less than the costs resulting from the proposed rule; and

(C) results in housing affordability greater than the housing affordability resulting from the proposed rule.

(2) NEW NOTICE OF PROPOSED RULEMAKING.—If the agency determines that an alternative to the proposed rule meets the requirements under subparagraphs (A) through (C) of paragraph (1), unless the agency provides an explanation on the record for the proposed rule as to why the alternative should not be implemented, the agency shall incorporate the alternative into the final rule or, at the agency's discretion, issue a new proposed rule which incorporates the alternative.

(f) FINAL HOUSING IMPACT ANALYSIS.—

(1) REQUIREMENT.—Whenever an agency promulgates a final rule after publication of a general notice of proposed rulemaking, unless the agency has made the certification under subsection (a), the agency shall prepare a final housing impact analysis.

(2) CONTENTS.—Each final housing impact analysis shall contain—

(A) a succinct statement of the need for, and objectives of, the rule;

(B) a summary of the significant issues raised during the public comment period in response to the initial housing impact analysis, a summary of the assessment of the agency of such issues, and a statement of any changes made in the proposed rule as a result of such comments; and

(C) a description of and an estimate of the extent to which the rule will impact housing affordability or an explanation of why no such estimate is available.

(3) AVAILABILITY.—The agency shall make copies of the final housing impact analysis available to members of the public and shall publish in the Federal Register such analysis or a summary thereof.

(g) AVOIDANCE OF DUPLICATIVE OR UNNECESSARY ANALYSES.—

(1) DUPLICATION.—Any Federal agency may perform the analyses required by subsections (d) and (f) in conjunction with or as a part of any other agenda or analysis required by any other law, executive order, directive, or rule if such other analysis satisfies the provisions of such subsections.

(2) JOINDER.—In order to avoid duplicative action, an agency may consider a series of closely related rules as one rule for the purposes of subsections (d) and (f).

(h) PREPARATION OF ANALYSES.—In complying with the provisions of subsections (d) and (f), an agency may provide either a quantifiable or numerical description of the effects of a proposed rule or alternatives to the proposed rule, or more general descriptive statements if quantification is not practicable or reliable.

(i) EFFECT ON OTHER LAW.—The requirements of subsections (d) and (f) do not alter in any manner standards otherwise applicable by law to agency action.

(j) PROCEDURE FOR WAIVER OR DELAY OF COMPLETION.—

(1) INITIAL HOUSING IMPACT ANALYSIS.—An agency head may waive or delay the completion of some or all of the requirements of subsection (d) by publishing in the Federal Register, not later than the date of publication of the final rule, a written finding, with reasons therefor, that the final rule is being promulgated in response to an emergency that makes compliance or timely compliance with the provisions of subsection (a) impracticable.

(2) FINAL HOUSING IMPACT ANALYSIS.—An agency head may not waive the requirements of subsection (f). An agency head may delay the completion of the requirements of subsection (f) for a period of not more than 180 days after the date of publication in the Federal Register of a final rule by publishing in the Federal Register, not later than such date of publication, a written finding, with reasons therefor, that the final rule is being promulgated in response to an emergency that makes timely compliance with the provisions of subsection (f) impracticable. If the agency has not prepared a final housing impact analysis pursuant to subsection (f) within 180 days from the date of publication of the final rule, such rule shall lapse and have no force or effect. Such rule shall not be repromulgated until a final housing impact analysis has been completed by the agency.

(k) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) HOUSING AFFORDABILITY.—The term ''housing affordability'' means the quantity of housing that is affordable to families having incomes that do not exceed 150 percent of the median income of families in the area in which the housing is located, with adjustments for smaller and larger families. For purposes of this paragraph, area, median family income for an area, and adjustments for family size shall be determined in the same manner as such factors are determined for purposes of section 3(b)(2) of the United States Housing Act of 1937.

(2) AGENCY.—The term ''agency'' means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

(A) the Congress;

(B) the courts of the United States;

(C) the governments of the territories or possessions of the United States;

(D) the government of the District of Columbia;

(E) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;

(F) courts-martial and military commissions;

(G) military authority exercised in the field in time of war or in occupied territory; or

(H) functions conferred by—

(i) sections 1738, 1739, 1743, and 1744 of title 12, United States Code;

(ii) chapter 2 of title 41, United States Code;

(iii) subchapter II of chapter 471 of title 49, United States Code; or

(iv) sections 1884, 1891–1902, and former section 1641(b)(2), of title 50, appendix, United States Code.

(3) FAMILIES.—The term ''families'' has the meaning given such term in section 3 of the United States Housing Act of 1937.

(4) RULE.—The term ''rule'' means any rule for which the agency publishes a general notice of proposed rulemaking pursuant to section 553(b) of title 5, United States Code, or any other law, including any rule of general applicability governing grants by an agency to State and local governments for which the agency provides an opportunity for notice and public comment; except that such term does not include a rule of particular applicability relating to rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services, or allowances therefor or to valuations, costs or accounting, or practices relating to such rates, wages, structures, prices, appliances, services, or allowances.

(5) SIGNIFICANT.—The term ''significant'' means increasing consumers' cost of housing by more than $100,000,000 per year.

(l) DEVELOPMENT.—Not later than 1 year after the date of the enactment of this title, the Secretary of Housing and Urban Development shall develop model initial and final housing impact analyses under this section and shall cause such model analyses to be published in the Federal Register. The model analyses shall define the primary elements of a housing impact analysis to instruct other agencies on how to carry out and develop the analyses required under subsections (a) and (d).

(m) JUDICIAL REVIEW.—

(1) DETERMINATION BY AGENCY.—Except as otherwise provided in paragraph (2), any determination by an agency concerning the applicability of any of the provisions of this title to any action of the agency shall not be subject to judicial review.

(2) OTHER ACTIONS BY AGENCY.—Any housing impact analysis prepared under subsection (d) or (f) and the compliance or noncompliance of the agency with the provisions of this title shall not be subject to judicial review. When an action for judicial review of a rule is instituted, any housing impact analysis for such rule shall constitute part of the whole record of agency action in connection with the review.

(3) EXCEPTION.—Nothing in this subsection bars judicial review of any other impact statement or similar analysis required by any other law if judicial review of such statement or analysis is otherwise provided by law.

SEC. 103. GRANTS FOR REGULATORY BARRIER REMOVAL STRATEGIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (a) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(a)) is amended to read as follows:

''(a) FUNDING.—There is authorized to be appropriated for grants under subsections (b) and (c) $15,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002, 2003, 2004, and 2005.''.

(b) CONSOLIDATION OF STATE AND LOCAL GRANTS.—Subsection (b) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(b)) is amended—

(1) in the subsection heading, by striking ''STATE GRANTS'' and inserting ''GRANT AUTHORITY'';

(2) in the matter preceding paragraph (1), by inserting after ''States'' the following: ''and units of general local government (including consortia of such governments)'';

(3) in paragraph (3), by striking ''a State program to reduce State and local'' and inserting ''State, local, or regional programs to reduce'';

(4) in paragraph (4), by inserting ''or local'' after ''State''; and

(5) in paragraph (5), by striking ''State''.

(c) REPEAL OF LOCAL GRANTS PROVISION.—Section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c) is amended by striking subsection (c).

(d) APPLICATION AND SELECTION.—The last sentence of section 1204(e) of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(e)) is amended—

(1) by striking ''and for the selection of units of general local government to receive grants under subsection (f)(2)''; and

(2) by inserting before the period at the end the following: ''and such criteria shall require that grant amounts be used in a manner consistent with the strategy contained in the comprehensive housing affordability strategy for the jurisdiction pursuant to section 105(b)(4) of the Cranston-Gonzalez National Affordable Housing Act''.

(e) SELECTION OF GRANTEES.—Subsection (f) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(f)) is amended to read as follows:

''(f) SELECTION OF GRANTEES.—To the extent amounts are made available to carry out this section, the Secretary shall provide grants on a competitive basis to eligible grantees based on the proposed uses of such amounts, as provided in applications under subsection (e).''.

(f) TECHNICAL AMENDMENTS.—Section 107(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5307(a)(1)) is amended—

(1) in subparagraph (G), by inserting ''and'' after the semicolon at the end;

(2) by striking subparagraph (H); and

(3) by redesignating subparagraph (I) as subparagraph (H).

SEC. 104. ELIGIBILITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS.

(a) IN GENERAL.—Section 104(c)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(c)(1)) is amended by inserting before the comma the following: '', which shall include making a good faith effort to carry out the strategy established under section 105(b)(4) of such Act by the unit of general local government to remove barriers to affordable housing''.

(b) RULE OF CONSTRUCTION.—The amendment made by subsection (a) may not be construed to create any new private right of action.

SEC. 105. REGULATORY BARRIERS CLEARINGHOUSE.

Section 1205 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking ''receive, collect, process, and assemble'' and inserting ''serve as a national repository to receive, collect, process, assemble, and disseminate'';

(B) in paragraph (1)—

(i) by striking '', including'' and inserting ''(including''; and

(ii) by inserting before the semicolon at the end the following: ''), and the prevalence and effects on affordable housing of such laws, regulations, and policies'';

(C) in paragraph (2), by inserting before the semicolon the following: '', including particularly innovative or successful activities, strategies, and plans''; and

(D) in paragraph (3), by inserting before the period at the end the following: '', including particularly innovative or successful strategies, activities, and plans'';

(2) in subsection (b)—

(A) in paragraph (1), by striking ''and'' at the end;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(3) by making available through a World Wide Web site of the Department, by electronic mail, or otherwise, provide to each housing agency of a unit of general local government that serves an area having a population greater than 100,000, an index of all State and local strategies and plans submitted under subsection (a) to the clearinghouse, which—

''(A) shall describe the types of barriers to affordable housing that the strategy or plan was designed to ameliorate or remove; and

''(B) shall, not later than 30 days after submission to the clearinghouse of any new strategy or plan, be updated to include the new strategy or plan submitted.''; and

(3) by adding at the end the following new subsections:

''(c) ORGANIZATION.—The clearinghouse under this section shall be established within the Office of Policy Development of the Department of Housing and Urban Development and shall be under the direction of the Assistant Secretary for Policy Development and Research.

''(d) TIMING.—The clearinghouse under this section (as amended by section 105 of the Housing Affordability Barrier Removal Act of 2000) shall be established and commence carrying out the functions of the clearinghouse under this section not later than 1 year after the date of the enactment of such Act. The Secretary of Housing and Urban Development may comply with the requirements under this section by reestablishing the clearinghouse that was originally established to comply with this section and updating and improving such clearinghouse to the extent necessary to comply with the requirements of this section as in effect pursuant to the enactment of such Act.''.

TITLE II—HOMEOWNERSHIP THROUGH MORTGAGE INSURANCE AND LOAN GUARANTEES

SEC. 201. EXTENSION OF LOAN TERM FOR MANUFACTURED HOME LOTS.

Section 2(b)(3)(E) of the National Housing Act (12 U.S.C. 1703(b)(3)(E)) is amended by striking ''fifteen'' and inserting ''twenty''.

SEC. 202. DOWNPAYMENT SIMPLIFICATION.

(a) IN GENERAL.—Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by realigning the matter that precedes clause (ii) an additional 2 ems from the left margin;

(B) in the matter that follows subparagraph (B)(iii)—

(i) by striking the 6th sentence (relating to the increases for costs of solar energy systems) and all that follows through the end of the penultimate undesignated paragraph; and

(ii) by striking the 2d and 3rd sentences of such matter; and

(C) by striking subparagraph (B);

(2) by transferring and inserting subparagraph (A) of paragraph (10) after subparagraph (A) of paragraph (2) and amending such subparagraph by striking all of the matter that precedes clause (i) and inserting the following:

''(B) not to exceed an amount equal to the sum of—'';

(3) by transferring and inserting the last undesignated paragraph of paragraph (2) (relating to disclosure notice) after subsection (e), realigning such transferred paragraph so as to be flush with the left margin, and amending such transferred paragraph by inserting ''(f) DISCLOSURE OF OTHER MORTGAGE PRODUCTS.—'' before ''In conjunction'';

(4) by transferring and inserting the sentence that constitutes the text of paragraph (10)(B) after the period at the end of the first sentence that follows subparagraph (B) (relating to the definition of ''area''); and

(5) by striking paragraph (10) (as amended by the preceding provisions this section).

(b) CONFORMING AMENDMENTS.—Section 245 of the National Housing Act (12 U.S.C. 1715z–10) is amended—

(1) in subsection (a), by striking '', or if the mortgagor'' and all that follows through ''case of veterans''; and

(2) in subsection (b)(3), by striking '', or, if the'' and all that follows through ''for veterans,''.

SEC. 203. REDUCED DOWNPAYMENT REQUIREMENTS FOR LOANS FOR TEACHERS AND UNIFORMED MUNICIPAL EMPLOYEES.

(a) IN GENERAL.—Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)), as amended by section 202 of this Act, is further amended by adding at the end the following new paragraph:

''(10) REDUCED DOWNPAYMENT REQUIREMENTS FOR TEACHERS AND UNIFORMED MUNICIPAL EMPLOYEES.—

''(A) IN GENERAL.—Notwithstanding paragraph (2), in the case of a mortgage described in subparagraph (B)—

''(i) the mortgage shall involve a principal obligation in an amount that does not exceed the sum of 99 percent of the appraised value of the property and the total amount of initial service charges, appraisal, inspection, and other fees (as the Secretary shall approve) paid in connection with the mortgage;

''(ii) no other provision of this subsection limiting the principal obligation of the mortgage based upon a percentage of the appraised value of the property subject to the mortgage shall apply; and

''(iii) the matter in paragraph (9) that precedes the first proviso shall not apply and the mortgage shall be executed by a mortgagor who shall have paid on account of the property at least 1 percent of the cost of acquisition (as determined by the Secretary) in cash or its equivalent.

''(B) MORTGAGES COVERED.—A mortgage described in this subparagraph is a mortgage—

''(i) under which the mortgagor is an individual who—

''(I) is employed on a full-time basis as (aa) a teacher or administrator in a public or private

school that provides elementary or secondary education, as determined under State law, except that secondary education shall not include any education beyond grade 12, or (bb) a public safety officer (as such term is defined in section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b), except that such term shall not include any officer serving a public agency of the Federal Government); and

''(II) has not, during the 12-month period ending upon the insurance of the mortgage, had any present ownership interest in a principal residence located in the jurisdiction described in clause (ii); and

''(ii) made for a property that is located within the jurisdiction of—

''(I) in the case of a mortgage of a mortgagor described in clause (i)(I)(aa), the local educational agency (as such term is defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)) for the school in which the mortgagor is employed (or, in the case of a mortgagor employed in a private school, the local educational agency having jurisdiction for the area in which the private school is located); or

''(II) in the case of a mortgage of a mortgagor described in clause (i)(I)(bb), the jurisdiction served by the public law enforcement agency, firefighting agency, or rescue or ambulance agency that employs the mortgagor.''.

(b) DEFERRAL AND REDUCTION OF UP-FRONT PREMIUM.—Section 203(c) of the National Housing Act (12 U.S.C. 1709(c)(2)) is amended—

(1) in paragraph (2), in the matter preceding subparagraph (A), by striking ''Notwithstanding'' and inserting ''Except as provided in paragraph (3) and notwithstanding''; and

(2) by adding at the end the following new paragraph:

''(3) DEFERRAL AND REDUCTION OF UP-FRONT PREMIUM.—In the case of any mortgage described in subsection (b)(10)(B):

''(A) Paragraph (2)(A) of this subsection (relating to collection of up-front premium payments) shall not apply.

''(B) If, at any time during the 5-year period beginning on the date of the insurance of the mortgage, the mortgagor ceases to be employed as described in subsection (b)(10)(B)(i)(I) or pays the principal obligation of the mortgage in full, the Secretary shall at such time collect a single premium payment in an amount equal to the amount of the single premium payment that, but for this paragraph, would have been required under paragraph (2)(A) of this subsection with respect to the mortgage, as reduced by 20 percent of such amount for each successive 12-month period completed during such 5-year period before such cessation or prepayment occurs.''.

SEC. 204. PREVENTING FRAUD IN REHABILITATION LOAN PROGRAM.

(a) IN GENERAL.—Section 203(k) of the National Housing Act (12 U.S.C. 1709(k)) is amended by adding at the end the following new paragraph:

''(7) PREVENTION OF FRAUD.—To prevent fraud under the program for loan insurance authorized under this subsection, the Secretary shall, by regulation, take the following actions:

''(A) PROHIBITION OF IDENTITY OF INTEREST.—The Secretary shall prohibit any identity-of-interest, as such term is defined by the Secretary, between any of the following parties involved in a loan insured under this subsection: the borrower (including, in the case of a borrower that is a nonprofit organization, any member of the board of directors or the staff of the organization), the lender, any consultant, any real estate agent, any property inspector, and any appraiser. Nothing in this subparagraph may be construed to prohibit or restrict, or authorize the Secretary to prohibit or restrict, the functioning of a affiliated business arrangement that complies with the requirements under section 8(c)(4) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2607(c)(4)).

''(B) NONPROFIT PARTICIPATION.—The Secretary shall establish minimum standards for a nonprofit organization to participate in the program, which shall include—

''(i) requiring such an organization to disclose to the Secretary its taxpayer identification number and evidence sufficient to indicate that the organization is an organization described in section 501(c) of the Internal Revenue Code of 1986 that is exempt from taxation under subtitle A of such Code;

''(ii) requiring that the board of directors of such an organization be comprised only of individuals who do not receive any compensation or other thing of value by reason of their service on the board and who have no personal financial interest in the rehabilitation project of the organization that is financed with the loan insured under this subsection;

''(iii) requiring such an organization to submit to the Secretary financial statements of the organization for the most recent 2 years, which have been prepared by a party that is unaffiliated with the organization and is qualified to prepare financial statements;

''(iv) limiting to 10 the number of loans that are insured under this subsection, made to any single such organization, and, at any one time, have an outstanding balance of principal or interest, except that the Secretary may increase such numerical limitation on a case-by-case basis for good cause shown; and

''(v) requiring such an organization to have been certified by the Secretary as meeting the requirements under this subsection and otherwise eligible to participate in the program not more than 2 years before obtaining a loan insured under this section.

''(C) COMPLETION OF WORK.—The Secretary shall prohibit any lender making a loan insured under this subsection from disbursing the final payment of loan proceeds unless the lender has received affirmation, from the borrower under the loan, both in writing and pursuant to an interview in person or over the telephone, that the rehabilitation activities financed by the loan have been satisfactorily completed.

''(D) CONSULTANT STANDARDS.—The Secretary shall require that any consultant, as such term is defined by the Secretary, who is involved in a home inspection, site visit, or preparation of bids with respect to any loan insured under this section shall meet such standards established by the Secretary to ensure accurate inspections and preparation of bids.

''(E) CONTRACTOR QUALIFICATION.—The Secretary shall require, in the case of any loan that is insured under this subsection and involves rehabilitation with a cost of $25,000 or more, that the contractor or other person performing or supervising the rehabilitation activities financed by the loan shall—

''(i) be certified by a nationally recognized organization as meeting industry standards for quality of workmanship, training, and continuing education, including financial management;

''(ii) be licensed to conduct such activities by the State or unit of general local government in which the rehabilitation activities are being completed; or

''(iii) be bonded or provide such equivalent protection, as the Secretary may require.''.

(b) REPORT ON ACTIVITY OF NONPROFIT ORGANIZATIONS UNDER PROGRAM.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress regarding the participation of nonprofit organizations under the rehabilitation loan program under section 203(k) of the National Housing Act (12 U.S.C. 1709(k)). The report shall—

(1) determine and describe the extent of participation in the program by such organizations;

(2) identify and compare the default and claim rates for loans made under the program to nonprofit organizations and to owner-occupier participants;

(3) analyze the impact, on such organizations and the program, of prohibiting such organizations from participating in the program; and

(4) identify other opportunities for such organizations to acquire financing or credit enhancement for rehabilitation activities.

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall issue final regulations and any other administrative orders or notices necessary to carry out the provisions of this section and the amendments made by this section not later than 120 days after the date of the enactment of this Act.

SEC. 205. NEIGHBORHOOD TEACHER PROGRAM.

(a) SHORT TITLE.—This section may be cited as the ''Neighborhood Teachers Act''.

(b) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) teachers are an integral part of our communities;

(2) other than families, teachers are often the most important mentors to children, providing them with the values and skills for self-fulfillment in adult life; and

(3) the Neighborhood Teachers Act recognizes the value teachers bring to community and family life and is designed to encourage and reward teachers that serve in our most needy communities.

(c) DISCOUNT AND DOWNPAYMENT ASSISTANCE FOR TEACHERS.—Section 204(h) of the National Housing Act (12 U.S.C. 1710(h)) is amended—

(1) by redesignating paragraphs (7) through (10) as paragraphs (8) through (11), respectively; and

(2) by inserting after paragraph (6) the following new paragraph:

''(7) 50 PERCENT DISCOUNT FOR TEACHERS PURCHASING PROPERTIES THAT ARE ELIGIBLE ASSETS.—

''(A) DISCOUNT.—A property that is an eligible asset and is sold, during fiscal years 2000 through 2004, to a teacher for use in accordance with subparagraph (B) shall be sold at a price that is equal to 50 percent of the appraised value of the eligible property (as determined in accordance with paragraph (6)(B)). In the case of a property eligible for both a discount under this paragraph and a discount under paragraph (6), the discount under paragraph (6) shall not apply.

''(B) PRIMARY RESIDENCE.—An eligible property sold pursuant to a discount under this paragraph shall be used, for not less than the 3-year period beginning upon such sale, as the primary residence of a teacher.

''(C) SALE METHODS.—The Secretary may sell an eligible property pursuant to a discount under this paragraph—

''(i) to a unit of general local government or nonprofit organization (pursuant to paragraph (4) or otherwise), for resale or transfer to a teacher; or

''(ii) directly to a purchaser who is a teacher.

''(D) RESALE.—In the case of any purchase by a unit of general local government or nonprofit organization of an eligible property sold at a discounted price under this paragraph, the sale agreement under paragraph (8) shall—

''(i) require the purchasing unit of general local government or nonprofit organization to provide the full benefit of the discount to the teacher obtaining the property; and

''(ii) in the case of a purchase involving multiple eligible assets, any of which is such an eligible property, designate the specific eligible property or properties to be subject to the requirements of subparagraph (B).

''(E) MORTGAGE DOWNPAYMENT ASSISTANCE.—If a teacher purchases an eligible property pursuant to a discounted sale price under this paragraph and finances such purchase through a mortgage insured under this title, notwithstanding any provision of section 203 the downpayment on such mortgage shall be $100.

''(F) PREVENTION OF UNDUE PROFIT.—The Secretary shall issue regulations to prevent undue

profit from the resale of eligible properties in violation of the requirement under subparagraph (B).

''(G) AWARENESS PROGRAM.—From funds made available for salaries and expenses for the Office of Policy Support of the Department of Housing and Urban Development, each field office of the Department shall make available to elementary schools and secondary schools within the jurisdiction of the field office and to the public—

''(i) a list of eligible properties located within the jurisdiction of the field office that are available for purchase by teachers under this paragraph; and

''(ii) other information designed to make such teachers and the public aware of the discount and downpayment assistance available under this paragraph.

''(H) DEFINITIONS.—For the purposes of this paragraph, the following definitions shall apply:

''(i) The terms 'elementary school' and 'secondary school' have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), except that, for purposes of this paragraph, elementary education (as used in such section) shall include pre-Kindergarten education.

''(ii) The term 'eligible property' means an eligible asset described in paragraph (2)(A) of this subsection.

''(iii) The term 'teacher' means an individual who is employed on a full-time basis, in an elementary or secondary school, as a State-certified classroom teacher or administrator.''.

(d) CONFORMING AMENDMENTS.—Section 204(h) of the National Housing Act (12 U.S.C. 1710(h)) is amended—

(1) in paragraph (4)(B)(ii), by striking ''paragraph (7)'' and inserting ''paragraph (8)'';

(2) in paragraph (5)(B)(i), by striking ''paragraph (7)'' and inserting ''paragraph (8)''; and

(3) in paragraph (6)(A), by striking ''paragraph (8)'' and inserting ''paragraph (9)''.

(e) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall issue regulations to implement the amendments made by this section.

SEC. 206. COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION RISK-SHARING DEMONSTRATION.

Section 249 of the National Housing Act (12 U.S.C. 1715z–14) is amended—

(1) by striking the section heading and inserting the following:

''RISK-SHARING DEMONSTRATION'';

(2) by striking ''reinsurance'' each place such term appears and insert ''risk-sharing'';

(3) in subsection (a)—

(A) in the first sentence, by striking ''private mortgage insurers'' and inserting ''insured community development financial institutions''; and

(B) in the second sentence—

(i) by striking ''two'' and inserting ''4''; and

(ii) by striking ''March 15, 1988'' and inserting ''the expiration of the 5-year period beginning on the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000'';

(4) in subsection (b)—

(A) by striking ''private mortgage insurance companies'' each place such term appears and inserting ''insured community development financial institutions'';

(B) in the first sentence, by striking ''which have been determined to be qualified insurers under section 302(b)(2)(C)'';

(C) by striking paragraph (1) and inserting the following new paragraph:

''(1) assume the first loss on any mortgage insured pursuant to section 203(b), 234, or 245 that covers a one- to four-family dwelling and is included in the program under this section, up to the percentage of loss that is set forth in the risk-sharing contract;''; and

(D) in paragraph (2)—

(i) by striking ''carry out (under appropriate delegation) such'' and inserting ''delegate underwriting,''; and

(ii) by striking ''function'' and inserting ''functions'';

(5) in subsection (c)—

(A) in the first sentence—

(i) by striking ''of'' the first place it appears and insert ''for'';

(ii) by striking ''insurance reserves'' and inserting ''loss reserves''; and

(iii) by striking ''such insurance'' and inserting ''such reserves''; and

(B) in the second sentence, by striking ''private mortgage insurance company'' and inserting ''insured community development financial institution'';

(6) in subsection (d), by striking ''private mortgage insurance company'' and inserting ''insured community development financial institution''; and

(7) by adding at the end the following new subsection:

''(e) INSURED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS.—For purposes of this section, the term 'insured community development financial institution' means a community development financial institution, as such term is defined in section 103 of Reigle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702) that is an insured depository institution (as such term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) or an insured credit union (as such term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).''.

SEC. 207. HYBRID ARMS.

(a) IN GENERAL.—Section 251 of the National Housing Act (12 U.S.C. 1715z–16) is amended—

(1) in subsection (a), by inserting ''IN GENERAL.—'' after ''(a)'';

(2) by striking subsection (b) and inserting the following new subsection:

''(b) DISCLOSURE.—In the case of any loan application for a mortgage to be insured under any provision of this section, the Secretary shall require that the prospective mortgagee for the mortgage shall, at the time of loan application, make available to the prospective mortgagor a written explanation of the features of an adjustable rate mortgage consistent with the disclosure requirements applicable to variable rate mortgages secured by a principal dwelling under the Truth in Lending Act (15 U.S.C. 1601 et seq.).'';

(3) in subsection (c), by inserting ''LIMITATION ON INSURANCE AUTHORITY.—'' after ''(c)''; and

(4) by adding at the end the following new subsection:

''(d) HYBRID ARMS.—The Secretary may insure under this subsection a mortgage that—

''(1) has an effective rate of interest that shall be—

''(A) fixed for a period of not less than the first 3 years of the mortgage term;

''(B) initially adjusted by the mortgagee upon the expiration of such period and annually thereafter; and

''(C) in the case of the initial interest rate adjustment, shall be subject to the limitation under clause (2) of the last sentence of subsection (a) (relating to prohibiting annual increases of more than 1 percent) only if the interest rate remains fixed for 5 or fewer years; and

''(2) otherwise meets the requirements for insurance under subsection (a) that are not inconsistent with the requirements under paragraph (1) of this subsection.''.

(b) IMPLEMENTATION.—The Secretary of Housing and Urban Development may implement section 251(d) of the National Housing Act (12 U.S.C. 1715z–16(d)), as added by subsection (a) of this section, in advance of rulemaking.

SEC. 208. HOME EQUITY CONVERSION MORTGAGES.

(a) INSURANCE FOR MORTGAGES TO REFINANCE EXISTING HECMS.—

(1) IN GENERAL.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended—

(A) by redesignating subsection (k) as subsection (m); and

(B) by inserting after subsection (j) the following new subsection:

''(k) INSURANCE AUTHORITY FOR REFINANCINGS.—

''(1) IN GENERAL.—The Secretary may, upon application by a mortgagee, insure under this subsection any mortgage given to refinance an existing home equity conversion mortgage insured under this section.

''(2) ANTI-CHURNING DISCLOSURE.—The Secretary shall, by regulation, require that the mortgagee of a mortgage insured under this subsection, provide to the mortgagor, within an appropriate time period and in a manner established in such regulations, a good faith estimate of: (A) the total cost of the refinancing; and (B) the increase in the mortgagor's principal limit as measured by the estimated initial principal limit on the mortgage to be insured under this subsection less the current principal limit on the home equity conversion mortgage that is being refinanced and insured under this subsection.

''(3) WAIVER OF COUNSELING REQUIREMENT.—The mortgagor under a mortgage insured under this subsection may waive the applicability, with respect to such mortgage, of the requirements under subsection (d)(2)(B) (relating to third party counseling), but only if—

''(A) the mortgagor has received the disclosure required under paragraph (2);

''(B) the increase in the principal limit described in paragraph (2) exceeds the amount of the total cost of refinancing (as described in such paragraph) by an amount to be determined by the Secretary; and

''(C) the time between the closing of the original home equity conversion mortgage that is refinanced through the mortgage insured under this subsection and the application for a refinancing mortgage insured under this subsection does not exceed 5 years.

''(4) CREDIT FOR PREMIUMS PAID.—Notwithstanding section 203(c)(2)(A), the Secretary may reduce the amount of the single premium payment otherwise collected under such section at the time of the insurance of a mortgage refinanced and insured under this subsection. The amount of the single premium for mortgages refinanced under this subsection shall be determined by the Secretary based on the actuarial study required under paragraph (5).

''(5) ACTUARIAL STUDY.—Not later than 180 days after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, the Secretary shall conduct an actuarial analysis to determine the adequacy of the insurance premiums collected under the program under this subsection with respect to—

''(A) a reduction in the single premium payment collected at the time of the insurance of a mortgage refinanced and insured under this subsection;

''(B) the establishment of a single national limit on the benefits of insurance under subsection (g) (relating to limitation on insurance authority); and

''(C) the combined effect of reduced insurance premiums and a single national limitation on insurance authority.

''(6) FEES.—The Secretary may establish a limit on the origination fee that may be charged to a mortgagor under a mortgage insured under this subsection, except that such limitation shall provide that the origination fee may be fully financed with the mortgage and shall include any fees paid to correspondent mortgagees approved by the Secretary. The Secretary shall prohibit the charging of any broker fees in connection with mortgages insured under this subsection.''.

(2) REGULATIONS.—The Secretary shall issue any final regulations necessary to implement the amendments made by paragraph (1) of this subsection, which shall take effect not later than the expiration of the 180-day period beginning on the date of the enactment of this Act. The regulations shall be issued after notice and

opportunity for public comment in accordance with the procedure under section 553 of title 5, United States Code, applicable to substantive rules (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

(b) HOUSING COOPERATIVES.—Section 255(b) of the National Housing Act (12 U.S.C. 1715z–20(b)) is amended—

(1) in paragraph (2), by striking ''mortgage',''; and

(2) by adding at the end the following new paragraphs:

''(4) MORTGAGE.—The term 'mortgage' means a first mortgage or first lien on real estate, in fee simple, on all stock allocated to a dwelling in a residential cooperative housing corporation, or on a leasehold—

''(A) under a lease for not less than 99 years that is renewable; or

''(B) under a lease having a period of not less than 10 years to run beyond the maturity date of the mortgage.

''(5) FIRST MORTGAGE.—The term 'first mortgage' means such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate or all stock allocated to a dwelling unit in a residential cooperative housing corporation, under the laws of the State in which the real estate or dwelling unit is located, together with the credit instruments, if any, secured thereby.''.

(c) WAIVER OF UP-FRONT PREMIUMS FOR MORTGAGES USED FOR COSTS OF LONG-TERM CARE INSURANCE OR HEALTH CARE.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended by inserting after subsection (k) (as added by subsection (a) of this section) the following new subsection:

''(l) WAIVER OF UP-FRONT PREMIUMS.—

''(1) MORTGAGES TO FUND LONG-TERM CARE INSURANCE.—In the case of any mortgage insured under this section under which the total amount (except as provided in paragraph (3)) of all future payments described in subsection (b)(3) will be used only for costs of a qualified long-term care insurance contract (as such term is defined in section 7702B of the Internal Revenue Code of 1986 (26 U.S.C. 7702B)) that covers the mortgagor or members of the household residing in the property that is subject to the mortgage, notwithstanding section 203(c)(2), the Secretary shall not charge or collect the single premium payment otherwise required under subparagraph (A) of such section to be paid at the time of insurance.

''(2) MORTGAGES TO FUND HEALTH CARE COSTS.—In the case of any mortgage insured under this section under which the future payments described in subsection (b)(3) will be used only for costs for health care services (as such term is defined by the Secretary) for the mortgagor or members of the household residing in the property that is subject to the mortgage and comply with limitations on such payments, as shall be established by the Secretary and based upon the purposes of this subsection and the accumulated equity of the mortgagor in the property, notwithstanding section 203(c)(2), the Secretary shall not charge or collect the single premium payment otherwise required under subparagraph (A) of such section to be paid at the time of insurance.

''(3) AUTHORITY TO REFINANCE EXISTING MORTGAGE AND FINANCE CLOSING COSTS.—A mortgage described in paragraphs (1) or (2) may provide financing of amounts that are used to satisfy outstanding mortgage obligations (in accordance with such limitations as the Secretary shall prescribe) any amounts used for initial service charges, appraisal, inspection, and other fees (as approved by the Secretary) in connection with such mortgage, and the amount of future payments described in subsection (b)(3) under the mortgage shall be reduced accordingly.''.

(d) STUDY OF SINGLE NATIONAL MORTGAGE LIMIT.—The Secretary of Housing and Urban Development shall conduct an actuarially based study of the effects of establishing, for mortgages insured under section 255 of the National Housing Act (12 U.S.C. 1715z–20), a single maximum mortgage amount limitation in lieu of applicability of section 203(b)(2) of such Act (12 U.S.C. 1709(b)(2)). The study shall—

(1) examine the effects of establishing such limitation at different dollar amounts; and

(2) examine the effects of such various limitations on—

(A) the risks to the General Insurance Fund established under section 519 of such Act;

(B) the mortgage insurance premiums that would be required to be charged to mortgagors to ensure actuarial soundness of such Fund; and

(C) take into consideration the various approaches to providing credit to borrowers who refinance home equity conversion mortgages insured under section 255 of such Act.

Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete the study under this subsection and submit a report describing the study and the results of the study to the Committee on Banking and Financial Services of the House of Representatives and to the Committee on Banking, Housing, and Urban Affairs of the Senate.

SEC. 209. LAW ENFORCEMENT OFFICER HOMEOWNERSHIP PILOT PROGRAM.

(a) ASSISTANCE FOR LAW ENFORCEMENT OFFICERS.—The Secretary of Housing and Urban Development shall carry out a pilot program in accordance with this section to assist Federal, State, and local law enforcement officers purchasing homes in locally-designated high-crime areas.

(b) ELIGIBILITY.—To be eligible for assistance under this section, a law enforcement officer shall—

(1) have completed not less than 6 months of service as a law enforcement officer as of the date that the law enforcement officer applies for such assistance; and

(2) agree, in writing, to use the residence purchased with such assistance as the primary residence of the law enforcement officer for not less than 3 years after the date of purchase.

(c) MORTGAGE ASSISTANCE.—If a law enforcement officer purchases a home in locally-designated high-crime area and finances such purchase through a mortgage insured under title II of the National Housing Act (12 U.S.C. 1707 et seq.), notwithstanding any provision of section 203 or any other provision of the National Housing Act, the following shall apply:

(1) DOWNPAYMENT.—

(A) IN GENERAL.—There shall be no downpayment required if the purchase price of the property is not more than the reasonable value of the property, as determined by the Secretary.

(B) PURCHASE PRICE EXCEEDS VALUE.—If the purchase price of the property exceeds the reasonable value of the property, as determined by the Secretary, the required downpayment shall be the difference between such reasonable value and the purchase price.

(2) CLOSING COSTS.—The closing costs and origination fee for such mortgage may be included in the loan amount.

(3) INSURANCE PREMIUM PAYMENT.—There shall be 1 insurance premium payment due on the mortgage. Such insurance premium payment—

(A) shall be equal to 1 percent of the loan amount;

(B) shall be due and considered earned by the Secretary at the time of the loan closing; and

(C) may be included in the loan amount and paid from the loan proceeds.

(d) LOCALLY-DESIGNATED HIGH-CRIME AREA.—

(1) IN GENERAL.—Any unit of local government may request that the Secretary designate any area within the jurisdiction of that unit of local government as a locally-designated high-crime area for purposes of this section if the proposed area—

(A) has a crime rate that is significantly higher than the crime rate of the non-designated area that is within the jurisdiction of the unit of local government; and

(B) has a population that is not more than 25 percent of the total population of area within the jurisdiction of the unit of local government.

(2) DEADLINE FOR CONSIDERATION OF REQUEST.—Not later than 60 days after receiving a request under paragraph (1), the Secretary shall approve or disapprove the request.

(e) LAW ENFORCEMENT OFFICER.—For purposes of this section, the term ''law enforcement officer'' has such meaning as the Secretary shall provide, except that such term shall include any individual who is employed as an officer in a correctional institution.

(f) SUNSET.—The Secretary shall not approve any application for assistance under this section that is received by the Secretary after the expiration of the 3-year period beginning on the date that the Secretary first makes available assistance under the pilot program under this section.

SEC. 210. STUDY OF MANDATORY INSPECTION REQUIREMENT UNDER SINGLE FAMILY HOUSING MORTGAGE INSURANCE PROGRAM.

The Comptroller General of the United States shall conduct a study regarding the inspection of properties purchased with loans insured under section 203 of the National Housing Act. The study shall evaluate the following issues:

(1) The feasibility of requiring inspections of all properties purchased with loans insured under such section.

(2) The level of financial losses or savings to the Mutual Mortgage Insurance Fund that are likely to occur if inspections are required on properties purchased with loans insured under such section.

(3) The potential impact on the process of buying a home if inspections of properties purchased with loans insured under such section are required, including the process of buying a home in underserved areas where losses to the Mutual Mortgage Insurance Fund are greatest.

(4) The difference, if any, in the quality of homes purchased with loans insured under such section that are inspected before purchase and such homes that are not inspected before purchase.

(5) The cost to homebuyers of requiring inspections before purchase of properties with loans insured under such section.

(6) The extent, if any, to which requiring inspections of properties purchased with loans insured under such section will result in adverse selection of loans insured under such section.

(7) The extent of homebuyer knowledge regarding property inspections and the extent to which such knowledge affects the decision of homebuyers to opt for or against having a property inspection before purchasing a home.

(8) The impact of the Homebuyer Protection Plan implemented by the Department of Housing and Urban Development on the number of appraisers authorized to appraise homes with mortgages insured under section 203 of the National Housing Act.

(9) The cost to homebuyers incurred as a result of the Homebuyer Protection plan, taking into consideration, among other factors, an increase in appraisal fees.

(10) The benefit or adverse impact of the Homebuyer Protection Plan on minority homebuyers.

(11) The extent to which the appraisal requirements of the Homebuyer Protection Plan conflict with State laws regarding appraisals and home inspections.

Not later than the expiration of the 1-year period beginning on the date of the enactment of this Act, the Comptroller General shall submit to the Congress a report containing the results of the study and any recommendations with respect to the issues specified under this section.

SEC. 211. REPORT ON TITLE I HOME IMPROVEMENT LOAN PROGRAM.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress containing recommendations for improvements to the property improvement loan insurance program under title I of the National Housing Act, including improvements designed to address problems relating to home improvement contractors obtaining loans on behalf of homeowners.

(b) CONSULTATION.—In developing and determining recommendations for inclusion in the report under this section and in preparing the report, the Secretary shall consult with interested persons, organizations, and entities, including representatives of the lending industry, the home improvement industry, and consumer organizations.

TITLE III—SECTION 8 HOMEOWNERSHIP OPTION

SEC. 301. DOWNPAYMENT ASSISTANCE.

(a) AMENDMENTS.—Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) is amended—

(1) by redesignating paragraph (7) as paragraph (8); and

(2) by inserting after paragraph (6) the following new paragraph:

''(7) DOWNPAYMENT ASSISTANCE.—

''(A) AUTHORITY.—A public housing agency may, in lieu of providing monthly assistance payments under this subsection on behalf of a family eligible for such assistance and at the discretion of the public housing agency, provide assistance for the family in the form of a single grant to be used only as a contribution toward the downpayment required in connection with the purchase of a dwelling for fiscal year 2000 and each fiscal year thereafter to the extent provided in advance in appropriations Acts.

''(B) AMOUNT.—The amount of a downpayment grant on behalf of an assisted family may not exceed the amount that is equal to the sum of the assistance payments that would be made during the first year of assistance on behalf of the family, based upon the income of the family at the time the grant is to be made.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect immediately after the amendments made by section 555(c) of the Quality Housing and Work Responsibility Act of 1998 take effect pursuant to such section.

SEC. 302. PILOT PROGRAM FOR HOMEOWNERSHIP ASSISTANCE FOR DISABLED FAMILIES.

(a) IN GENERAL.—A public housing agency providing tenant-based assistance on behalf of an eligible family under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) may provide assistance for a disabled family that purchases a dwelling unit (including a dwelling unit under a lease-purchase agreement) that will be owned by 1 or more members of the disabled family and will be occupied by the disabled family, if the disabled family—

(1) purchases the dwelling unit before the expiration of the 3-year period beginning on the date that the Secretary first implements the pilot program under this section;

(2) demonstrates that the disabled family has income from employment or other sources (including public assistance), as determined in accordance with requirements of the Secretary, that is not less than twice the payment standard established by the public housing agency (or such other amount as may be established by the Secretary);

(3) except as provided by the Secretary, demonstrates at the time the disabled family initially receives tenant-based assistance under this section that one or more adult members of the disabled family have achieved employment for the period as the Secretary shall require;

(4) participates in a homeownership and housing counseling program provided by the agency; and

(5) meets any other initial or continuing requirements established by the public housing agency in accordance with requirements established by the Secretary.

(b) DETERMINATION OF AMOUNT OF ASSISTANCE.—

(1) IN GENERAL.—

(A) MONTHLY EXPENSES NOT EXCEEDING PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

(i) 30 percent of the monthly adjusted income of the disabled family.

(ii) 10 percent of the monthly income of the disabled family.

(iii) If the disabled family is receiving payments for welfare assistance from a public agency, and a portion of those payments, adjusted in accordance with the actual housing costs of the disabled family, is specifically designated by that agency to meet the housing costs of the disabled family, the portion of those payments that is so designated.

(B) MONTHLY EXPENSES EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the amounts under clauses (i), (ii), and (iii) of subparagraph (A).

(2) CALCULATION OF AMOUNT.—

(A) LOW-INCOME FAMILIES.—A disabled family that is a low-income family shall be eligible to receive 100 percent of the amount calculated under paragraph (1).

(B) INCOME BETWEEN 81 AND 89 PERCENT OF MEDIAN.—A disabled family whose income is between 81 and 89 percent of the median for the area shall be eligible to receive 66 percent of the amount calculated under paragraph (1).

(C) INCOME BETWEEN 90 AND 99 PERCENT OF MEDIAN.—A disabled family whose income is between 90 and 99 percent of the median for the area shall be eligible to receive 33 percent of the amount calculated under paragraph (1).

(D) INCOME MORE THAN 99 PERCENT OF MEDIAN.—A disabled family whose income is more than 99 percent of the median for the area shall not be eligible to receive assistance under this section.

(c) INSPECTIONS AND CONTRACT CONDITIONS.—

(1) IN GENERAL.—Each contract for the purchase of a dwelling unit to be assisted under this section shall—

(A) provide for pre-purchase inspection of the dwelling unit by an independent professional; and

(B) require that any cost of necessary repairs be paid by the seller.

(2) ANNUAL INSPECTIONS NOT REQUIRED.—The requirement under subsection (o)(8)(A)(ii) of the United States Housing Act of 1937 for annual inspections shall not apply to dwelling units assisted under this section.

(d) OTHER AUTHORITY OF THE SECRETARY.—The Secretary may—

(1) limit the term of assistance for a disabled family assisted under this section;

(2) provide assistance for a disabled family for the entire term of a mortgage for a dwelling unit if the disabled family remains eligible for such assistance for such term; and

(3) modify the requirements of this section as the Secretary determines to be necessary to make appropriate adaptations for lease-purchase agreements.

(e) ASSISTANCE PAYMENTS SENT TO LENDER.—The Secretary shall remit assistance payments under this section directly to the mortgagee of the dwelling unit purchased by the disabled family receiving such assistance payments.

(f) INAPPLICABILITY OF CERTAIN PROVISIONS.—Assistance under this section shall not be subject to the requirements of the following provisions:

(1) Subsection (c)(3)(B) of section 8 of the United States Housing Act of 1937.

(2) Subsection (d)(1)(B)(i) of section 8 of the United States Housing Act of 1937.

(3) Any other provisions of section 8 of the United States Housing Act of 1937 governing maximum amounts payable to owners and amounts payable by assisted families.

(4) Any other provisions of section 8 of the United States Housing Act of 1937 concerning contracts between public housing agencies and owners.

(5) Any other provisions of the United States Housing Act of 1937 that are inconsistent with the provisions of this section.

(g) REVERSION TO RENTAL STATUS.—

(1) NON-FHA MORTGAGES.—If a disabled family receiving assistance under this section defaults under a mortgage not insured under the National Housing Act, the disabled family may not continue to receive rental assistance under section 8 of the United States Housing Act of 1937 unless it complies with requirements established by the Secretary.

(2) ALL MORTGAGES.—A disabled family receiving assistance under this section that defaults under a mortgage may not receive assistance under this section for occupancy of another dwelling unit owned by 1 or more members of the disabled family.

(3) EXCEPTION.—This subsection shall not apply if the Secretary determines that the disabled family receiving assistance under this section defaulted under a mortgage due to catastrophic medical reasons or due to the impact of a federally declared major disaster or emergency.

(h) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall issue regulations to implement this section. Such regulations may not prohibit any public housing agency providing tenant-based assistance on behalf of an eligible family under section 8 of the United States Housing Act of 1937 from participating in the pilot program under this section.

(i) DEFINITION OF DISABLED FAMILY.—For the purposes of this section, the term ''disabled family'' has the meaning given the term ''person with disabilities'' in section 811(k)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(k)(2)).

SEC. 303. FUNDING FOR PILOT PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $2,000,000 for fiscal year 2001 for assistance in connection with the existing homeownership pilot programs carried out under the demonstration program authorized under to section 555(b) of the Quality Housing and Work Responsibility Act of 1998 (Public Law 105–276; 112 Stat. 2613).

(b) USE.—Subject to subsection (c), amounts made available pursuant to this section shall be used only through such homeownership pilot programs to provide, on behalf of families participating in such programs, amounts for downpayments in connection with dwellings purchased by such families using assistance made available under section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)). No such downpayment grant may exceed 20 percent of the appraised value of the dwelling purchased with assistance under such section 8(y).

(c) MATCHING REQUIREMENT.—The amount of assistance made available under this section for any existing homeownership pilot program may not exceed twice the amount donated from sources other than this section for use under the program for assistance described in subsection (b). Amounts donated from other sources may include amounts from State housing finance agencies and Neighborhood Housing Services of America.

TITLE IV—COMMUNITY DEVELOPMENT BLOCK GRANTS

SEC. 401. REAUTHORIZATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—The last sentence of section 103 of the Housing and Community Development Act of 1974 (42 U.S.C. 5303) is amended to read as follows: ''For purposes of assistance under section 106, there is authorized to be appropriated $4,900,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002, 2003, 2004, and 2005.''.

(b) ENTITLEMENT GRANTS.—

(1) IN GENERAL.—Section 102(a)(5)(B) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(5)(B)) is amended—

(A) by inserting ''(I)'' after ''(iii)''; and

(B) by inserting before the period at the end the following: '', or (II) has a population in its unincorporated areas of not less than 450,000, except that a town or township which is designated as a city pursuant to this subclause shall have only its unincorporated areas considered as a city for purposes of this title''.

(2) TREATMENT AS SEPARATE FROM URBAN COUNTIES.—Section 102(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(d)) is amended—

(A) by inserting ''(1)'' after ''(d)''; and

(B) by adding at the end the following new paragraph:

''(2) Notwithstanding paragraph (1), a town or township that is classified as a city by reason of subclause (II) of section 102(a)(5)(B)(iii) shall be treated, for purposes of eligibility for a grant under section 106(b)(1) from amounts made available for a fiscal year beginning after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, as an entity separate from the urban county in which it is located.''.

(3) ELIGIBILITY OF CERTAIN URBAN COUNTIES.—Section 102(a)(6) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(6)) is amended—

(1) in subparagraph (D)—

(A) in clause (v), by striking ''or'' at the end;

(B) in clause (vi), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following new clause:

''(vii)(I) has consolidated its government with one or more municipal governments, such that within the county boundaries there are no unincorporated areas, (II) has a population of not less than 650,000, over which the consolidated government has the authority to undertake essential community development and housing assistance activities, (III) for more than 10 years, has been classified as an entitlement area for purposes of allocating and distributing funds under section 106, and (IV) as of the date of the enactment of this clause, has over 90 percent of the county's population within the jurisdiction of the consolidated government.''; and

(2) by adding at the end the following new subparagraph:

''(F) Notwithstanding any other provision of this paragraph, any county that was classified as an urban county pursuant to subparagraph (A) for fiscal year 1999, includes 10 cities each having a population of less than 50,000, and has a population in its unincorporated areas of 190,000 or more but less than 200,000, shall thereafter remain classified as an urban county.''.

SEC. 402. PROHIBITION OF SET-ASIDES.

Section 103 of the Housing and Community Development Act of 1974 (42 U.S.C. 5303), as amended by section 401 of this Act, is further amended—

(1) by inserting after ''SEC. 103.'' the following: ''(a) IN GENERAL.—''; and

(2) by adding at the end the following new subsection:

''(b) PROHIBITION OF SET-ASIDES.—Except as provided in paragraphs (1) and (2) of section 106(a) and section 107, amounts appropriated pursuant to subsection (a) of this section or otherwise to carry out this title (other than section 108) shall be used only for formula-based grants allocated pursuant to section 106 and may not be otherwise used unless the provision of law providing for such other use specifically refers to this subsection and specifically states that such provision modifies or supersedes the provisions of this subsection.''.

SEC. 403. PUBLIC SERVICES CAP.

Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking ''fiscal years 1993'' and all that follows through ''unit of general local government'' and inserting the following: ''fiscal years 1993 through 2006 to the City of Los Angeles, the County of Los Angeles, or any other unit of general local government located in the County of Los Angeles, such city, such county, or each such unit of general local government, respectively,''.

SEC. 404. HOMEOWNERSHIP FOR MUNICIPAL EMPLOYEES.

(a) ELIGIBLE ACTIVITIES.—Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

(1) in paragraph (22)(C), by striking ''and'' at the end;

(2) in paragraph (23), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (23) the following new paragraph:

''(24) provision of direct assistance to facilitate and expand homeownership among uniformed employees (including policemen, firemen, and sanitation and other maintenance workers) of, and teachers who are employees of, the metropolitan city or urban county (or an agency or school district serving such city or county) receiving grant amounts under this title pursuant to section 106(b) or the unit of general local government (or an agency or school district serving such unit) receiving such grant amounts pursuant to section 106(d), except that—

''(A) such assistance may only be provided on behalf of such employees who are first-time homebuyers under the meaning given such term in section 104(14) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(14)), except that, for purposes of this paragraph, such section shall be applied by substituting 'section 105(a)(24) of the Housing and Community Development Act of 1974' for 'title II';

''(B) notwithstanding section 102(a)(20)(B) or any other provision of this title, such assistance may be provided on behalf of such employees whose family incomes do not exceed—

''(i) 115 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families; or

''(ii) with respect only to areas that the Secretary determines have high housing costs, taking into consideration median house prices and median family incomes for the area, 150 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families;

''(C) such assistance shall be used only for acquiring principal residences for such employees, in a manner that involves obligating amounts with respect to any particular mortgage over a period of one year or less, by—

''(i) providing amounts for downpayments on mortgages;

''(ii) paying reasonable closing costs normally associated with the purchase of a residence;

''(iii) obtaining pre- or post-purchase counseling relating to the financial and other obligations of homeownership; or

''(iv) subsidizing mortgage interest rates; and

''(D) any residence purchased using assistance provided under this paragraph shall be subject to restrictions on resale that are—

''(i) established by the metropolitan city, urban county, or unit of general local government providing such assistance; and

''(ii) determined by the Secretary to be appropriate to comply with subparagraphs (A) and (B) of section 215(b)(3) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)(3)), except that, for purposes of this paragraph, such subparagraphs shall be applied by substituting 'section 105(a)(24) of the Housing and Community Development Act of 1974' for 'this title';''.

(b) PRIMARY OBJECTIVES.—Section 105(c) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(c)) is amended by adding at the end the following new paragraph:

''(5) HOMEOWNERSHIP ASSISTANCE FOR MUNICIPAL EMPLOYEES.—Notwithstanding any other provision of this title, any assisted activity described in subsection (a)(24) of this section shall be considered, for purposes of this title, to benefit persons of low and moderate income and to be directed toward the objective under section 101(c)(3).''.

SEC. 405. TECHNICAL AMENDMENT RELATING TO BROWNFIELDS.

Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)), as amended by section 404 of this Act, is further amended—

(1) in paragraph (25), by striking the period and inserting ''; and''; and

(2) by adding at the end the following new paragraph:

''(26) environmental cleanup and economic development activities related to Brownfields projects in conjunction with the appropriate environmental regulatory agencies.''.

SEC. 406. INCOME ELIGIBILITY.

(a) IN GENERAL.—In addition to the exceptions granted pursuant to section 590 of the Quality Housing and Work Responsibility Act of 1998 (42 U.S.C. 5301 note), the Secretary of Housing and Urban Development shall, for not less than 10 other jurisdictions that are metropolitan cities or urban counties for purposes of title I of the Housing and Community Development Act of 1974, grant exceptions not later than 90 days after the date of the enactment of this Act for such jurisdictions that provide that—

(1) for purposes of the HOME investment partnerships program under title II of the Cranston-Gonzalez National Affordable Housing Act, the limitation based on percentage of median income that is applicable under section 104(10), 214(1)(A), or 215(a)(1)(A) for any area of the jurisdiction shall be the numerical percentage that is specified in such section; and

(2) for purposes of the community development block grant program under title I of the Housing and Community Development Act of 1974, the limitation based on percentage of median income that is applicable pursuant to section 102(a)(20) for any area within the State or unit of general local government shall be the numerical percentage that is specified in subparagraph (A) of such section.

(b) SELECTION.—In selecting the jurisdictions for which to grant such exceptions, the Secretary shall consider the relative median income of such jurisdictions and shall give preference to jurisdictions with the highest housing costs.

SEC. 407. HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS.

Section 863 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12912) is amended to read as follows:

''SEC. 863. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to carry out this subtitle $260,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002, 2003, 2004, and 2005.''.

TITLE V—HOME INVESTMENT PARTNERSHIPS PROGRAM

SEC. 501. REAUTHORIZATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 205 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12724) is amended to read as follows:

"SEC. 205. AUTHORIZATION.

''(a) IN GENERAL.—There is authorized to be appropriated to carry out this title $1,650,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002, 2003, 2004, and 2005, of which—

''(1) not more than $25,000,000 in each such fiscal year shall be for community housing partnership activities authorized under section 233; and

''(2) not more than $15,000,000 in each such fiscal year shall be for activities in support of State and local housing strategies authorized under subtitle C, of which, in each of fiscal years 2001 and 2002, $3,000,000 shall be for funding grants under section 246.

''(b) PROHIBITION OF SET-ASIDES.—Except as provided in subsection (a) of this section and section 217(a)(3), amounts appropriated pursuant to subsection (a) of this section or otherwise to carry out this title shall be used only for formula-based grants allocated pursuant to section 217 and may not be otherwise used unless the provision of law providing for such other use specifically refers to this subsection and specifically states that such provision modifies or supersedes the provisions of this subsection.''.

(b) ALLOCATIONS OF AMOUNTS.—Section 104(19) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(19)) is amended by adding at the end the following: ''The term 'city' shall have the meaning given such term in section 102(a)(5)(B) of such Act. A town or township that is classified as a city by reason of subclause (II) of section 102(a)(5)(A)(B)(iii) of such Act shall be treated, notwithstanding section 102(d)(1) of such Act, as an entity separate from the urban county in which it is located for purposes of allocation of amounts under section 217 of this Act to units of general local government from amounts made available for any fiscal year beginning after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000.''.

(c) PILOT PROGRAM FOR DEVELOPING REGIONAL HOUSING STRATEGIES.—Subtitle C of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12781 et seq.) is amended by adding at the end the following new section:

"SEC. 246. PILOT PROGRAM FOR DEVELOPING COMPREHENSIVE REGIONAL HOUSING AFFORDABILITY STRATEGIES.

''(a) AUTHORITY.—The Secretary may, using any amounts made available for grants under this section, make not more than 3 grants for each of fiscal years 2001 and 2002 to consortia of units of general local government described in subsection (b) for costs of developing and implementing comprehensive housing affordability strategies on a regional basis.

''(b) ELIGIBLE CONSORTIA.—A consortium of units of general local government described in this subsection is a consortium that—

''(1) is eligible under section 216(2) to be deemed a unit of general local government for purposes of this title; and

''(2) consists of multiple units of general local government; and

''(3) contains only units of general local government that are geographically contiguous.

''(c) MULTI-STATE REQUIREMENT.—In each fiscal year in which grants are made under this section, not less than one of the consortia that receives a grant shall be a consortium described in subsection (b) that includes units of general local government from 2 or more States.''.

SEC. 502. ELIGIBILITY OF LIMITED EQUITY COOPERATIVES AND MUTUAL HOUSING ASSOCIATIONS.

(a) CONGRESSIONAL FINDINGS.—Section 202(10) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721(10)) is amended by inserting ''mutual housing associations,'' after ''limited equity cooperatives,''.

(b) DEFINITIONS.—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) is amended—

(1) by redesignating paragraph (23) as paragraph (22);

(2) by redesignating paragraph (24) (relating to the definition of ''insular area'') as paragraph (23); and

(3) by adding at the end the following new paragraphs:

''(26) The term 'limited equity cooperative' means a cooperative housing corporation which, in a manner determined by the Secretary to be acceptable, restricts income eligibility of purchasers of membership shares of stock in the cooperative corporation or the initial and resale price of such shares, or both, so that the shares remain available and affordable to low-income families.

''(27) The term 'mutual housing association' means a private entity that—

''(A) is organized under State law;

''(B) is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;

''(C) owns, manages, and continuously develops affordable housing by providing long-term housing for low- and moderate-income families;

''(D) provides that eligible families who purchase membership interests in the association shall have a right to residence in a dwelling unit in the housing during the period that they hold such membership interest; and

''(E) provides for the residents of such housing to participate in the ongoing management of the housing.''.

(c) ELIGIBILITY.—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745) is amended—

(1) in subsection (b), by adding after and below paragraph (4) the following:

''Housing that is owned by a limited equity cooperative or a mutual housing association may be considered by a participating jurisdiction to be housing for homeownership for purposes of this title to the extent that ownership or membership in such a cooperative or association, respectively, constitutes homeownership under State or local laws.''; and

(2) in subsection (a), by adding at the end the following new paragraph:

''(6) LIMITED EQUITY COOPERATIVES AND MUTUAL HOUSING ASSOCIATIONS.—Housing that is owned by a limited equity cooperative or a mutual housing association may be considered by a participating jurisdiction to be rental housing for purposes of this title to the extent that ownership or membership in such a cooperative or association, respectively, constitutes rental of a dwelling under State or local laws.''.

SEC. 503. ADMINISTRATIVE COSTS.

Section 212(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(c)) is amended by adding at the end the following new sentence: ''A participating jurisdiction may use amounts made available under this subsection for a fiscal year for administrative and planning costs by amortizing the costs of administration and planning activities under this subtitle over the entire duration of such activities.''.

SEC. 504. LEVERAGING AFFORDABLE HOUSING INVESTMENT THROUGH LOCAL LOAN POOLS.

(a) ELIGIBLE INVESTMENTS.—Section 212(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(b)) is amended by inserting after ''interest subsidies'' the following: '', advances to provide reserves for loan pools or to provide partial loan guarantees,''.

(b) TIMELY INVESTMENT OF TRUST FUNDS.—Section 218(e) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748) is amended to read as follows:

''(e) INVESTMENT WITHIN 15 DAYS.—

''(1) IN GENERAL.—The participating jurisdiction shall, not later than 15 days after funds are drawn from the jurisdiction's HOME Investment Trust Fund, invest such funds, together with any interest earned thereon, in the affordable housing for which the funds were withdrawn.

''(2) LOAN POOLS.—In the case of a participating jurisdiction that withdraws Trust Fund amounts for investment in the form of an advance for reserves or partial loan guarantees under a program providing such credit enhancement for loans for affordable housing, the amounts shall be considered to be invested for purposes of paragraph (1) upon the completion of both of the following actions:

''(A) Control of the amounts is transferred to the program.

''(B) The jurisdiction and the entity operating the program enter into a written agreement that—

''(i) provides that such funds may be used only in connection with such program;

''(ii) defines the terms and conditions of the loan pool reserve or partial loan guarantees; and

''(iii) provides that such entity shall ensure that amounts from non-Federal sources have been contributed, or are committed for contribution, to the pool available for loans for affordable housing that will be backed by such reserves or loan guarantees in an amount equal to 10 times the amount invested from Trust Fund amounts.''.

(c) EXPIRATION OF RIGHT TO WITHDRAW FUNDS.—Section 218(g) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748(g)) is amended to read as follows:

''(g) EXPIRATION OF RIGHT TO DRAW FUNDS.—

''(1) IN GENERAL.—If any funds becoming available to a participating jurisdiction under this title are not placed under binding commitment to affordable housing within 24 months after the last day of the month in which such funds are deposited in the jurisdiction's HOME Investment Trust Fund, the jurisdiction's right to draw such funds from the HOME Investment Trust Fund shall expire. The Secretary shall reduce the line of credit in the participating jurisdiction's HOME Investment Trust Fund by the expiring amount and shall reallocate the funds by formula in accordance with section 217(d).

''(2) LOAN POOLS.—In the case of a participating jurisdiction that withdraws Trust Fund amounts for investment in the manner provided under subsection (e)(2), the amounts shall be considered to be placed under binding commitment to affordable housing for purposes of paragraph (1) of this subsection at the time that the amounts are obligated for use under, and are subject to, a written agreement described in subsection (e)(2)(B).''.

(d) TREATMENT OF MIXED INCOME LOAN POOLS AS AFFORDABLE HOUSING.—

(1) IN GENERAL.—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745) is amended by adding at the end the following new subsection:

''(c) LOAN POOLS.—Notwithstanding subsections (a) and (b), housing financed using amounts invested as provided in section 218(e)(2) shall qualify as affordable housing only if the housing complies with the following requirements:

''(1) In the case of housing that is for homeownership—

''(A) of the units financed with amounts so invested—

''(i) not less than 75 percent are principal residences of owners whose families qualify as low-income families—

''(I) in the case of a contract to purchase existing housing, at the time of purchase;

''(II) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

''(III) in the case of a contract to purchase housing to be constructed, at the time the contract is signed;

''(ii) all are principal residences of owners whose families qualify as moderate-income families—

''(I) in the case of a contract to purchase existing housing, at the time of purchase;

''(II) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

''(III) in the case of a contract to purchase housing to be constructed, at the time the contract is signed; and

''(iii) all comply with paragraphs (3) and (4) of subsection (b), except that paragraph (3) shall be applied for purposes of this clause by substituting 'subsection (c)(2)(B)' and 'low- and moderate-income homebuyers' for 'paragraph (2)' and 'low-income homebuyers', respectively; and

''(B) units made available for purchase only by families who qualify as low-income families shall have an initial purchase price that complies with the requirements of subsection (b)(1).

''(2) In the case of housing that is for rental, the housing—

''(A) complies with subparagraphs (D) through (F) of subsection (a)(1);

''(B)(i) has not less than 75 percent of the units occupied by households that qualify as low-income families and is occupied only by households that qualify as moderate-income families; or

''(ii) temporarily fails to comply with clause (i) only because of increases in the incomes of existing tenants and actions satisfactory to the Secretary are being taken to ensure that all vacancies in the housing are being filled in accordance with clause (i) until such noncompliance is corrected; and

''(C) bears rents, in the case of units made available for occupancy only by households that qualify as low-income families, that comply with the requirements of subsection (a)(1)(A).

Paragraphs (4) and (5) of subsection (a) shall apply to housing that is subject to this subsection.''.

(2) DEFINITION.—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704), as amended by section 502 of this Act, is further amended by adding at the end the following new paragraph:

''(28) The term 'moderate income families' means families whose incomes do not exceed the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the median income for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.''.

SEC. 505. HOMEOWNERSHIP FOR MUNICIPAL EMPLOYEES.

(a) ELIGIBLE ACTIVITIES.—Paragraph (2) of section 215(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)(2)) is amended to read as follows:

''(2) is the principal residence of an owner who—

''(A) is a member of a family that qualifies as a low-income family—

''(i) in the case of a contract to purchase existing housing, at the time of purchase;

''(ii) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

''(iii) in the case of a contract to purchase housing to be constructed, at the time the contract is signed; or

''(B)(i) is a uniformed employee (which shall include policemen, firemen, and sanitation and other maintenance workers) or a teacher who is an employee, of the participating jurisdiction (or an agency or school district serving such jurisdiction) that is investing funds made available under this subtitle to support homeownership of the residence; and

''(ii) is a member of a family whose income, at the time referred to in clause (i), (ii), or (iii) of subparagraph (A), as appropriate, and as determined by the Secretary with adjustments for smaller and larger families, does not exceed 115 percent of the median income of the area, except that, with respect only to such areas that the Secretary determines have high housing costs, taking into consideration median house prices and median family incomes for the area, such income limitation shall be 150 percent of the median income of the area, as determined by the Secretary with adjustments for smaller and larger families;''.

(b) INCOME TARGETING.—Section 214(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12744(2)) is amended by inserting before the semicolon the following: ''or families described in section 215(b)(2)(B)''.

(c) ELIGIBLE INVESTMENTS.—Section 212(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(b)) is amended by adding at the end the following new sentence: ''Notwithstanding the preceding sentence, in the case of homeownership assistance for residences of owners described in section 215(b)(2)(B), funds made available under this subtitle may only be invested (A) to provide amounts for downpayments on mortgages, (B) to pay reasonable closing costs normally associated with the purchase of a residence, (C) to obtain pre- or post-purchase counseling relating to the financial and other obligations of homeownership, or (D) to subsidize mortgage interest rates.''.

SEC. 506. USE OF SECTION 8 ASSISTANCE BY "GRAND-FAMILIES" TO RENT DWELLING UNITS IN ASSISTED PROJECTS.

Section 215(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(a)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

''(7) WAIVER OF QUALIFYING RENT.—

''(A) IN GENERAL.—For the purpose of providing affordable housing appropriate for families described in subparagraph (B), the Secretary may, upon the application of the project owner, waive the applicability of subparagraph (A) of paragraph (1) with respect to a dwelling unit if—

''(i) the unit is occupied by such a family, on whose behalf tenant-based assistance is provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

''(ii) the rent for the unit is not greater than the existing fair market rent for comparable units in the area, as established by the Secretary under section 8 of the United States Housing Act of 1937; and

''(iii) the Secretary determines that the waiver, together with waivers under this paragraph for other dwelling units in the project, will result in the use of amounts described in clause (iii) in an effective manner that will improve the provision of affordable housing for such families.

''(B) ELIGIBLE FAMILIES.—A family described in this subparagraph is a family that consists of at least one elderly person (who is the head of household) and one or more of such person's grand children, great grandchildren, great nieces, great nephews, or great great grandchildren (as defined by the Secretary), but does not include any parent of such grandchildren, great grandchildren, great nieces, great nephews, or great great grandchildren. Such term includes any such grandchildren, great grandchildren, great nieces, great nephews, or great great grandchildren who have been legally adopted by such elderly person.''.

SEC. 507. LOAN GUARANTEES.

Subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.) is amended by adding at the end the following new section:

''SEC. 227. LOAN GUARANTEES.

''(a) AUTHORITY.—The Secretary may, upon such terms and conditions as the Secretary may prescribe, guarantee and make commitments to guarantee, only to such extent or in such amounts as provided in appropriations Acts, the notes or other obligations issued by eligible participating jurisdictions or by public agencies designated by and acting on behalf of eligible participating jurisdictions for purposes of financing (including credit enhancements and debt service reserves) the acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing (including real property acquisition, site improvement, conversion, and demolition), and other related expenses (including financing costs and relocation expenses of any displaced persons, families, businesses, or organizations). Housing funded under this section shall meet the requirements of this subtitle.

''(b) REQUIREMENTS.—Notes or other obligations guaranteed under this section shall be in such form and denominations, have such maturities, and be subject to such conditions as may be prescribed by the Secretary. The Secretary may not deny a guarantee under this section on the basis of the proposed repayment period for the note or other obligation, unless the period is more than 20 years or the Secretary determines that the period otherwise causes the guarantee to constitute an unacceptable financial risk.

''(c) LIMITATION ON TOTAL NOTES AND OBLIGATIONS.—The Secretary may not guarantee or make a commitment to guarantee any note or other obligation if the total outstanding notes or obligations guaranteed under this section on behalf of the participating jurisdiction issuing the note or obligation (excluding any amount defeased under a contract entered into under subsection (e)(1)) would thereby exceed an amount equal to 5 times the amount of the participating jurisdiction's latest allocation under section 217.

''(d) USE OF PROGRAM FUNDS.—Notwithstanding any other provision of this subtitle, funds allocated to the participating jurisdiction under this subtitle (including program income derived therefrom) are authorized for use in the payment of principal and interest due on the notes or other obligations guaranteed pursuant to this section and the payment of such servicing, underwriting, or other issuance or collection charges as may be specified by the Secretary.

''(e) SECURITY.—To assure the full repayment of notes or other obligations guaranteed under this section, and payment of the issuance or collection charges specified by the Secretary under subsection (d), and as a prior condition for receiving such guarantees, the Secretary shall require the participating jurisdiction (and its designated public agency issuer, if any) to—

''(1) enter into a contract, in a form acceptable to the Secretary, for repayment of such notes or other obligations and the other specified charges;

''(2) pledge as security for such repayment any allocation for which the participating jurisdiction may become eligible under this subtitle; and

''(3) furnish, at the discretion of the Secretary, such other security as may be deemed appropriate by the Secretary in making such guarantees, which may include increments in local tax receipts generated by the housing assisted under this section or disposition proceeds from the sale of land or housing.

''(f) REPAYMENT AUTHORITY.—The Secretary may, notwithstanding any other provision of this subtitle or any other Federal, State, or local law, apply allocations pledged pursuant to subsection (e) to any repayments due the United States as a result of such guarantees.

''(g) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the notes or other obligations for such guarantee with respect to principal and interest, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

''(h) TAX STATUS.—With respect to any obligation guaranteed pursuant to this section, the

guarantee and the obligation shall be designed in a manner such that the interest paid on such obligation shall be included in gross income for purposes of the Internal Revenue Code of 1986.

''(i) MONITORING.—The Secretary shall monitor the use of guarantees under this section by eligible participating jurisdictions. If the Secretary finds that 50 percent of the aggregate guarantee authority for any fiscal year has been committed, the Secretary may impose limitations on the amount of guarantees any 1 participating jurisdiction may receive during that fiscal year.

''(j) GUARANTEE OF TRUST CERTIFICATES.—

''(1) AUTHORITY.—The Secretary may, upon such terms and conditions as the Secretary deems appropriate, guarantee the timely payment of the principal of and interest on such trust certificates or other obligations as may—

''(A) be offered by the Secretary or by any other offeror approved for purposes of this subsection by the Secretary; and

''(B) be based on and backed by a trust or pool composed of notes or other obligations guaranteed or eligible for guarantee by the Secretary under this section.

''(2) FULL FAITH AND CREDIT.—To the same extent as provided in subsection (g), the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee by the Secretary under this subsection.

''(3) SUBROGATION.—In the event the Secretary pays a claim under a guarantee issued under this section, the Secretary shall be subrogated fully to the rights satisfied by such payment.

''(4) OTHER POWERS AND RIGHTS.—No State or local law, and no Federal law, shall preclude or limit the exercise by the Secretary of—

''(A) the power to contract with respect to public offerings and other sales of notes, trust certificates, and other obligations guaranteed under this section, upon such terms and conditions as the Secretary deems appropriate;

''(B) the right to enforce, by any means deemed appropriate by the Secretary, any such contract; and

''(C) the Secretary's ownership rights, as applicable, in notes, certificates or other obligations guaranteed under this section, or constituting the trust or pool against which trust certificates or other obligations guaranteed under this section are offered.

''(k) AGGREGATE LIMITATION.—The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary under this section shall not at any time exceed $2,000,000,000.''.

SEC. 508. DOWNPAYMENT ASSISTANCE FOR 2- AND 3-FAMILY RESIDENCES.

(a) AUTHORITY.—The Secretary of Housing and Urban Development shall carry out a pilot program under this section under which covered jurisdictions may use amounts described in subsection (b) to make loans to eligible homebuyers for use as downpayments on 2- and 3-family residences.

(b) COVERED ASSISTANCE.—Notwithstanding section 105 of the Housing and Community Development Act of 1974 (42 U.S.C. 5305) and section 212 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742), a covered jurisdiction may use amounts provided to the jurisdiction pursuant to section 106(b) of the Housing and Community Development Act of 1974 (42 U.S.C. 5406(b)) and amounts in the HOME Investment Trust Fund for the jurisdiction for downpayment loans meeting the requirements of subsection (d) to homebuyers meeting the requirements of subsection (c), but only to the extent such jurisdictions agree to comply with the requirements of this section, as the Secretary may require.

(c) ELIGIBLE HOMEBUYERS.—A homebuyer meets the requirements of this subsection only if the homebuyer is an individual or family—

(1) whose income does not exceed 80 percent of the median family income for the area within which the residence to be purchased with the downpayment loan under subsection (d) is located; except that the Secretary may, pursuant to a request by a covered jurisdiction demonstrating that the jurisdiction has high housing costs (taking into consideration median home prices and median family incomes for the area), increase the percentage limitation under this paragraph to not more than 110 percent of the median family income for the area;

(2) who has successfully completed a program regarding the responsibilities and financial management involved in homeownership and ownership of rental property that is approved by the Secretary;

(3) has a satisfactory credit history and record as a tenant of rental housing; and

(4) who, if such individual or family has an income that exceeds 80 percent of the median income for the area, enters into a binding agreement to comply with the requirements under subsection (e) (relating to affordability of other dwelling units in the residence).

(d) NO-INTEREST DOWNPAYMENT LOANS.—A loan meets the requirements of this subsection only if—

(1) the principal obligation of the loan—

(A) may be used only for a downpayment for acquisition of a 2- or 3-family residence and for closing costs and other costs payable at the time of closing, as the Secretary shall provide; and

(B) does not exceed the amount that is equal to the sum of (i) 7 percent of the purchase price of the residence, and (ii) such closing and other costs;

(2) the borrower under the loan is paying, for acquisition of the residence, at least 3 percent of the cost of acquisition of the residence in cash or its equivalent;

(3) the borrower under the loan will occupy a dwelling unit in the residence purchased using the loan as the principal residence of the borrower;

(4) the loan terms—

(A) do not require the borrower to be prequalified for a loan that finances the remainder of the purchase price of a residence described in paragraph (1)(A); and

(B) provide that the proceeds of the loan are available for use (as provided in paragraph (1)) only during the 4-month period beginning upon the making of the loan to the borrower and that such proceeds shall revert to the covered jurisdiction upon the conclusion of such period if the borrower has not entered into a contract for purchase of a residence meeting the requirements of such paragraph before such conclusion, except that the Secretary shall provide that covered jurisdictions may extend such 4-month period under such circumstances as the Secretary shall prescribe;

(5) the loan terms provide for repayment of the principal obligation of the loan, without interest, at such time as the covered jurisdiction may provide, except that the principal obligation shall be immediately repayable at the time that the borrower—

(A) transfers or sells the borrower's ownership interest in such residence or ceases to use the residence purchased with the loan proceeds as his or her principal residence; or

(B) obtains a subsequent loan secured by such residence or any equity of the borrower in such residence, the proceeds of which are not used to prepay or pay off the entire balance due on the existing loan secured by such residence; or

(6) the loan terms provide that, upon sale of the residence purchased with the proceeds of the loan, the borrower shall repay to the covered jurisdiction (together with the principal obligation of the loan repayable pursuant to paragraph (5)(A)) an additional amount that bears the same ratio to any increase in the price of the residence upon such sale (compared to the price paid for the residence upon purchase using such loan) as the amount of the loan bears to the purchase price paid for the residence in the purchase using such loan; and

(7) the loan complies with such other requirements as the Secretary may prescribe.

(e) AFFORDABILITY OF RENTAL UNITS.—Any dwelling units in the residence purchased using a loan provided pursuant to the authority under this section to a borrower described in subsection (c)(4) of this section shall be used only as rental dwelling units and shall be made available for rental only at a monthly rental price that does not exceed the fair market rent under section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(A)), as periodically adjusted, for a unit of the applicable size located in the area in which the residence is located. Compliance with this subsection shall be monitored and enforced by the covered jurisdiction providing the amounts for the downpayment loan under this section for the purchase of such residence.

(f) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) COVERED JURISDICTION.—The term ''covered jurisdiction'' means, with respect to a fiscal year—

(A) a metropolitan city or urban county that receives a grant for such fiscal year pursuant to section 106(b) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(b)); or

(B) a jurisdiction that is a participating jurisdiction for such fiscal year for purposes of the HOME Investment Partnerships Act (42 U.S.C. 12721 et seq.).

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

TITLE VI—LOCAL HOMEOWNERSHIP INITIATIVES

SEC. 601. REAUTHORIZATION OF NEIGHBORHOOD REINVESTMENT CORPORATION.

Section 608(a)(1) of the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8107(a)(1)) is amended by striking the first sentence and inserting the following: ''There is authorized to be appropriated to the corporation to carry out this title $95,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002 through 2005. Of the amounts appropriated to the corporation for fiscal year 2001, $5,000,000 shall be available only for the corporation to provide assistance under duplex homeownership programs established before the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000 through Neighborworks Homeownership Center pilot projects established before such date of enactment.''.

SEC. 602. HOMEOWNERSHIP ZONES.

Section 186 of the Housing and Community Development Act of 1992 (42 U.S.C. 12898a) is amended to read as follows:

''SEC. 186. HOMEOWNERSHIP ZONE GRANTS.

''(a) AUTHORITY.—The Secretary of Housing and Urban Development may make grants to units of general local government to assist homeownership zones. Homeownership zones are contiguous, geographically defined areas, primarily residential in nature, in which large-scale development projects are designed to reclaim distressed neighborhoods by creating homeownership opportunities for low- and moderate-income families. Projects in homeownership zones are intended to serve as a catalyst for private investment, business creation, and neighborhood revitalization.

''(b) ELIGIBLE ACTIVITIES.—Amounts made available under this section may be used for projects that include any of the following activities in the homeownership zone:

''(1) Acquisition, construction, and rehabilitation of housing.

''(2) Site acquisition and preparation, including demolition, construction, reconstruction, or installation of public and other site improvements and utilities directly related to the homeownership zone.

''(3) Direct financial assistance to homebuyers.

''(4) Homeownership counseling.

''(5) Relocation assistance.

''(6) Marketing costs, including affirmative marketing activities.

''(7) Other project-related costs.

''(8) Reasonable administrative costs (up to 5 percent of the grant amount).

''(9) Other housing-related activities proposed by the applicant as essential to the success of the homeownership zone and approved by the Secretary.

''(c) APPLICATION.—To be eligible for a grant under this section, a unit of general local government shall submit an application for a homeownership zone grant in such form and in accordance with such procedures as the Secretary shall establish.

''(d) SELECTION CRITERIA.—The Secretary shall select applications for funding under this section through a national competition, using selection criteria established by the Secretary, which shall include—

''(1) the degree to which the proposed activities will result in the improvement of the economic, social, and physical aspects of the neighborhood and the lives of its residents through the creation of new homeownership opportunities;

''(2) the levels of distress in the homeownership zone as a whole, and in the immediate neighborhood of the project for which assistance is requested;

''(3) the financial soundness of the plan for financing homeownership zone activities;

''(4) the leveraging of other resources; and

''(5) the capacity to successfully carry out the plan.

''(e) GRANT APPROVAL AMOUNTS.—The Secretary may establish a maximum amount for any grant for any funding round under this section. A grant may not be made in an amount that exceeds the amount that the Secretary determines is necessary to fund the project for which the application is made.

''(f) PROGRAM REQUIREMENTS.—A homeownership zone proposal shall—

''(1) provide for a significant number of new homeownership opportunities that will make a visible improvement in an immediate neighborhood;

''(2) not be inconsistent with such planning and design principles as may be prescribed by the Secretary;

''(3) be designed to stimulate additional investment in that area;

''(4) provide for partnerships with persons or entities in the private and nonprofit sectors;

''(5) incorporate a comprehensive approach to revitalization of the neighborhood;

''(6) establish a detailed time-line for commencement and completion of construction activities; and

''(7) provide for affirmatively furthering fair housing.

''(g) INCOME TARGETING.—At least 51 percent of the homebuyers assisted with funds under this section shall have household incomes at or below 80 percent of median income for the area, as determined by the Secretary.

''(h) ENVIRONMENTAL REVIEW.—For purposes of environmental review, decisionmaking, and action pursuant to the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act, a grant under this section shall be treated as assistance under the HOME Investment Partnerships Act and shall be subject to the regulations issued by the Secretary to implement section 288 of such Act.

''(i) REVIEW, AUDIT, AND REPORTING.—The Secretary shall make such reviews and audits and establish such reporting requirements as may be necessary or appropriate to determine whether the grantee has carried out its activities in a timely manner and in accordance with the requirements of this section. The Secretary may adjust, reduce, or withdraw amounts made available, or take other action as appropriate, in accordance with the Secretary's performance reviews and audits under this section.

''(j) AUTHORIZATION.—There is authorized to be appropriated to carry out this section $25,000,000 for fiscal year 2001 and such sums as may be necessary for fiscal year 2002, to remain available until expended.''.

SEC. 603. LEASE-TO-OWN.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that residential tenancies under lease-to-own provisions can facilitate homeownership by low- and moderate-income families and provide opportunities for homeownership for such families who might not otherwise be able to afford homeownership.

(b) REPORT.—Not later than the expiration of the 3-month period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress—

(1) analyzing whether lease-to-own provisions can be effectively incorporated within the HOME investment partnerships program, the public housing program, the tenant-based rental assistance program under section 8 of the United States Housing Act of 1937, or any other programs of the Department to facilitate homeownership by low- or moderate-income families; and

(2) any legislative or administrative changes necessary to alter or amend such programs to allow the use of lease-to-own options to provide homeownership opportunities.

SEC. 604. LOCAL CAPACITY BUILDING.

Section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note) is amended—

(1) in subsection (a), by inserting ''National Association of Housing Partnerships,'' after ''Humanity,''; and

(2) in subsection (e), by striking ''$25,000,000'' and all that follows and inserting '', for each fiscal year, such sums as may be necessary to carry out this section.''.

SEC. 605. CONSOLIDATED APPLICATION AND PLANNING REQUIREMENT AND SUPER-NOFA.

(a) CONSOLIDATED APPLICATION.—Section 106 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12706) is amended to read as follows:

''SEC. 106. CONSOLIDATED APPLICATION FOR COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS.

''(a) REQUIREMENT.—The Secretary shall, by regulation, provide for jurisdictions to comply with the planning and application requirements under the covered programs under subsection (b) by submitting to the Secretary, for a program year, a single consolidated submission under this section that complies with the requirements for planning and application submissions under the laws relating to the covered programs and shall serve, for the jurisdiction, as the planning document and an application for funding under the covered programs.

''(b) COVERED PROGRAMS.—The covered programs under this subsection are the following programs:

''(1) The HOME investment partnerships program under title II of this Act (42 U.S.C. 12721 et seq.).

''(2) The community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

''(3) The economic development initiative program under section 108(q) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(q)).

''(4) The emergency shelter grants program under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11371 et seq.).

''(5) The housing opportunities for persons with AIDS program under subtitle D of title VIII of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12901 et seq.).

''(c) PROGRAM YEAR.—In establishing requirements for a consolidated submission under this section, the Secretary shall provide for a consolidated program year, which shall comply with the various application and review deadlines under the covered programs.

''(d) ADEQUACY OF EXISTING REGULATIONS.—The regulations of the Secretary relating to consolidated submissions for community planning and development programs, part 91 of title 24, Code of Federal Regulations, as in effect on March 1, 1999, shall be considered to be sufficient to comply with this section, except to the extent that the program referred to in paragraph (3) of subsection (b) is not covered by such regulations.

''(e) CONSISTENCY.—The Secretary shall, by regulation or otherwise, as deemed by the Secretary to be appropriate, require any application for housing assistance under title II of this Act, assistance under the Housing and Community Development Act of 1974, or assistance under the Stewart B. McKinney Homeless Assistance Act, to contain or be accompanied by a certification by an appropriate State or local public official that the proposed housing activities are consistent with the housing strategy of the jurisdiction to be served.''.

(b) SUPER-NOFA.—The Department of Housing and Urban Development Act is amended by inserting after section 12 (42 U.S.C. 3537a) the following new section:

''SEC. 13. NOTICE OF FUNDING AVAILABILITY.

''(a) REQUIREMENT.—In making amounts for a fiscal year under the covered programs under subsection (b) available to applicants, the Secretary shall issue a consolidated notice of funding availability that—

''(1) applies to as many of the covered programs as the Secretary determines is practicable;

''(2) simplifies the application process for funding under such programs by providing for application under various covered programs through a single, unified application;

''(3) promotes comprehensive approaches to housing and community development by providing for applicants to identify coordination of efforts under various covered programs; and

''(4) clearly informs prospective applicants of the general and specific requirements under law for applying for funding under such programs.

''(b) COVERED PROGRAMS.—The covered programs under this subsection are the programs that are administered by the Secretary and identified by the Secretary for purposes of this section, in the following areas:

''(1) Housing and community development programs.

''(2) Economic development and empowerment programs.

''(3) Targeted housing assistance and homeless assistance programs.''.

SEC. 606. ASSISTANCE FOR SELF-HELP HOUSING PROVIDERS.

(a) REAUTHORIZATION.—Subsection (p) of section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended to read as follows:

''(p) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for fiscal year 2001 and such sums as may be necessary for each of fiscal years 2002 and 2003.''.

(b) ELIGIBLE EXPENSES.—Section 11(d)(2)(A) of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended by inserting before the period at the end the following: '', which may include reimbursing an organization, consortium, or affiliate, upon approval of any required environmental review, for nongrant amounts of the organization, consortium, or affiliate advanced before such review to acquire land''.

(c) DEADLINE FOR RECAPTURE OF FUNDS.—Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended—

(1) in subsection (i)(5)—

(A) by striking ''if the organization or consortia has not used any grant amounts'' and inserting ''the Secretary shall recapture any grant amounts provided to the organization or consortia that are not used'';

(B) by striking ''(or,'' and inserting '', except that such period shall be 36 months''; and

(C) by striking ''within 36 months), the Secretary shall recapture such unused amounts'' and inserting ''and in the case of a grant amounts provided to a local affiliate of the organization or consortia that is developing 5 or more dwellings in connection with such grant amounts''; and

(2) in subsection (j), by inserting after ''carry out this section'' the following: ''and grant amounts provided to a local affiliate of the organization or consortia that is developing 5 or more dwellings in connection with such grant amounts''.

(d) TECHNICAL CORRECTIONS.—Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended—

(1) in subsection (b)(4), by striking ''Habitat for Humanity International, its affiliates, and other''; and

(2) in subsection (e)(2), by striking ''consoria'' and inserting ''consortia''.

SEC. 607. HOUSING COUNSELING ORGANIZATIONS.

Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x) is amended—

(1) in subsection (a)(1)(ii), by inserting ''and cooperative housing'' before the semicolon at the end; and

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''and'' at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following new subparagraph:

''(C) to the National Cooperative Bank Development Corporation—

''(i) to provide homeownership counseling to eligible homeowners that is specifically designed to relate to ownership under cooperative housing arrangements; and

''(ii) to assist in the establishment and operation of well-managed and viable cooperative housing boards.'';

(B) in paragraph (4)(A), by inserting before the semicolon at the end the following: ''or, in the case of a home loan made to finance the purchase of stock or membership in a cooperative ownership housing corporation, by the stock or membership interest''; and

(C) in paragraph (6)(C), by adding before the period at the end the following: ''and includes a loan that is secured by a first lien given in accordance with the laws of the State where the property is located and that is made to finance the purchase of stock or membership in a cooperative ownership housing corporation the permanent occupancy of dwelling units of which is restricted to members of such corporation, where the purchase of such stock or membership will entitle the purchaser to the permanent occupancy of 1 of such units''.

SEC. 608. COMMUNITY LEAD INFORMATION CENTERS AND LEAD-SAFE HOUSING.

Section 1011(e) of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4852(e)) is amended—

(1) in paragraph (7), by inserting '', which may include leasing of lead-safe temporary housing'' before the semicolon at the end;

(2) in paragraph (9), by striking ''and'' at the end;

(3) by redesignating paragraph (10) as paragraph (11); and

(4) by inserting after paragraph (9) the following new paragraph:

''(10) provide accessible information through centralized locations that provide a variety of residential lead-based paint poisoning prevention services to the community that such services are intended to benefit; and''.

TITLE VII—NATIVE AMERICAN HOUSING HOMEOWNERSHIP

SEC. 701. LANDS TITLE REPORT COMMISSION.

(a) ESTABLISHMENT.—Subject to sums being provided in advance in appropriations Acts, there is established a Commission to be known as the Lands Title Report Commission (hereafter in this section referred to as the ''Commission'') to facilitate home loan mortgages on Indian trust lands. The Commission will be subject to oversight by the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(b) MEMBERSHIP.—

(1) APPOINTMENT.—The Commission shall be composed of 12 members, appointed not later than 90 days after the date of the enactment of this Act as follows:

(A) 4 members shall be appointed by the President.

(B) 4 members shall be appointed by the Chairperson of the Committee on Banking and Financial Services of the House of Representatives.

(C) 4 members shall be appointed by the Chairperson of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) QUALIFICATIONS.—

(A) MEMBERS OF TRIBES.—At all times, not less than 8 of the members of the Commission shall be members of federally recognized Indian tribes.

(B) EXPERIENCE IN LAND TITLE MATTERS.—All members of the Commission shall have experience in and knowledge of land title matters relating to Indian trust lands.

(3) CHAIRPERSON.—The Chairperson of the Commission shall be one of the members of the Commission appointed under paragraph (1)(C), as elected by the members of the Commission.

(4) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(5) TRAVEL EXPENSES.—Members of the Commission shall serve without pay, but each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) INITIAL MEETING.—The Chairperson of the Commission shall call the initial meeting of the Commission. Such meeting shall be held within 30 days after the Chairperson of the Commission determines that sums sufficient for the Commission to carry out its duties under this Act have been appropriated for such purpose.

(d) DUTIES.—The Commission shall analyze the system of the Bureau of Indian Affairs of the Department of the Interior for maintaining land ownership records and title documents and issuing certified title status reports relating to Indian trust lands and, pursuant to such analysis, determine how best to improve or replace the system—

(1) to ensure prompt and accurate responses to requests for title status reports;

(2) to eliminate any backlog of requests for title status reports; and

(3) to ensure that the administration of the system will not in any way impair or restrict the ability of Native Americans to obtain conventional loans for purchase of residences located on Indian trust lands, including any actions necessary to ensure that the system will promptly be able to meet future demands for certified title status reports, taking into account the anticipated complexity and volume of such requests.

(e) REPORT.—Not later than the date of the termination of the Commission under subsection (h), the Commission shall submit a report to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate describing the analysis and determinations made pursuant to subsection (d).

(f) POWERS.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this section, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate.

(2) STAFF OF FEDERAL AGENCIES.—Upon request of the Commission, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

(3) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairperson of the Commission, the head of that department or agency shall furnish that information to the Commission.

(4) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(5) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its duties under this section.

(6) STAFF.—The Commission may appoint personnel as it considers appropriate, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall pay such personnel in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(g) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there is authorized to be appropriated $500,000. Such sums shall remain available until expended.

(h) TERMINATION.—The Commission shall terminate 1 year after the date of the initial meeting of the Commission.

SEC. 702. LOAN GUARANTEES.

Section 184(i) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a(i)) is amended—

(1) in paragraph (5), by striking subparagraph (C) and inserting the following new subparagraph:

''(C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section in each fiscal year with an aggregate outstanding principal amount not exceeding such amount as may be provided in appropriation Acts for such fiscal year.''; and

(2) in paragraph (7), by striking ''each of fiscal years 1997, 1998, 1999, 2000, and 2001'' and inserting ''each fiscal year''.

SEC. 703. NATIVE AMERICAN HOUSING ASSISTANCE.

(a) RESTRICTION ON WAIVER AUTHORITY.—

(1) IN GENERAL.—Section 101(b)(2) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(b)(2)) is amended by striking ''if the Secretary'' and all that follows through the period at the end and inserting the following: ''for a period of not more than 90 days, if the Secretary determines that an Indian tribe has not complied with, or is unable to comply with, those requirements due to exigent circumstances beyond the control of the Indian tribe.''.

(2) LOCAL COOPERATION AGREEMENT.—Section 101(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(c)) is amended by adding at the end

the following: ''The Secretary may waive the requirements of this subsection and subsection (d) if the recipient has made a good faith effort to fulfill the requirements of this subsection and subsection (d) and agrees to make payments in lieu of taxes to the appropriate taxing authority in an amount consistent with the requirements of subsection (d)(2) until such time as the matter of making such payments has been resolved in accordance with subsection (d).''.

(b) ASSISTANCE TO FAMILIES THAT ARE NOT LOW-INCOME.—Section 102(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112(c)) is amended by adding at the end the following:

''(6) CERTAIN FAMILIES.—With respect to assistance provided under section 201(b)(2) by a recipient to Indian families that are not low-income families, evidence that there is a need for housing for each such family during that period that cannot reasonably be met without such assistance.''.

(c) ELIMINATION OF WAIVER AUTHORITY FOR SMALL TRIBES.—Section 102 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112) is amended—

(1) by striking subsection (f); and

(2) by redesignating subsection (g) as subsection (f).

(d) ENVIRONMENTAL COMPLIANCE.—Section 105 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4115) is amended by adding at the end the following:

''(d) ENVIRONMENTAL COMPLIANCE.—The Secretary may waive the requirements under this section if the Secretary determines that a failure on the part of a recipient to comply with provisions of this section—

''(1) will not frustrate the goals of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) or any other provision of law that furthers the goals of that Act;

''(2) does not threaten the health or safety of the community involved by posing an immediate or long-term hazard to residents of that community;

''(3) is a result of inadvertent error, including an incorrect or incomplete certification provided under subsection (c)(1); and

''(4) may be corrected through the sole action of the recipient.''.

(e) ELIGIBILITY OF LAW ENFORCEMENT OFFICERS FOR HOUSING ASSISTANCE.—Section 201(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4131(b)) is amended—

(1) in paragraph (1), by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (4)'';

(2) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(3) by inserting after paragraph (3) the following new paragraph:

''(4) LAW ENFORCEMENT OFFICERS.—A recipient may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this Act for a law enforcement officer on an Indian reservation or other Indian area, if—

''(A) the officer—

''(i) is employed on a full-time basis by the Federal Government or a State, county, or tribal government; and

''(ii) in implementing such full-time employment, is sworn to uphold, and make arrests for, violations of Federal, State, county, or tribal law; and

''(B) the recipient determines that the presence of the law enforcement officer on the Indian reservation or other Indian area may deter crime.''.

(f) OVERSIGHT.—

(1) REPAYMENT.—Section 209 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4139) is amended to read as follows:

''SEC. 209. NONCOMPLIANCE WITH AFFORDABLE HOUSING REQUIREMENT.

''If a recipient uses grant amounts to provide affordable housing under this title, and at any time during the useful life of the housing the recipient does not comply with the requirement under section 205(a)(2), the Secretary shall take appropriate action under section 401(a).''.

(2) AUDITS AND REVIEWS.—Section 405 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4165) is amended to read as follows:

''SEC. 405. REVIEW AND AUDIT BY SECRETARY.

''(a) REQUIREMENTS UNDER CHAPTER 75 OF TITLE 31, UNITED STATES CODE.—An entity designated by an Indian tribe as a housing entity shall be treated, for purposes of chapter 75 of title 31, United States Code, as a non-Federal entity that is subject to the audit requirements that apply to non-Federal entities under that chapter.

''(b) ADDITIONAL REVIEWS AND AUDITS.—

''(1) IN GENERAL.—In addition to any audit or review under subsection (a), to the extent the Secretary determines such action to be appropriate, the Secretary may conduct an audit or review of a recipient in order to—

''(A) determine whether the recipient—

''(i) has carried out—

''(I) eligible activities in a timely manner; and

''(II) eligible activities and certification in accordance with this Act and other applicable law;

''(ii) has a continuing capacity to carry out eligible activities in a timely manner; and

''(iii) is in compliance with the Indian housing plan of the recipient; and

''(B) verify the accuracy of information contained in any performance report submitted by the recipient under section 404.

''(2) ON-SITE VISITS.—To the extent practicable, the reviews and audits conducted under this subsection shall include on-site visits by the appropriate official of the Department of Housing and Urban Development.

''(c) REVIEW OF REPORTS.—

''(1) IN GENERAL.—The Secretary shall provide each recipient that is the subject of a report made by the Secretary under this section notice that the recipient may review and comment on the report during a period of not less than 30 days after the date on which notice is issued under this paragraph.

''(2) PUBLIC AVAILABILITY.—After taking into consideration any comments of the recipient under paragraph (1), the Secretary—

''(A) may revise the report; and

''(B) not later than 30 days after the date on which those comments are received, shall make the comments and the report (with any revisions made under subparagraph (A)) readily available to the public.

''(d) EFFECT OF REVIEWS.—Subject to section 401(a), after reviewing the reports and audits relating to a recipient that are submitted to the Secretary under this section, the Secretary may adjust the amount of a grant made to a recipient under this Act in accordance with the findings of the Secretary with respect to those reports and audits.''.

(g) ALLOCATION FORMULA.—Section 302(d)(1) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4152(d)(1)) is amended—

(1) by striking ''The formula,'' and inserting the following:

''(A) IN GENERAL.—Except with respect to an Indian tribe described in subparagraph (B), the formula''; and

(2) by adding at the end the following:

''(B) CERTAIN INDIAN TRIBES.—With respect to fiscal year 2001 and each fiscal year thereafter, for any Indian tribe with an Indian housing authority that owns or operates fewer than 250 public housing units, the formula shall provide that if the amount provided for a fiscal year in which the total amount made available for assistance under this Act is equal to or greater than the amount made available for fiscal year 1996 for assistance for the operation and modernization of the public housing referred to in subparagraph (A), then the amount provided to that Indian tribe as modernization assistance shall be equal to the average annual amount of funds provided to the Indian tribe (other than funds provided as emergency assistance) under the assistance program under section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) for the period beginning with fiscal year 1992 and ending with fiscal year 1997.''.

(h) HEARING REQUIREMENT.—Section 401(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and realigning such subparagraphs (as so redesignated) so as to be indented 4 ems from the left margin;

(2) by striking ''Except as provided'' and inserting the following:

''(1) IN GENERAL.—Except as provided'';

(3) by striking ''If the Secretary takes an action under paragraph (1), (2), or (3)'' and inserting the following:

''(2) CONTINUANCE OF ACTIONS.—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1)''; and

(4) by adding at the end the following:

''(3) EXCEPTION FOR CERTAIN ACTIONS.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, if the Secretary makes a determination that the failure of a recipient of assistance under this Act to comply substantially with any material provision (as that term is defined by the Secretary) of this Act is resulting, and would continue to result, in a continuing expenditure of Federal funds in a manner that is not authorized by law, the Secretary may take an action described in paragraph (1)(C) before conducting a hearing.

''(B) PROCEDURAL REQUIREMENT.—If the Secretary takes an action described in subparagraph (A), the Secretary shall—

''(i) provide notice to the recipient at the time that the Secretary takes that action; and

''(ii) conduct a hearing not later than 60 days after the date on which the Secretary provides notice under clause (i).

''(C) DETERMINATION.—Upon completion of a hearing under this paragraph, the Secretary shall make a determination regarding whether to continue taking the action that is the subject of the hearing, or take another action under this subsection.''.

(i) PERFORMANCE AGREEMENT TIME LIMIT.—Section 401(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161(b)) is amended—

(1) by striking ''If the Secretary'' and inserting the following:

''(1) IN GENERAL.—If the Secretary'';

(2) by striking ''(1) is not'' and inserting the following:

''(A) is not'';

(3) by striking ''(2) is a result'' and inserting the following:

''(B) is a result'';

(4) in the flush material following paragraph (1)(B), as redesignated by paragraph (3) of this subsection—

(A) by realigning such material so as to be indented 2 ems from the left margin; and

(B) by inserting before the period at the end the following: '', if the recipient enters into a performance agreement with the Secretary that specifies the compliance objectives that the recipient will be required to achieve by the termination date of the performance agreement''; and

(5) by adding at the end the following:

''(2) PERFORMANCE AGREEMENT.—The period of a performance agreement described in paragraph (1) shall be for 1 year.

''(3) REVIEW.—Upon the termination of a performance agreement entered into under paragraph (1), the Secretary shall review the performance of the recipient that is a party to the agreement.

''(4) EFFECT OF REVIEW.—If, on the basis of a review under paragraph (3), the Secretary determines that the recipient—

''(A) has made a good faith effort to meet the compliance objectives specified in the agreement, the Secretary may enter into an additional performance agreement for the period specified in paragraph (2); and

''(B) has failed to make a good faith effort to meet applicable compliance objectives, the Secretary shall determine the recipient to have failed to comply substantially with this Act, and the recipient shall be subject to an action under subsection (a).''.

(j) REFERENCE.—Section 104(b)(1) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b)(1)) is amended by striking ''Davis-Bacon Act (40 U.S.C. 276a–276a–5)'' and inserting ''Act of March 3, 1931 (commonly known as the Davis-Bacon Act; chapter 411; 46 Stat. 1494; 40 U.S.C 276a et seq.)''.

(k) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) TABLE OF CONTENTS.—Section 1(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 note) is amended in the table of contents—

(A) by striking the item relating to section 206; and

(B) by striking the item relating to section 209 and inserting the following:

''209. Noncompliance with affordable housing requirement.''.

(2) CERTIFICATION OF COMPLIANCE WITH SUBSIDY LAYERING REQUIREMENTS.—Section 206 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4136) is repealed.

(3) TERMINATIONS.—Section 502(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4181(a)) is amended by adding at the end the following: ''Any housing that is the subject of a contract for tenant-based assistance between the Secretary and an Indian housing authority that is terminated under this section shall, for the following fiscal year and each fiscal year thereafter, be considered to be a dwelling unit under section 302(b)(1).''.

TITLE VIII—TRANSFER OF HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND NONPROFIT ORGANIZATIONS

SEC. 801. TRANSFER OF UNOCCUPIED AND SUBSTANDARD HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS.

Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–11a) is amended—

(1) by striking ''FLEXIBLE AUTHORITY.—'' and inserting ''DISPOSITION OF HUD-OWNED PROPERTIES. (a) FLEXIBLE AUTHORITY FOR MULTIFAMILY PROJECTS.—''; and

(2) by adding at the end the following new subsection:

''(b) TRANSFER OF UNOCCUPIED AND SUBSTANDARD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS.—

''(1) TRANSFER AUTHORITY.—Notwithstanding the authority under subsection (a) and the last sentence of section 204(g) of the National Housing Act (12 U.S.C. 1710(g)), the Secretary of Housing and Urban Development shall transfer ownership of any qualified HUD property, subject to the requirements of this section, to a unit of general local government having jurisdiction for the area in which the property is located or to a community development corporation which operates within such a unit of general local government in accordance with this subsection, but only to the extent that units of general local government and community development corporations consent to transfer and the Secretary determines that such transfer is practicable.

''(2) QUALIFIED HUD PROPERTIES.—For purposes of this subsection, the term 'qualified HUD property' means any property for which, as of the date that notification of the property is first made under paragraph (3)(B), not less than 6 months have elapsed since the later of the date that the property was acquired by the Secretary or the date that the property was determined to be unoccupied or substandard, that is owned by the Secretary and is—

''(A) an unoccupied multifamily housing project;

''(B) a substandard multifamily housing project; or

''(C) an unoccupied single family property that—

''(i) has been determined by the Secretary not to be an eligible asset under section 204(h) of the National Housing Act (12 U.S.C. 1710(h)); or

''(ii) is an eligible asset under such section 204(h), but—

''(I) is not subject to a specific sale agreement under such section; and

''(II) has been determined by the Secretary to be inappropriate for continued inclusion in the program under such section 204(h) pursuant to paragraph (10) of such section.

''(3) TIMING.—The Secretary shall establish procedures that provide for—

''(A) time deadlines for transfers under this subsection;

''(B) notification to units of general local government and community development corporations of qualified HUD properties in their jurisdictions;

''(C) such units and corporations to express interest in the transfer under this subsection of such properties;

''(D) a right of first refusal for transfer of qualified HUD properties to units of general local government and community development corporations, under which—

''(i) the Secretary shall establish a period during which the Secretary may not transfer such properties except to such units and corporations;

''(ii) the Secretary shall offer qualified HUD properties that are single family properties for purchase by units of general local government at a cost of $1 for each property, but only to the extent that the costs to the Federal Government of disposal at such price do not exceed the costs to the Federal Government of disposing of property subject to the procedures for single family property established by the Secretary pursuant to the authority under the last sentence of section 204(g) of the National Housing Act (12 U.S.C. 1710(g));

''(iii) the Secretary may accept an offer to purchase a property made by a community development corporation only if the offer provides for purchase on a cost recovery basis; and

''(iv) the Secretary shall accept an offer to purchase such a property that is made during such period by such a unit or corporation and that complies with the requirements of this paragraph;

''(E) a written explanation, to any unit of general local government or community development corporation making an offer to purchase a qualified HUD property under this subsection that is not accepted, of the reason that such offer was not acceptable.

''(4) OTHER DISPOSITION.—With respect to any qualified HUD property, if the Secretary does not receive an acceptable offer to purchase the property pursuant to the procedure established under paragraph (3), the Secretary shall dispose of the property to the unit of general local government in which property is located or to community development corporations located in such unit of general local government on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate.

''(5) SATISFACTION OF INDEBTEDNESS.—Before transferring ownership of any qualified HUD property pursuant to this subsection, the Secretary shall satisfy any indebtedness incurred in connection with the property to be transferred, by canceling the indebtedness.

''(6) DETERMINATION OF STATUS OF PROPERTIES.—To ensure compliance with the requirements of this subsection, the Secretary shall take the following actions:

''(A) UPON ENACTMENT.—Upon the enactment of the American Homeownership and Economic Opportunity Act of 2000, the Secretary shall promptly assess each residential property owned by the Secretary to determine whether such property is a qualified HUD property.

''(B) UPON ACQUISITION.—Upon acquiring any residential property, the Secretary shall promptly determine whether the property is a qualified HUD property.

''(C) UPDATES.—The Secretary shall periodically reassess the residential properties owned by the Secretary to determine whether any such properties have become qualified HUD properties.

''(7) TENANT LEASES.—This subsection shall not affect the terms or the enforceability of any contract or lease entered into with respect to any residential property before the date that such property becomes a qualified HUD property.

''(8) USE OF PROPERTY.—Property transferred under this subsection shall be used only for appropriate neighborhood revitalization efforts, including homeownership, rental units, commercial space, and parks, consistent with local zoning regulations, local building codes, and subdivision regulations and restrictions of record.

''(9) INAPPLICABILITY TO PROPERTIES MADE AVAILABLE FOR HOMELESS.—Notwithstanding any other provision of this subsection, this subsection shall not apply to any properties that the Secretary determines are to be made available for use by the homeless pursuant to subpart E of part 291 of title 24, Code of Federal Regulations, during the period that the properties are so available.

''(10) PROTECTION OF EXISTING CONTRACTS.—This subsection may not be construed to alter, affect, or annul any legally binding obligations entered into with respect to a qualified HUD property before the property becomes a qualified HUD property.

''(11) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

''(A) COMMUNITY DEVELOPMENT CORPORATION.—The term 'community development corporation' means a nonprofit organization whose primary purpose is to promote community development by providing housing opportunities for low-income families.

''(B) COST RECOVERY BASIS.—The term 'cost recovery basis' means, with respect to any sale of a residential property by the Secretary, that the purchase price paid by the purchaser is equal to or greater than the sum of (i) the appraised value of the property, as determined in accordance with such requirements as the Secretary shall establish, and (ii) the costs incurred by the Secretary in connection with such property during the period beginning on the date on which the Secretary acquires title to the property and ending on the date on which the sale is consummated.

''(C) MULTIFAMILY HOUSING PROJECT.—The term 'multifamily housing project' has the meaning given the term in section 203 of the Housing and Community Development Amendments of 1978.

''(D) RESIDENTIAL PROPERTY.—The term 'residential property' means a property that is a multifamily housing project or a single family property.

''(E) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

''(F) SEVERE PHYSICAL PROBLEMS.—The term 'severe physical problems' means, with respect to a dwelling unit, that the unit—

''(i) lacks hot or cold piped water, a flush toilet, or both a bathtub and a shower in the unit, for the exclusive use of that unit;

''(ii) on not less than 3 separate occasions during the preceding winter months, was uncomfortably cold for a period of more than 6

consecutive hours due to a malfunction of the heating system for the unit;

''(iii) has no functioning electrical service, exposed wiring, any room in which there is not a functioning electrical outlet, or has experienced 3 or more blown fuses or tripped circuit breakers during the preceding 90-day period;

''(iv) is accessible through a public hallway in which there are no working light fixtures, loose or missing steps or railings, and no elevator; or

''(v) has severe maintenance problems, including water leaks involving the roof, windows, doors, basement, or pipes or plumbing fixtures, holes or open cracks in walls or ceilings, severe paint peeling or broken plaster, and signs of rodent infestation.

''(G) SINGLE FAMILY PROPERTY.—The term 'single family property' means a 1- to 4-family residence.

''(H) SUBSTANDARD.—The term 'substandard' means, with respect to a multifamily housing project, that 25 percent or more of the dwelling units in the project have severe physical problems.

''(I) UNIT OF GENERAL LOCAL GOVERNMENT.—The term 'unit of general local government' has the meaning given such term in section 102(a) of the Housing and Community Development Act of 1974.

''(J) UNOCCUPIED.—The term 'unoccupied' means, with respect to a residential property, that the unit of general local government having jurisdiction over the area in which the project is located has certified in writing that the property is not inhabited.

''(12) REGULATIONS.—

''(A) INTERIM.—Not later than 30 days after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, the Secretary shall issue such interim regulations as are necessary to carry out this subsection.

''(B) FINAL.—Not later than 60 days after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, the Secretary shall issue such final regulations as are necessary to carry out this subsection.''.

SEC. 802. TRANSFER OF HUD ASSETS IN REVITALIZATION AREAS.

In carrying out the program under section 204(h) of the National Housing Act (12 U.S.C. 1710(h)), upon the request of the chief executive officer of a county or the government of appropriate jurisdiction and not later than 60 days after such request is made, the Secretary of Housing and Urban Development shall designate as a revitalization area all portions of such county that meet the criteria for such designation under paragraph (3) of such section.

TITLE IX—PRIVATE MORTGAGE INSURANCE CANCELLATION AND TERMINATION

SECTION 901. SHORT TITLE.

This title may be cited as the ''Private Mortgage Insurance Technical Corrections and Clarification Act''.

SEC. 902. CHANGES IN AMORTIZATION SCHEDULE.

(a) TREATMENT OF ADJUSTABLE RATE MORTGAGES.—The Homeowners Protection Act of 1998 (12 U.S.C. 4901 et seq.) is amended—

(1) in section 2—

(A) in paragraph (2)(B)(i), by striking ''amortization schedules'' and inserting ''the amortization schedule then in effect'';

(B) in paragraph (16)(B), by striking ''amortization schedules'' and inserting ''the amortization schedule then in effect'';

(C) by redesignating paragraphs (6) through (16) (as amended by the preceding provisions of this paragraph) as paragraphs (8) through (18), respectively; and

(D) by inserting after paragraph (5) the following new paragraph:

''(6) AMORTIZATION SCHEDULE THEN IN EFFECT.—The term 'amortization schedule then in effect' means, with respect to an adjustable rate mortgage, a schedule established at the time at which the residential mortgage transaction is consummated or, if such schedule has been changed or recalculated, is the most recent schedule under the terms of the note or mortgage, which shows—

''(A) the amount of principal and interest that is due at regular intervals to retire the principal balance and accrued interest over the remaining amortization period of the loan; and

''(B) the unpaid balance of the loan after each such scheduled payment is made.''; and

(2) in section 3(f)(1)(B)(ii), by striking ''amortization schedules'' and inserting ''the amortization schedule then in effect''.

(b) TREATMENT OF BALLOON MORTGAGES.—Paragraph (1) of section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(1)) is amended by adding at the end the following new sentence: ''A residential mortgage that (A) does not fully amortize over the term of the obligation, and (B) contains a conditional right to refinance or modify the unamortized principal at the maturity date of the term, shall be considered to be an adjustable rate mortgage for purposes of this Act.''.

(c) TREATMENT OF LOAN MODIFICATIONS.—

(1) IN GENERAL.—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(A) by redesignating subsections (d) through (f) as subsections (e) through (g), respectively; and

(B) by inserting after subsection (c) the following new subsection:

''(d) TREATMENT OF LOAN MODIFICATIONS.—If a mortgagor and mortgagee (or holder of the mortgage) agree to a modification of the terms or conditions of a loan pursuant to a residential mortgage transaction, the cancellation date, termination date, or final termination shall be recalculated to reflect the modified terms and conditions of such loan.''.

(2) CONFORMING AMENDMENTS.—Section 4(a) of the Homeowners Protection Act of 1998 (12 U.S.C. 4903(a)) is amended—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking ''section 3(f)(1)'' and inserting ''section 3(g)(1)'';

(ii) in subparagraph (A)(ii)(IV), by striking ''section 3(f)'' and inserting ''section 3(g)''; and

(iii) in subparagraph (B)(iii), by striking ''section 3(f)'' and inserting ''section 3(g)''; and

(B) in paragraph (2), by striking ''section 3(f)(1)'' and inserting ''section 3(g)(1)''.

SEC. 903. DELETION OF AMBIGUOUS REFERENCES TO RESIDENTIAL MORTGAGES.

(a) TERMINATION OF PRIVATE MORTGAGE INSURANCE.—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(1) in subsection (c), by inserting ''on residential mortgage transactions'' after ''imposed''; and

(2) in subsection (g) (as so redesignated by section 902(c)(1)(A) of this title)—

(A) in paragraph (1), in the matter preceding subparagraph (A), by striking ''mortgage or'';

(B) in paragraph (2), by striking ''mortgage or''; and

(C) in paragraph (3), by striking ''mortgage or'' and inserting ''residential mortgage or residential''.

(b) DISCLOSURE REQUIREMENTS.—Section 4 of the Homeowners Protection Act of 1998 (12 U.S.C. 4903(a)) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''mortgage or'' the first place it appears; and

(ii) by striking ''mortgage or'' the second place it appears and inserting ''residential''; and

(B) in paragraph (2), by striking ''mortgage or'' and inserting ''residential'';

(2) in subsection (c), by striking ''paragraphs (1)(B) and (3) of subsection (a)'' and inserting ''subsection (a)(3)''; and

(3) in subsection (d), by inserting before the period at the end the following: '', which disclosures shall relate to the mortgagor's rights under this Act''.

(c) DISCLOSURE REQUIREMENTS FOR LENDER-PAID MORTGAGE INSURANCE.—Section 6 of the Homeowners Protection Act of 1998 (12 U.S.C. 4905) is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking ''a residential mortgage or''; and

(B) in paragraph (2), by inserting ''transaction'' after ''residential mortgage''; and

(2) in subsection (d), by inserting ''transaction'' after ''residential mortgage''.

SEC. 904. CANCELLATION RIGHTS AFTER CANCELLATION DATE.

Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting after ''cancellation date'' the following: ''or any later date that the mortgagor fulfills all of the requirements under paragraphs (1) through (4)'';

(B) in paragraph (2), by striking ''and'' at the end;

(C) by redesignating paragraph (3) as paragraph (4); and

(D) by inserting after paragraph (2) the following new paragraph:

''(3) is current on the payments required by the terms of the residential mortgage transaction; and''; and

(2) in subsection (e)(1)(B) (as so redesignated by section 902(c)(1)(A) of this title), by striking ''subsection (a)(3)'' and inserting ''subsection (a)(4)''.

SEC. 905. CLARIFICATION OF CANCELLATION AND TERMINATION ISSUES AND LENDER PAID MORTGAGE INSURANCE DISCLOSURE REQUIREMENTS.

(a) GOOD PAYMENT HISTORY.—Section 2(4) of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(4)) is amended—

(1) in subparagraph (A)—

(A) by inserting ''the later of (i)'' before ''the date''; and

(ii) by inserting '', or (ii) the date that the mortgagor submits a request for cancellation under section 3(a)(1)'' before the semicolon; and

(B) in subparagraph (B)—

(i) by inserting ''the later of (i)'' before ''the date''; and

(ii) by inserting '', or (ii) the date that the mortgagor submits a request for cancellation under section 3(a)(1)'' before the period at the end.

(b) AUTOMATIC TERMINATION.—Paragraph (2) of section 3(b) of the Homeowners Protection Act of 1998 (12 U.S.C. 4902(b)(2)) is amended to read as follows:

''(2) if the mortgagor is not current on the termination date, on the first day of the first month beginning after the date that the mortgagor becomes current on the payments required by the terms of the residential mortgage transaction.''

(c) PREMIUM PAYMENTS.—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended by adding at the end the following new subsection:

''(h) ACCRUED OBLIGATION FOR PREMIUM PAYMENTS.—The cancellation or termination under this section of the private mortgage insurance of a mortgagor shall not affect the rights of any mortgagee, servicer, or mortgage insurer to enforce any obligation of such mortgagor for premium payments accrued prior to the date on which such cancellation or termination occurred.''.

SEC. 906. DEFINITIONS.

(a) REFINANCED.—Section 6(c)(1)(B)(ii) of the Homeowners Protection Act of 1998 (12 U.S.C. 4905(c)(1)(B)(ii)) is amended by inserting after ''refinanced'' the following: ''(under the meaning given such term in the regulations issued by

the Board of Governors of the Federal Reserve System to carry out the Truth in Lending Act (15 U.S.C. 1601 et seq.))''.

(b) MIDPOINT OF THE AMORTIZATION PERIOD.—Section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901) is amended by inserting after paragraph (6) (as added by section 902(a)(1)(D) of this Act) the following new paragraph:

''(7) MIDPOINT OF THE AMORTIZATION PERIOD.—The term 'midpoint of the amortization period' means, with respect to a residential mortgage transaction, the point in time that is halfway through the period that begins upon the first day of the amortization period established at the time a residential mortgage transaction is consummated and ends upon the completion of the entire period over which the mortgage is scheduled to be amortized.''.

(c) ORIGINAL VALUE.—Section 2(12) of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(10)) (as so redesignated by section 902(a)(1)(C) of this Act) is amended—

(1) by inserting ''transaction'' after ''a residential mortgage''; and

(2) by adding at the end the following new sentence: ''In the case of a residential mortgage transaction for refinancing the principal residence of the mortgagor, such term means only the appraised value relied upon by the mortgagee to approve the refinance transaction.''.

(d) PRINCIPAL RESIDENCE.—Section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901) is amended—

(1) in paragraph (14) (as so redesignated by section 902(a)(1)(C) of this Act) by striking ''primary'' and inserting ''principal''; and

(2) in paragraph (15) (as so redesignated by section 902(a)(1)(C) of this Act) by striking ''primary'' and inserting ''principal'';

TITLE X—RURAL HOUSING HOMEOWNERSHIP

SEC. 1001. PROMISSORY NOTE REQUIREMENT UNDER HOUSING REPAIR LOAN PROGRAM.

The fourth sentence of section 504(a) of the Housing Act of 1949 (42 U.S.C. 1474(a)) is amended by striking ''$2,500'' and inserting ''$7,500''.

SEC. 1002. LIMITED PARTNERSHIP ELIGIBILITY FOR FARM LABOR HOUSING LOANS.

The first sentence of section 514(a) of the Housing Act of 1949 (42 U.S.C. 1484(a)) is amended by striking ''nonprofit limited partnership'' and inserting ''limited partnership''.

SEC. 1003. PROJECT ACCOUNTING RECORDS AND PRACTICES.

Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by striking subsection (z) and inserting the following new subsections:

''(z) ACCOUNTING AND RECORDKEEPING REQUIREMENTS.—

''(1) ACCOUNTING STANDARDS.—The Secretary shall require that borrowers in programs authorized by this section maintain accounting records in accordance with generally accepted accounting principles for all projects that receive funds from loans made or guaranteed by the Secretary under this section.

''(2) RECORD RETENTION REQUIREMENTS.—The Secretary shall require that borrowers in programs authorized by this section retain for a period of not less than 6 years and make available to the Secretary in a manner determined by the Secretary, all records required to be maintained under this subsection and other records identified by the Secretary in applicable regulations.

''(aa) DOUBLE DAMAGES FOR UNAUTHORIZED USE OF HOUSING PROJECTS ASSETS AND INCOME.—

''(1) ACTION TO RECOVER ASSETS OR INCOME.—

''(A) IN GENERAL.—The Secretary may request the Attorney General to bring an action in a United States district court to recover any assets or income used by any person in violation of the provisions of a loan made or guaranteed by the Secretary under this section or in violation of any applicable statute or regulation.

''(B) IMPROPER DOCUMENTATION.—For purposes of this subsection, a use of assets or income in violation of the applicable loan, loan guarantee, statute, or regulation shall include any use for which the documentation in the books and accounts does not establish that the use was made for a reasonable operating expense or necessary repair of the project or for which the documentation has not been maintained in accordance with the requirements of the Secretary and in reasonable condition for proper audit.

''(C) DEFINITION.—For the purposes of this subsection, the term 'person' means—

''(i) any individual or entity that borrows funds in accordance with programs authorized by this section;

''(ii) any individual or entity holding 25 percent or more interest of any entity that borrows funds in accordance with programs authorized by this section; and

''(iii) any officer, director, or partner of an entity that borrows funds in accordance with programs authorized by this section.

''(2) AMOUNT RECOVERABLE.—

''(A) IN GENERAL.—In any judgment favorable to the United States entered under this subsection, the Attorney General may recover double the value of the assets and income of the project that the court determines to have been used in violation of the provisions of a loan made or guaranteed by the Secretary under this section or any applicable statute or regulation, plus all costs related to the action, including reasonable attorney and auditing fees.

''(B) APPLICATION OF RECOVERED FUNDS.—Notwithstanding any other provision of law, the Secretary may use amounts recovered under this subsection for activities authorized under this section and such funds shall remain available for such use until expended.

''(3) TIME LIMITATION.—Notwithstanding any other provision of law, an action under this subsection may be commenced at any time during the 6-year period beginning on the date that the Secretary discovered or should have discovered the violation of the provisions of this section or any related statutes or regulations.

''(4) CONTINUED AVAILABILITY OF OTHER REMEDIES.—The remedy provided in this subsection is in addition to and not in substitution of any other remedies available to the Secretary or the United States.''.

SEC. 1004. DEFINITION OF RURAL AREA.

The second sentence of section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended by striking ''year 2000'' and inserting ''year 2010''.

SEC. 1005. OPERATING ASSISTANCE FOR MIGRANT FARMWORKERS PROJECTS.

The last sentence of section 521(a)(5)(A) of the Housing Act of 1949 (42 U.S.C. 1490a(a)(5)(A)) is amended by striking ''project'' and inserting ''tenant or unit''.

SEC. 1006. MULTIFAMILY RENTAL HOUSING LOAN GUARANTEE PROGRAM.

Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (c), by inserting ''an Indian organization,'' after ''thereof,'';

(2) in subsection (f), by striking paragraph (1) and inserting the following new paragraph:

''(1) be made for a period of not less than 25 nor greater than 40 years from the date the loan was made and may provide for amortization of the loan over a period of not to exceed 40 years with a final payment of the balance due at the end of the loan term;'';

(3) in subsection (i)(2), by striking ''(A) conveyance to the Secretary'' and all that follows through ''(C) assignment'' and inserting ''(A) submission to the Secretary of a claim for payment under the guarantee, and (B) assignment'';

(4) in subsection (s), by adding at the end the following new subsection:

''(4) INDIAN ORGANIZATION.—The term 'Indian organization' means the governing body of an Indian tribe, band, group, pueblo, or community, including native villages or native groups, as defined by the Alaska Claims Settlement Act (43 U.S.C. 1601 et seq.), (including corporations organized by the Kenai, Juneau, Sitka, and Kodiak) which is eligible for services from the Bureau of Indian Affairs or an entity established or recognized by the governing body for the purpose of financing economic development.'';

(5) in subsection (t), by inserting before the period at the end the following: ''to provide guarantees under this section for eligible loans having an aggregate principal amount of $500,000,000'';

(6) by striking subsection (l);

(7) by redesignating subsections (m) through (u) as subsections (l) through (t), respectively;

(8) by adding at the end the following new subsections:

''(u) FEE AUTHORITY.—

''(1) IN GENERAL.—Any amounts collected by the Secretary pursuant to the fees charged to lenders for loan guarantees issued under this section shall be used to offset costs (as defined by section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a)) of loan guarantees made under this section.

''(2) EXCESS FUNDS.—Any fees described in paragraph (1) collected in excess of the amount required in paragraph (1) during a fiscal year, shall be available to the Secretary, without further appropriation and without fiscal year limitation, for use by the Secretary for costs of administering (including monitoring) program activities authorized pursuant to this section and shall be in addition to other funds made available for this purpose.

''(v) DEFAULTS OF LOANS SECURED BY RESERVATION LANDS.—In the event of a default involving a loan to an Indian tribe or tribal corporation made under this section which is secured by an interest in land within such tribe's reservation (as determined by the Secretary of the Interior), including a community in Alaska incorporated by the Secretary of the Interior pursuant to the Indian Reorganization Act (25 U.S.C. 461 et seq.), the lender shall only pursue liquidation after offering to transfer the account to an eligible tribal member, the tribe, or the Indian housing authority serving the tribe. If the lender subsequently proceeds to liquidate the account, the lender shall not sell, transfer, or otherwise dispose of or alienate the property except to one of the entities described in the preceding sentence.''.

SEC. 1007. ENFORCEMENT PROVISIONS.

(a) IN GENERAL.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended by adding after section 542 the following:

''SEC. 543. ENFORCEMENT PROVISIONS.

''(a) EQUITY SKIMMING.—

''(1) CRIMINAL PENALTY.—Whoever, as an owner, agent, employee, or manager, or is otherwise in custody, control, or possession of property that is security for a loan made or guaranteed under this title, willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property, for any purpose other than to meet actual, reasonable, and necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be fined under title 18, United States Code, or imprisoned not more than 5 years, or both.

''(2) CIVIL SANCTIONS.—An entity or individual who as an owner, operator, employee, or manager, or who acts as an agent for a property that is security for a loan made or guaranteed under this title where any part of the rents, assets, proceeds, income, or other funds derived from such property are used for any purpose other than to meet actual, reasonable, and necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be subject to a fine of not more than $25,000 per

violation. The sanctions provided in this paragraph may be imposed in addition to any other civil sanctions or civil monetary penalties authorized by law.

''(b) CIVIL MONETARY PENALTIES.—

''(1) IN GENERAL.—The Secretary may, after notice and opportunity for a hearing, impose a civil monetary penalty in accordance with this subsection against any individual or entity, including its owners, officers, directors, general partners, limited partners, or employees, who knowingly and materially violate, or participate in the violation of, the provisions of this title, the regulations issued by the Secretary pursuant to this title, or agreements made in accordance with this title, by—

''(A) submitting information to the Secretary that is false;

''(B) providing the Secretary with false certifications;

''(C) failing to submit information requested by the Secretary in a timely manner;

''(D) failing to maintain the property subject to loans made or guaranteed under this title in good repair and condition, as determined by the Secretary;

''(E) failing to provide management for a project which received a loan made or guaranteed under this title that is acceptable to the Secretary; or

''(F) failing to comply with the provisions of applicable civil rights statutes and regulations.

''(2) CONDITIONS FOR RENEWAL OR EXTENSION.—The Secretary may require that expiring loan or assistance agreements entered into under this title shall not be renewed or extended unless the owner executes an agreement to comply with additional conditions prescribed by the Secretary, or executes a new loan or assistance agreement in the form prescribed by the Secretary.

''(3) AMOUNT.—

''(A) IN GENERAL.—The amount of a civil monetary penalty imposed under this subsection shall not exceed the greater of—

''(i) twice the damages the Department of Agriculture, the guaranteed lender, or the project that is secured for a loan under this section suffered or would have suffered as a result of the violation; or

''(ii) $50,000 per violation.

''(B) DETERMINATION.—In determining the amount of a civil monetary penalty under this subsection, the Secretary shall take into consideration—

''(i) the gravity of the offense;

''(ii) any history of prior offenses by the violator (including offenses occurring prior to the enactment of this section);

''(iii) the ability of the violator to pay the penalty;

''(iv) any injury to tenants;

''(v) any injury to the public;

''(vi) any benefits received by the violator as a result of the violation;

''(vii) deterrence of future violations; and

''(viii) such other factors as the Secretary may establish by regulation.

''(4) PAYMENT OF PENALTIES.—No payment of a penalty assessed under this section may be made from funds provided under this title or from funds of a project which serve as security for a loan made or guaranteed under this title.

''(5) REMEDIES FOR NONCOMPLIANCE.—

''(A) JUDICIAL INTERVENTION.—If a person or entity fails to comply with a final determination by the Secretary imposing a civil monetary penalty under this subsection, the Secretary may request the Attorney General of the United States to bring an action in an appropriate United States district court to obtain a monetary judgment against such individual or entity and such other relief as may be available. The monetary judgment may, in the court's discretion, include the attorney's fees and other expenses incurred by the United States in connection with the action.

''(B) REVIEWABILITY OF DETERMINATION.—In an action under this paragraph, the validity and appropriateness of a determination by the Secretary imposing the penalty shall not be subject to review.''.

(b) CONFORMING AMENDMENT.—Section 514 of the Housing Act of 1949 (42 U.S.C. 1484) is amended by striking subsection (j).

SEC. 1008. AMENDMENTS TO TITLE 18 OF UNITED STATES CODE.

(a) MONEY LAUNDERING.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting ''any violation of section 543(a)(1) of the Housing Act of 1949 (relating to equity skimming),'' after ''coupons having a value of not less than $5,000,''.

(b) OBSTRUCTION OF FEDERAL AUDITS.—Section 1516(a) of title 18, United States Code, is amended by inserting ''or relating to any property that is security for a loan that is made or guaranteed under title V of the Housing Act of 1949,'' before ''shall be fined under this title''.

TITLE XI—MANUFACTURED HOUSING IMPROVEMENT

SEC. 1101. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This title may be cited as the ''Manufactured Housing Improvement Act''.

(b) REFERENCES.—Whenever in this title an amendment is expressed in terms of an amendment to, or repeal of, an Act, a section, or any other provision, the reference shall be considered to be made to that section or other provision of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.).

SEC. 1102. FINDINGS AND PURPOSES.

Section 602 (42 U.S.C. 5401) is amended to read as follows:

''FINDINGS AND PURPOSES

''SEC. 602. (a) FINDINGS.—The Congress finds that—

''(1) manufactured housing plays a vital role in meeting the housing needs of the Nation; and

''(2) manufactured homes provide a significant resource for affordable homeownership and rental housing accessible to all Americans.

''(b) PURPOSES.—The purposes of this title are—

''(1) to facilitate the acceptance of the quality, durability, safety, and affordability of manufactured housing within the Department of Housing and Urban Development;

''(2) to facilitate the availability of affordable manufactured homes and to increase homeownership for all Americans;

''(3) to provide for the establishment of practical, uniform, and, to the extent possible, performance-based Federal construction standards;

''(4) to encourage innovative and cost-effective construction techniques;

''(5) to protect owners of manufactured homes from unreasonable risk of personal injury and property damage;

''(6) to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes and related regulations for the enforcement of such standards;

''(7) to ensure uniform and effective enforcement of Federal construction and safety standards for manufactured homes; and

''(8) to ensure that the public interest in, and need for, affordable manufactured housing is duly considered in all determinations relating to the Federal standards and their enforcement.''.

SEC. 1103. DEFINITIONS.

(a) IN GENERAL.—Section 603 (42 U.S.C. 5402) is amended—

(1) in paragraph (2), by striking ''dealer'' and inserting ''retailer'';

(2) in paragraph (12), by striking ''and'' at the end;

(3) in paragraph (13), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following new paragraphs:

''(14) 'administering organization' means the recognized, voluntary, private sector, consensus standards body with specific experience in developing model residential building codes and standards involving all disciplines regarding construction and safety that administers the consensus standards development process;

''(15) 'consensus committee' means the committee established under section 604(a)(3);

''(16) 'consensus standards development process' means the process by which additions, revisions, and interpretations to the Federal manufactured home construction and safety standards and enforcement regulations shall be developed and recommended to the Secretary by the consensus committee;

''(17) 'primary inspection agency' means a State agency or private organization that has been approved by the Secretary to act as a design approval primary inspection agency or a production inspection primary inspection agency, or both;

''(18) 'design approval primary inspection agency' means a State agency or private organization that has been approved by the Secretary to evaluate and either approve or disapprove manufactured home designs and quality control procedures;

''(19) 'production inspection primary inspection agency' means a State agency or private organization that has been approved by the Secretary to evaluate the ability of manufactured home manufacturing plants to comply with approved quality control procedures and with the Federal manufactured home construction and safety standards promulgated hereunder;

''(20) 'installation standards' means reasonable specifications for the installation of a manufactured home, at the place of occupancy, to ensure proper siting, the joining of all sections of the home, and the installation of stabilization, support, or anchoring systems; and

''(21) 'monitoring'—

''(A) means the process of periodic review of the primary inspection agencies, by the Secretary or by a State agency under an approved State plan pursuant to section 623, in accordance with regulations recommended by the consensus committee and promulgated in accordance with section 604(b), which process shall be for the purpose of ensuring that the primary inspection agencies are discharging their duties under this title; and

''(B) may include the periodic inspection of retail locations for transit damage, label tampering, and retailer compliance with this title.''.

(b) CONFORMING AMENDMENTS.—The Act is amended—

(1) in section 613 (42 U.S.C. 5412), by striking ''dealer'' each place it appears and inserting ''retailer'';

(2) in section 614(f) (42 U.S.C. 5413(f)), by striking ''dealer'' each place it appears and inserting ''retailer'';

(3) in section 615 (42 U.S.C. 5414)—

(A) in subsection (b)(1), by striking ''dealer'' and inserting ''retailer'';

(B) in subsection (b)(3), by striking ''dealer or dealers'' and inserting ''retailer or retailers''; and

(C) in subsections (d) and (f), by striking ''dealers'' each place it appears and inserting ''retailers'';

(4) in section 616 (42 U.S.C. 5415), by striking ''dealer'' and inserting ''retailer''; and

(5) in section 623(c)(9), by striking ''dealers'' and inserting ''retailers''.

SEC. 1104. FEDERAL MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS.

Section 604 (42 U.S.C. 5403) is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) ESTABLISHMENT.—

''(1) AUTHORITY.—The Secretary shall establish, by order, appropriate Federal manufactured home construction and safety standards, each of which—

''(A) shall—

''(i) be reasonable and practical;

''(ii) meet high standards of protection consistent with the enumerated purposes of this title; and

''(iii) where appropriate, be performance-based and objectively stated; and

''(B) except as provided in subsection (b), shall be established in accordance with the consensus standards development process.

''(2) CONSENSUS STANDARDS AND REGULATORY DEVELOPMENT PROCESS.—

''(A) INITIAL AGREEMENT.—Not later than 180 days after the date of enactment of the Manufactured Housing Improvement Act, the Secretary shall enter into a contract with an administering organization. The contractual agreement shall—

''(i) terminate on the date on which a contract is entered into under subparagraph (B); and

''(ii) require the administering organization to—

''(I) appoint the initial members of the consensus committee under paragraph (3);

''(II) administer the consensus standards development process until the termination of that agreement; and

''(III) administer the consensus development and interpretation process for procedural and enforcement regulations and regulations specifying the permissible scope and conduct of monitoring until the termination of that agreement.

''(B) COMPETITIVELY PROCURED CONTRACT.—Upon the expiration of the 4-year period beginning on the date on which all members of the consensus committee are appointed under paragraph (3), the Secretary shall, using competitive procedures (as such term is defined in section 4 of the Office of Federal Procurement Policy Act), enter into a competitively awarded contract with an administering organization. The administering organization shall administer the consensus process for the development and interpretation of the Federal standards, the procedural and enforcement regulations and regulations specifying the permissible scope and conduct of monitoring in accordance with this title.

''(C) PERFORMANCE REVIEW.—The Secretary—

''(i) shall periodically review the performance of the administering organization; and

''(ii) may replace the administering organization with another qualified technical or building code organization, pursuant to competitive procedures, if the Secretary determines in writing that the administering organization is not fulfilling the terms of the agreement or contract to which the administering organization is subject or upon the expiration of the agreement or contract.

''(3) CONSENSUS COMMITTEE.—

''(A) PURPOSE.—There is established a committee to be known as the 'consensus committee', which shall, in accordance with this title—

''(i) provide periodic recommendations to the Secretary to adopt, revise, and interpret the Federal manufactured housing construction and safety standards in accordance with this subsection;

''(ii) provide periodic recommendations to the Secretary to adopt, revise, and interpret the procedural and enforcement regulations, including regulations specifying the permissible scope and conduct of monitoring in accordance with this subsection; and

''(iii) be organized and carry out its business in a manner that guarantees a fair opportunity for the expression and consideration of various positions and for public participation.

''(B) MEMBERSHIP.—The consensus committee shall be composed of—

''(i) 21 voting members appointed, subject to approval by the Secretary, by the administering organization from among individuals who are qualified by background and experience to participate in the work of the consensus committee; and

''(ii) 1 member appointed by the Secretary to represent the Secretary on the consensus committee, who shall be a nonvoting member.

''(C) DISAPPROVAL.—The Secretary may disapprove, in writing with the reasons set forth, the appointment of an individual under subparagraph (B)(i).

''(D) SELECTION PROCEDURES AND REQUIREMENTS.—Each member shall be appointed in accordance with the selection procedures, which shall be established by the Secretary and which shall be based on the procedures for consensus committees promulgated by the American National Standards Institute (or successor organization), to ensure equal representation on the consensus committee of the following interest categories:

''(i) PRODUCERS.—7 producers or retailers of manufactured housing.

''(ii) USERS.—7 persons representing consumer interests, such as consumer organizations, recognized consumer leaders, and owners who are residents of manufactured homes.

''(iii) GENERAL INTEREST AND PUBLIC OFFICIALS.—7 general interest and public official members.

''(E) BALANCING OF INTERESTS.—

''(i) IN GENERAL.—In order to achieve a proper balance of interests on the consensus committee—

''(I) the administering organization in its appointments shall ensure that all directly and materially affected interests have the opportunity for fair and equitable participation without dominance by any single interest; and

''(II) the Secretary may reject the appointment of any 1 or more individuals in order to ensure that there is not dominance by any single interest.

''(ii) DOMINANCE DEFINED.—In this subparagraph, the term 'dominance' means a position or exercise of dominant authority, leadership, or influence by reason of superior leverage, strength, or representation.

''(F) ADDITIONAL QUALIFICATIONS.—

''(i) FINANCIAL INDEPENDENCE.—No individual appointed under subparagraph (D)(ii) shall have, and 3 of individuals appointed under subparagraph (D)(iii) shall not have—

''(I) a significant financial interest in any segment of the manufactured housing industry; or

''(II) a significant relationship to any person engaged in the manufactured housing industry.

''(ii) POST-EMPLOYMENT BAN.—An individual appointed under clause (ii) or (iii) of subparagraph (D) shall be subject to a ban disallowing compensation from the manufactured housing industry during the period of, and for the 1-year period after, membership of that individual on the consensus committee.

''(G) MEETINGS.—

''(i) NOTICE; OPEN TO PUBLIC.—The consensus committee shall provide advance notice of each meeting of the consensus committee to the Secretary and publish advance notice of each such meeting in the Federal Register. All meetings of the consensus committee shall be open to the public.

''(ii) REIMBURSEMENT.—Members of the consensus committee in attendance at the meetings shall be reimbursed for their actual expenses as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

''(H) INAPPLICABILITY OF OTHER LAWS.—

''(i) ADVISORY COMMITTEE ACT.—The consensus committee shall not be considered to be an advisory committee for purposes of the Federal Advisory Committee Act.

''(ii) TITLE 18.—The members of the consensus committee shall not be subject to section 203, 205, 207, or 208 of title 18, United States Code, to the extent of their proper participation as members of the consensus committee.

''(iii) ETHICS IN GOVERNMENT ACT OF 1978.—The Ethics in Government Act of 1978 shall not apply to members of the consensus committee to the extent of their proper participation as members of the consensus committee.

''(I) ADMINISTRATION.—The consensus committee and the administering organization shall—

''(i) operate in conformance with the procedures established by the American National Standards Institute for the development and coordination of American National Standards; and

''(ii) apply to the American National Standards Institute and take such other actions as may be necessary to obtain accreditation from the American National Standards Institute.

''(J) STAFF.—The administering organization shall, upon the request of the consensus committee, provide reasonable staff resources to the consensus committee. Upon a showing of need, the Secretary shall furnish technical support to any of the various interest categories on the consensus committee.

''(K) DATE OF INITIAL APPOINTMENTS.—The initial appointments of all of the members of the consensus committee shall be completed not later than 90 days after the date on which an administration agreement under paragraph (2)(A) is completed with the administering organization.

''(4) REVISIONS OF STANDARDS.—

''(A) IN GENERAL.—Beginning on the date on which all members of the consensus committee are appointed under paragraph (3), the consensus committee shall, not less than once during each 2-year period—

''(i) consider revisions to the Federal manufactured home construction and safety standards; and

''(ii) submit proposed revised standards and regulations, if approved in a vote of the consensus committee by two-thirds of the members, to the Secretary in the form of a proposed rule, including an economic analysis.

''(B) PUBLICATION OF PROPOSED REVISED STANDARDS.—

''(i) PUBLICATION BY SECRETARY.—The consensus committee shall provide a proposed revised standard under subparagraph (A)(ii) to the Secretary who shall, not later than 30 days after receipt, publish such proposed revised standard in the Federal Register for notice and comment. Unless clause (ii) applies, the Secretary shall provide an opportunity for public comment on such proposed revised standard and any such comments shall be submitted directly to the consensus committee without delay.

''(ii) PUBLICATION OF REJECTED PROPOSED REVISED STANDARD.—If the Secretary rejects the proposed revised standard, the Secretary shall publish the rejected proposed revised standard in the Federal Register with the reasons for rejection and any recommended modifications set forth.

''(C) PRESENTATION OF PUBLIC COMMENTS; PUBLICATION OF RECOMMENDED REVISIONS.—

''(i) PRESENTATION.—Any public comments, views, and objections to a proposed revised standard published under subparagraph (B) shall be presented by the Secretary to the consensus committee upon their receipt and in the manner received, in accordance with procedures established by the American National Standards Institute.

''(ii) PUBLICATION BY THE SECRETARY.—The consensus committee shall provide to the Secretary any revisions proposed by the consensus committee, which the Secretary shall, not later than 7 calendar days after receipt, cause to be published in the Federal Register as a notice of the recommended revisions of the consensus committee to the standard, a notice of the submission of the recommended revisions to the Secretary, and a description of the circumstances under which the proposed revised standards could become effective.

''(iii) PUBLICATION OF REJECTED PROPOSED REVISED STANDARD.—If the Secretary rejects the proposed revised standard, the Secretary shall publish the rejected proposed revised standard in the Federal Register with the reasons for rejection and any recommended modifications set forth.

''(5) REVIEW BY THE SECRETARY.—

''(A) IN GENERAL.—The Secretary shall either adopt, modify, or reject a standard, as submitted

by the consensus committee under paragraph (4)(A).

''(B) TIMING.—Not later than 12 months after the date on which a standard is submitted to the Secretary by the consensus committee, the Secretary shall take action regarding such standard under subparagraph (C).

''(C) PROCEDURES.—If the Secretary—

''(i) adopts a standard recommended by the consensus committee, the Secretary shall—

''(I) issue a final order without further rulemaking; and

''(II) cause the final order to be published in the Federal Register;

''(ii) determines that any standard should be rejected, the Secretary shall—

''(I) reject the standard; and

''(II) cause to be published in the Federal Register a notice to that effect, together with the reason or reasons for rejecting the proposed standard; or

''(iii) determines that a standard recommended by the consensus committee should be modified, the Secretary shall—

''(I) cause the proposed modified standard to be published in the Federal Register, together with an explanation of the reason or reasons for the determination of the Secretary; and

''(II) provide an opportunity for public comment in accordance with section 553 of title 5, United States Code.

''(D) FINAL ORDER.—Any final standard under this paragraph shall become effective pursuant to subsection (c).

''(6) FAILURE TO ACT.—If the Secretary fails to take final action under paragraph (5) and to publish notice of the action in the Federal Register before the expiration of the 12-month period beginning on the date on which the proposed standard is submitted to the Secretary under paragraph (4)(A)—

''(A) the recommendations of the consensus committee—

''(i) shall be considered to have been adopted by the Secretary; and

''(ii) shall take effect upon the expiration of the 180-day period that begins upon the conclusion of such 12-month period; and

''(B) not later than 10 days after the expiration of such 12-month period, the Secretary shall cause to be published in the Federal Register a notice of the failure of the Secretary to act, the revised standard, and the effective date of the revised standard, which notice shall be deemed to be an order of the Secretary approving the revised standards proposed by the consensus committee.

''(b) OTHER ORDERS.—

''(1) REGULATIONS.—The Secretary may issue procedural and enforcement regulations as necessary to implement the provisions of this title. The consensus committee may submit to the Secretary proposed procedural and enforcement regulations and recommendations for the revision of such regulations.

''(2) INTERPRETATIVE BULLETINS.—The Secretary may issue interpretative bulletins to clarify the meaning of any Federal manufactured home construction and safety standard or procedural and enforcement regulation. The consensus committee may submit to the Secretary proposed interpretative bulletins to clarify the meaning of any Federal manufactured home construction and safety standard or procedural and enforcement regulation.

''(3) REVIEW BY CONSENSUS COMMITTEE.—Before issuing a procedural or enforcement regulation or an interpretative bulletin—

''(A) the Secretary shall—

''(i) submit the proposed procedural or enforcement regulation or interpretative bulletin to the consensus committee; and

''(ii) provide the consensus committee with a period of 120 days to submit written comments to the Secretary on the proposed procedural or enforcement regulation or the interpretative bulletin; and

''(B) if the Secretary rejects any significant comment provided by the consensus committee under subparagraph (A), the Secretary shall provide a written explanation of the reasons for the rejection to the consensus committee; and

''(C) following compliance with subparagraphs (A) and (B), the Secretary shall—

''(i) cause the proposed regulation or interpretative bulletin and the consensus committee's written comments along with the Secretary's response thereto to be published in the Federal Register; and

''(ii) provide an opportunity for public comment in accordance with section 553 of title 5, United States Code.

''(4) REQUIRED ACTION.—The Secretary shall act on any proposed regulation or interpretative bulletin submitted by the consensus committee by approving or rejecting the proposal within 120 days from the date the proposal is received by the Secretary. The Secretary shall either—

''(A) approve the proposal and cause the proposed regulation or interpretative bulletin to be published for public comment in accordance with section 553 of title 5, United States Code; or

''(B) reject the proposed regulation or interpretative bulletin and—

''(i) provide a written explanation of the reasons for rejection to the consensus committee; and

''(ii) cause the proposed regulation and the written explanation for the rejection to be published in the Federal Register.

''(5) EMERGENCY ORDERS.—If the Secretary determines, in writing, that such action is necessary in order to respond to an emergency which jeopardizes the public health or safety, or to address an issue on which the Secretary determines that the consensus committee has not made a timely recommendation, following a request by the Secretary, the Secretary may issue an order that is not developed under the procedures set forth in subsection (a) or in this subsection, if the Secretary—

''(A) provides to the consensus committee a written description and sets forth the reasons why emergency action is necessary and all supporting documentation; and

''(B) issues and publishes the order in the Federal Register.

''(6) CHANGES.—Any statement of policies, practices, or procedures relating to construction and safety standards, inspections, monitoring, or other enforcement activities which constitutes a statement of general or particular applicability and future offset and decisions to implement, interpret, or prescribe law of policy by the Secretary is subject to the provisions of subsection (a) or (b) of this subsection. Any change adopted in violation of the provisions of subsection (a) or (b) of this subsection is void.

''(7) TRANSITION.—Until the date that the consensus committee is appointed pursuant to section 1104(a)(3), the Secretary may issue proposed orders that are not developed under the procedures set forth in this section for new and revised standards.'';

(2) in subsection (d), by adding at the end the following: ''Federal preemption under this subsection shall be broadly and liberally construed to ensure that disparate State or local requirements or standards do not affect the uniformity and comprehensiveness of the standards promulgated hereunder nor the Federal superintendence of the manufactured housing industry as established by this title. Subject to section 605, there is reserved to each State the right to establish standards for the stabilizing and support systems of manufactured homes sited within that State, and for the foundations on which manufactured homes sited within that State are installed, and the right to enforce compliance with such standards, except that such standards shall be consistent with the purposes of this title and shall be consistent with the design of the manufacturer.'';

(3) by striking subsection (e);

(4) in subsection (f), by striking the subsection designation and all of the matter that precedes paragraph (1) and inserting the following:

''(e) CONSIDERATIONS IN ESTABLISHING AND INTERPRETING STANDARDS AND REGULATIONS.—The consensus committee, in recommending standards, regulations, and interpretations, and the Secretary, in establishing standards or regulations, or issuing interpretations under this section, shall—'';

(5) by striking subsection (g);

(6) in the first sentence of subsection (j), by striking ''subsection (f)'' and inserting ''subsection (e)''; and

(7) by redesignating subsections (h), (i), and (j), as subsections (f), (g), and (h), respectively.

SEC. 1105. ABOLISHMENT OF NATIONAL MANUFACTURED HOME ADVISORY COUNCIL; MANUFACTURED HOME INSTALLATION.

(a) IN GENERAL.—Section 605 (42 U.S.C. 5404) is amended to read as follows:

''SEC. 605. MANUFACTURED HOME INSTALLATION.

''(a) PROVISION OF INSTALLATION DESIGN AND INSTRUCTIONS.—A manufacturer shall provide with each manufactured home, design and instructions for the installation of the manufactured home that have been approved by a design approval primary inspection agency. After establishment of model standards under subsection (b)(2), a design approval primary inspection agency may not give such approval unless a design and instruction provides equal or greater protection than the protection provided under such model standards.

''(b) MODEL MANUFACTURED HOME INSTALLATION STANDARDS.—

''(1) PROPOSED MODEL STANDARDS.—Not later than 18 months after the date on which the initial appointments of all of the members of the consensus committee are completed, the consensus committee shall develop and submit to the Secretary proposed model manufactured home installation standards, which shall, to the maximum extent possible, taking into account the factors described in section 604(e), be consistent with—

''(A) the home designs that have been approved by a design approval primary inspection agency; and

''(B) the designs and instructions for the installation of manufactured homes provided by manufacturers under subsection (a).

''(2) ESTABLISHMENT OF MODEL STANDARDS.—Not later than 12 months after receiving the proposed model standards submitted under paragraph (1), the Secretary shall develop and establish model manufactured home installation standards, which shall be consistent with—

''(A) the home designs that have been approved by a design approval primary inspection agency; and

''(B) the designs and instructions for the installation of manufactured homes provided by manufacturers under subsection (a).

''(3) FACTORS FOR CONSIDERATION.—

''(A) CONSENSUS COMMITTEE.—In developing the proposed model standards under paragraph (1), the consensus committee shall consider the factors described in section 604(e).

''(B) SECRETARY.—In developing and establishing the model standards under paragraph (2), the Secretary shall consider the factors described in section 604(e).

''(c) MANUFACTURED HOME INSTALLATION PROGRAMS.—

''(1) PROTECTION OF MANUFACTURED HOUSING RESIDENTS DURING INITIAL PERIOD.—During the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act, no State or manufacturer may establish or implement any installation standards that, in the determination of the Secretary, provide less protection to the residents of manufactured homes than the protection provided by the installation standards in effect with respect to the State or manufacturer, as applicable, on the date of enactment of the Manufactured Housing Improvement Act.

''(2) INSTALLATION STANDARDS.—

''(A) ESTABLISHMENT OF INSTALLATION PROGRAM.—Not later than the expiration of the 5-

year period described in paragraph (1), the Secretary shall establish an installation program that meets the requirements of paragraph (3) for the enforcement of installation standards in each State described in subparagraph (B).

''(B) IMPLEMENTATION OF INSTALLATION PROGRAM.—Beginning on the expiration of the 5-year period described in paragraph (1), the Secretary shall implement the installation program established under subparagraph (A) in each State that does not have an installation program established by State law that meets the requirements of paragraph (3).

''(C) CONTRACTING OUT OF IMPLEMENTATION.—In carrying out subparagraph (B), the Secretary may contract with an appropriate agent to implement the installation program established under that subparagraph, except that such agent shall not be a person or entity other than a government, nor an affiliate or subsidiary of such a person or entity, that has entered into a contract with the Secretary to implement any other regulatory program under this title.

''(3) REQUIREMENTS.—An installation program meets the requirements of this paragraph if it is a program regulating the installation of manufactured homes that includes—

''(A) installation standards that, in the determination of the Secretary, provide protection to the residents of manufactured homes that equals or exceeds the protection provided to those residents by—

''(i) the model manufactured home installation standards established under subsection (b); or

''(ii) the designs and instructions provided by manufacturers under subsection (a), if the Secretary determines that such designs and instructions provide protection to the residents of the manufactured home that equals or exceeds the protection provided by the model manufactured home installation standards established under subsection (b);

''(B) the training and licensing of manufactured home installers; and

''(C) inspection of the installation of manufactured homes.''.

(b) CONFORMING AMENDMENTS.—Section 623(c) (42 U.S.C. 5422(c)) is amended—

(1) in paragraph (10), by striking ''and'' at the end;

(2) by redesignating paragraph (11) as paragraph (13); and

(3) by inserting after paragraph (10) the following:

''(11) with respect to any State plan submitted on or after the expiration of the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act, provides for an installation program established by State law that meets the requirements of section 605(c)(3);''.

SEC. 1106. PUBLIC INFORMATION.

Section 607 (42 U.S.C. 5406) is amended—

(1) in subsection (a)—

(A) by inserting ''to the Secretary'' after ''submit''; and

(B) by adding at the end the following: ''The Secretary shall submit such cost and other information to the consensus committee for evaluation.'';

(2) in subsection (d), by inserting '', the consensus committee,'' after ''public''; and

(3) by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 1107. RESEARCH, TESTING, DEVELOPMENT, AND TRAINING.

(a) IN GENERAL.—Section 608(a) (42 U.S.C. 5407(a)) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

''(4) encouraging the government sponsored housing entities to actively develop and implement secondary market securitization programs for FHA manufactured home loans and those of other loan programs, as appropriate, thereby promoting the availability of affordable manufactured homes to increase homeownership for all people in the United States; and

''(5) reviewing the programs for FHA manufactured home loans and developing any changes to such programs to promote the affordability of manufactured homes, including changes in loan terms, amortization periods, regulations, and procedures.''.

(b) DEFINITIONS.—Section 608 (42 U.S.C. 5407) is amended by adding at the end the following new subsection:

''(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) GOVERNMENT SPONSORED HOUSING ENTITIES.—The term 'government sponsored housing entities' means the Government National Mortgage Association of the Department of Housing and Urban Development, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

''(2) FHA MANUFACTURED HOME LOANS.—The term 'FHA manufactured home loan' means a loan that—

''(A) is insured under title I of the National Housing Act and is made for the purpose of financing alterations, repairs, or improvements on or in connection with an existing manufactured home, the purchase of a manufactured home, the purchase of a manufactured home and a lot on which to place the home, or the purchase only of a lot on which to place a manufactured home; or

''(B) otherwise insured under the National Housing Act and made for or in connection with a manufactured home.''.

SEC. 1108. FEES.

Section 620 (42 U.S.C. 5419) is amended to read as follows:

''AUTHORITY TO ESTABLISH FEES

''SEC. 620. (a) IN GENERAL.—In carrying out inspections under this title, in developing standards and regulations pursuant to section 604, and in facilitating the acceptance of the affordability and availability of manufactured housing within the Department, the Secretary may—

''(1) establish and collect from manufactured home manufacturers such reasonable fees as may be necessary to offset the expenses incurred by the Secretary in connection with carrying out the responsibilities of the Secretary under this title, including—

''(A) conducting inspections and monitoring;

''(B) providing funding to States for the administration and implementation of approved State plans under section 623, including reasonable funding for cooperative educational and training programs designed to facilitate uniform enforcement under this title; these funds may be paid directly to the States or may be paid or provided to any person or entity designated to receive and disburse such funds by cooperative agreements among participating States, provided that such person or entity is not otherwise an agent of the Secretary under this title;

''(C) providing the funding for a noncareer administrator and Federal staff personnel for the manufactured housing program;

''(D) administering the consensus committee as set forth in section 604; and

''(E) facilitating the acceptance of the quality, durability, safety, and affordability of manufactured housing within the Department; and

''(2) use any fees collected under paragraph (1) to pay expenses referred to in paragraph (1), which shall be exempt and separate from any limitations on the Department of Housing and Urban Development regarding full-time equivalent positions and travel.

''(b) CONTRACTORS.—When using fees under this section, the Secretary shall ensure that separate and independent contractors are retained to carry out monitoring and inspection work and any other work that may be delegated to a contractor under this title.

''(c) PROHIBITED USE.—Fees collected under subsection (a) shall not be used for any purpose or activity not specifically authorized by this title unless such activity was already engaged in by the Secretary prior to the date of enactment of this title.

''(d) MODIFICATION.—Any fee established by the Secretary under this section shall only be modified pursuant to rulemaking in accordance with section 553 of title 5, United States Code.

''(e) APPROPRIATION AND DEPOSIT OF FEES.—

''(1) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the 'Manufactured Housing Fees Trust Fund' for deposit of all fees collected pursuant to subsection (a). These fees shall be held in trust for use only as provided in this title.

''(2) APPROPRIATION.—Such fees shall be available for expenditure only to the extent approved in an annual appropriation Act.''.

SEC. 1109. DISPUTE RESOLUTION.

Section 623(c) (42 U.S.C. 5422(c)), as amended by section 5(b) of this Act, is amended by inserting after paragraph (11) (as added by section 5(b) of this Act) the following:

''(12) with respect to any State plan submitted on or after the expiration of the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act, provides for a dispute resolution program for the timely resolution of disputes between manufacturers, retailers, and installers of manufactured homes regarding responsibility, and for the issuance of appropriate orders, for the correction or repair of defects in manufactured homes that are reported during the 1-year period beginning on the date of installation; and''; and

(2) by adding at the end the following:

''(g) ENFORCEMENT OF DISPUTE RESOLUTION STANDARDS.—

''(1) ESTABLISHMENT OF DISPUTE RESOLUTION PROGRAM.—Not later than the expiration of the 5-year period beginning on the date of enactment of the Manufactured Housing Improvement Act, the Secretary shall establish a dispute resolution program that meets the requirements of subsection (c)(12) for dispute resolution in each State described in paragraph (2).

''(2) IMPLEMENTATION OF DISPUTE RESOLUTION PROGRAM.—Beginning on the expiration of the 5-year period described in paragraph (1), the Secretary shall implement the dispute resolution program established under paragraph (1) in each State that has not established a dispute resolution program that meets the requirements of subsection (c)(12).

''(3) CONTRACTING OUT OF IMPLEMENTATION.—In carrying out paragraph (2), the Secretary may contract with an appropriate agent to implement the dispute resolution program established under that paragraph, except that such agent shall not be a person or entity other than a government, nor an affiliate or subsidiary of such a person or entity, that has entered into a contract with the Secretary to implement any other regulatory program under this title.''.

SEC. 1110. ELIMINATION OF ANNUAL REPORT REQUIREMENT.

The Act is amended—

(1) by striking section 626 (42 U.S.C. 5425); and

(2) by redesignating sections 627 and 628 (42 U.S.C. 5426, 5401 note) as sections 626 and 627, respectively.

SEC. 1111. EFFECTIVE DATE.

The amendments made by this title shall take effect on the date of enactment of this Act, except that the amendments shall have no effect on any order or interpretative bulletin that is published as a proposed rule pursuant to section 553 of title 5, United States Code, on or before such date.

SEC. 1112. SAVINGS PROVISION.

(a) STANDARDS AND REGULATIONS.—The Federal manufactured home construction and safety standards (as such term is defined in section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974) and

all regulations pertaining thereto in effect immediately before the date of the enactment of this Act shall apply until the effective date of a standard or regulation modifying or superseding the existing standard or regulation which is promulgated under subsection (a) or (b) of section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by this title.

(b) CONTRACTS.—Any contract awarded pursuant to a Request for Proposal issued before the date of enactment of this Act shall remain in effect for a period of 2 years from the date of enactment of this Act or for the remainder of the contract term, whichever period is shorter.

The CHAIRMAN. No amendment to that amendment is in order except those printed in House Report 106–562. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to consider amendment No. 1 printed in House Report 106–562.

AMENDMENT NO. 1 OFFERED BY MR. LAZIO

Mr. LAZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. LAZIO:

Page 28, line 24, after the comma insert ''except that elementary education shall include pre-Kindergarten education, and''.

Page 36, strike line 13, and all that follows through page 37, line 2, and insert the following:

SEC. 206. COMMUNITY PARTNERS NEXT DOOR PROGRAM.

(a) SHORT TITLE.—This section may be cited as the ''Community Partners Next Door Act''.

(b) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) teachers, law enforcement officers, fire fighters, and rescue personnel help form the backbones of communities and are integral components in the social capital of neighborhoods in the United States; and

(2) providing a discounted purchase price on HUD-owned properties for teachers, law enforcement officers, fire fighters, and rescue personnel recognizes the intrinsic value of the services provided by such employees to their communities and to family life and encourages and rewards those who are dedicated to providing public service in our most needy communities.

Page 37, line 10, after ''TEACHERS'' insert ''AND PUBLIC SAFETY OFFICERS''.

Page 37, line 14, after ''teacher'' insert ''or public safety officer''.

Page 38, line 2, after ''teacher'' insert ''or public safety officer''.

Page 38, line 9, after ''teacher'' insert ''or public safety officer''.

Page 38, line 11, after ''teacher'' insert ''or public safety officer''.

Page 38, line 20, after ''teacher'' insert ''or public safety officer''.

Page 39, line 4, after ''teacher'' insert ''or public safety officer''.

Page 39, strike line 15, and all that follows through page 40, line 6.

Page 40, line 7, strike ''(H)'' and insert ''(G)''.

Page 40, after line 20, insert the following:

''(iii) The term 'public safety officer' means an individual who is employed on a full-time basis as a public safety officer described in section 203(b)(10)(B)(i)(I)(bb).

Page 40, line 21, strike ''(iii)'' and insert ''(iv)''.

Page 40, line 24 after ''State-certified'' insert ''or State-licensed''.

Page 40, line 24, before ''ad-'' insert ''or as an''.

Page 41, lines 14 and 15, strike ''**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION**''.

Strike line 24 on page 41 and all that follows through page 42, line 1, and insert the following:

(A) in the first sentence, by inserting ''and insured community development financial institutions'' after ''private mortgage insurers'';

Page 42, strike lines 12 through 15, and insert the following:

(A) in the first sentence, by inserting ''and with insured community development financial institutions'' before the period at the end;

Page 42, after line 18, insert the following new subparagraph:

(C) in the second sentence, by inserting ''and insured community development financial institutions'' after ''private mortgage insurance companies'';

Page 42, line 19, strike ''(C)'' and insert ''(D)''.

Page 43, line 3, strike ''(D)'' and insert ''(E)''.

Page 43, strike lines 17 through 23 and insert the following:

(B) in the second sentence, by inserting ''or insured community development financial institution'' after ''private mortgage insurance company'';

(6) in subsection (d), by inserting ''or insured community development financial institution'' after ''private mortgage insurance company''; and

Page 59, line 10, strike ''1 year'' and insert ''3 months''.

Page 59, after line 23, insert the following new section:

SEC. 212. SENSE OF CONGRESS REGARDING MAKING PROPERTIES AVAILABLE FOR HOMEOWNERSHIP PROGRAMS.

It is the sense of the Congress that the Secretary of Housing and Urban Development should consult with the heads of other agencies of the Federal Government that own or hold properties appropriate for use as housing to determine the possibility and effectiveness of including such properties in programs that make housing available for law enforcement officers, teachers, or fire fighters.

Page 110, after line 2, insert the following: The Secretary may not treat any application for a grant under this section adversely in any manner solely on the basis that the homeownership zone is located, in whole or in part, within unincorporated areas.

Page 119, after line 1, insert the following new subsection:

(a) EXTENSION OF PROGRAMS.—

(1) EMERGENCY HOMEOWNERSHIP COUNSELING.—Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is amended by striking ''September 30, 2000'' and inserting ''September 30, 2005''.

(2) PREPURCHASE AND FORECLOSURE PREVENTION COUNSELING DEMONSTRATION.—Section 106(d)(12) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(d)(12)) is amended by striking ''fiscal year 1994'' and inserting ''fiscal year 2005''.

Page 119, line 2, before ''Section'' insert ''(b) COOPERATIVE OWNERSHIP HOUSING CORPORATIONS.—

Page 121, strike lines 12 and 13 and insert the following:

TITLE VII—NATIVE AMERICAN HOMEOWNERSHIP

Subtitle A—Native American Housing

Page 138, strike lines 12 through 18 and insert the following new subsection:

(j) LABOR STANDARDS.—Section 104(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b) is amended—

(1) in paragraph (1), by striking ''Davis-Bacon Act (40 U.S.C. 276a–276a–5)'' and inserting ''Act of March 3, 1931 (commonly known as the Davis-Bacon Act; chapter 411; 46 Stat. 1494; 40 U.S.C 276a et seq.)''; and

(2) by adding at the end the following new paragraph:

''(3) APPLICATION OF TRIBAL LAWS.—Paragraph (1) shall not apply to any contract or agreement for assistance, sale, or lease pursuant to this Act, if such contract or agreement is otherwise covered by one or more laws or regulations adopted by an Indian tribe that requires the payment of not less than prevailing wages, as determined by the Indian tribe.''.

Page 139, after line 16, insert the following new subtitle:

Subtitle B—Native Hawaiian Housing

SEC. 721. SHORT TITLE.

This subtitle may be cited as the ''Hawaiian Homelands Homeownership Act of 2000''.

SEC. 722. FINDINGS.

The Congress finds that—

(1) the United States has undertaken a responsibility to promote the general welfare of the United States by—

(A) employing its resources to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of lower income; and

(B) developing effective partnerships with governmental and private entities to accomplish the objectives referred to in subparagraph (A);

(2) the United States has a special responsibility for the welfare of the Native peoples of the United States, including Native Hawaiians;

(3) pursuant to the provisions of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), the United States set aside 200,000 acres of land in the Federal territory that later became the State of Hawaii in order to establish a homeland for the native people of Hawaii—Native Hawaiians;

(4) despite the intent of Congress in 1920 to address the housing needs of Native Hawaiians through the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), Native Hawaiians eligible to reside on the Hawaiian home lands have been foreclosed from participating in Federal housing assistance programs available to all other eligible families in the United States;

(5) although Federal housing assistance programs have been administered on a racially neutral basis in the State of Hawaii, Native Hawaiians continue to have the greatest unmet need for housing and the highest rates of overcrowding in the United States;

(6) among the Native American population of the United States, Native Hawaiians experience the highest percentage of housing

problems in the United States, as the percentage—

(A) of housing problems in the Native Hawaiian population is 49 percent, as compared to—

(i) 44 percent for American Indian and Alaska Native households in Indian country; and

(ii) 27 percent for all other households in the United States; and

(B) overcrowding in the Native Hawaiian population is 36 percent as compared to 3 percent for all other households in the United States;

(7) among the Native Hawaiian population, the needs of Native Hawaiians, as that term is defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996, as added by section 723 of this subtitle, eligible to reside on the Hawaiian Home Lands are the most severe, as—

(A) the percentage of overcrowding in Native Hawaiian households on the Hawaiian Home Lands is 36 percent; and

(B) approximately 13,000 Native Hawaiians, which constitute 95 percent of the Native Hawaiians who are eligible to reside on the Hawaiian Home Lands, are in need of housing;

(8) applying the Department of Housing and Urban Development guidelines—

(A) 70.8 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes that fall below the median family income; and

(B) 50 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes below 30 percent of the median family income;

(9) ⅓ of those Native Hawaiians who are eligible to reside on the Hawaiian Home Lands pay more than 30 percent of their income for shelter, and ½ of those Native Hawaiians face overcrowding;

(10) the extraordinarily severe housing needs of Native Hawaiians demonstrate that Native Hawaiians who either reside on, or are eligible to reside on, Hawaiian Home Lands have been denied equal access to Federal low-income housing assistance programs available to other qualified residents of the United States, and that a more effective means of addressing their housing needs must be authorized;

(11) consistent with the recommendations of the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing, and in order to address the continuing prevalence of extraordinarily severe housing needs among Native Hawaiians who either reside or are eligible to reside on the Hawaiian Home Lands, Congress finds it necessary to extend the Federal low-income housing assistance available to American Indians and Alaska Natives under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) to those Native Hawaiians;

(12) under the treatymaking power of the United States, Congress had the constitutional authority to confirm a treaty between the United States and the government that represented the Hawaiian people, and from 1826 until 1893, the United States recognized the independence of the Kingdom of Hawaii, extended full diplomatic recognition to the Hawaiian Government, and entered into treaties and conventions with the Hawaiian monarchs to govern commerce and navigation in 1826, 1842, 1849, 1875, and 1887;

(13) the United States has recognized and reaffirmed that—

(A) Native Hawaiians have a cultural, historic, and land-based link to the indigenous people who exercised sovereignty over the Hawaiian Islands, and that group has never relinquished its claims to sovereignty or its sovereign lands;

(B) Congress does not extend services to Native Hawaiians because of their race, but because of their unique status as the indigenous people of a once sovereign nation as to whom the United States has established a trust relationship;

(C) Congress has also delegated broad authority to administer a portion of the Federal trust responsibility to the State of Hawaii;

(D) the political status of Native Hawaiians is comparable to that of American Indians and Alaska Natives; and

(E) the aboriginal, indigenous people of the United States have—

(i) a continuing right to autonomy in their internal affairs; and

(ii) an ongoing right of self-determination and self-governance that has never been extinguished;

(14) the political relationship between the United States and the Native Hawaiian people has been recognized and reaffirmed by the United States as evidenced by the inclusion of Native Hawaiians in—

(A) the Native American Programs Act of 1974 (42 U.S.C. 2291 et seq.);

(B) the American Indian Religious Freedom Act (42 U.S.C. 1996 et seq.);

(C) the National Museum of the American Indian Act (20 U.S.C. 80q et seq.);

(D) the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.);

(E) the National Historic Preservation Act (16 U.S.C. 470 et seq.);

(F) the Native American Languages Act of 1992 (106 Stat. 3434);

(G) the American Indian, Alaska Native and Native Hawaiian Culture and Arts Development Act (20 U.S.C. 4401 et seq.);

(H) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

(I) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); and

(15) in the area of housing, the United States has recognized and reaffirmed the political relationship with the Native Hawaiian people through—

(A) the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), which set aside approximately 200,000 acres of public lands that became known as Hawaiian Home Lands in the Territory of Hawaii that had been ceded to the United States for homesteading by Native Hawaiians in order to rehabilitate a landless and dying people;

(B) the enactment of the Act entitled ''An Act to provide for the admission of the State of Hawaii into the Union'', approved March 18, 1959 (73 Stat. 4)—

(i) by ceding to the State of Hawaii title to the public lands formerly held by the United States, and mandating that those lands be held in public trust, for the betterment of the conditions of Native Hawaiians, as that term is defined in section 201 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.); and

(ii) by transferring the United States responsibility for the administration of Hawaiian Home Lands to the State of Hawaii, but retaining the authority to enforce the trust, including the exclusive right of the United States to consent to any actions affecting the lands which comprise the corpus of the trust and any amendments to the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), enacted by the legislature of the State of Hawaii affecting the rights of beneficiaries under the Act;

(C) the authorization of mortgage loans insured by the Federal Housing Administration for the purchase, construction, or refinancing of homes on Hawaiian Home Lands under the National Housing Act (Public Law 479, 73d Congress; 12 U.S.C. 1701 et seq.);

(D) authorizing Native Hawaiian representation on the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing under Public Law 101–235;

(E) the inclusion of Native Hawaiians in the definition under section 3764 of title 38, United States Code, applicable to subchapter V of chapter 37 of title 38, United States Code (relating to a housing loan program for Native American veterans); and

(F) the enactment of the Hawaiian Home Lands Recovery Act (109 Stat. 357; 48 U.S.C. 491, note prec.) which establishes a process for the conveyance of Federal lands to the Department of Hawaiian Homes Lands that are equivalent in value to lands acquired by the United States from the Hawaiian Home Lands inventory.

SEC. 723. HOUSING ASSISTANCE.

The Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) is amended by adding at the end the following:

''TITLE VIII—HOUSING ASSISTANCE FOR NATIVE HAWAIIANS

''SEC. 801. DEFINITIONS.

''In this title:

''(1) DEPARTMENT OF HAWAIIAN HOME LANDS; DEPARTMENT.—The term 'Department of Hawaiian Home Lands' or 'Department' means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

''(2) DIRECTOR.—The term 'Director' means the Director of the Department of Hawaiian Home Lands.

''(3) ELDERLY FAMILIES; NEAR-ELDERLY FAMILIES.—

''(A) IN GENERAL.—The term 'elderly family' or 'near-elderly family' means a family whose head (or his or her spouse), or whose sole member, is—

''(i) for an elderly family, an elderly person; or

''(ii) for a near-elderly family, a near-elderly person.

''(B) CERTAIN FAMILIES INCLUDED.—The term 'elderly family' or 'near-elderly family' includes—

''(i) 2 or more elderly persons or near-elderly persons, as the case may be, living together; and

''(ii) 1 or more persons described in clause (i) living with 1 or more persons determined under the housing plan to be essential to their care or well-being.

''(4) HAWAIIAN HOME LANDS.—The term 'Hawaiian Home Lands' means lands that—

''(A) have the status as Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920(42 Stat. 110); or

''(B) are acquired pursuant to that Act.

''(5) HOUSING AREA.—The term 'housing area' means an area of Hawaiian Home Lands with respect to which the Department of Hawaiian Home Lands is authorized to provide assistance for affordable housing under this Act.

''(6) HOUSING ENTITY.—The term 'housing entity' means the Department of Hawaiian Home Lands.

''(7) HOUSING PLAN.—The term 'housing plan' means a plan developed by the Department of Hawaiian Home Lands.

''(8) MEDIAN INCOME.—The term 'median income' means, with respect to an area that is a Hawaiian housing area, the greater of—

''(A) the median income for the Hawaiian housing area, which shall be determined by the Secretary; or

''(B) the median income for the State of Hawaii.

''(9) NATIVE HAWAIIAN.—The term 'Native Hawaiian' means any individual who is—

''(A) a citizen of the United States; and

''(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised

sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

''(i) genealogical records;

''(ii) verification by kupuna (elders) or kama'aina (long-term community residents); or

''(iii) birth records of the State of Hawaii.

''SEC. 802. BLOCK GRANTS FOR AFFORDABLE HOUSING ACTIVITIES.

''(a) GRANT AUTHORITY.—For each fiscal year, the Secretary shall (to the extent amounts are made available to carry out this title) make a grant under this title to the Department of Hawaiian Home Lands to carry out affordable housing activities for Native Hawaiian families who are eligible to reside on the Hawaiian Home Lands.

''(b) PLAN REQUIREMENT.—

''(1) IN GENERAL.—The Secretary may make a grant under this title to the Department of Hawaiian Home Lands for a fiscal year only if—

''(A) the Director has submitted to the Secretary a housing plan for that fiscal year; and

''(B) the Secretary has determined under section 804 that the housing plan complies with the requirements of section 803.

''(2) WAIVER.—The Secretary may waive the applicability of the requirements under paragraph (1), in part, if the Secretary finds that the Department of Hawaiian Home Lands has not complied or cannot comply with those requirements due to circumstances beyond the control of the Department of Hawaiian Home Lands.

''(c) USE OF AFFORDABLE HOUSING ACTIVITIES UNDER PLAN.—Except as provided in subsection (e), amounts provided under a grant under this section may be used only for affordable housing activities under this title that are consistent with a housing plan approved under section 804.

''(d) ADMINISTRATIVE EXPENSES.—

''(1) IN GENERAL.—The Secretary shall, by regulation, authorize the Department of Hawaiian Home Lands to use a percentage of any grant amounts received under this title for any reasonable administrative and planning expenses of the Department relating to carrying out this title and activities assisted with those amounts.

''(2) ADMINISTRATIVE AND PLANNING EXPENSES.—The administrative and planning expenses referred to in paragraph (1) include—

''(A) costs for salaries of individuals engaged in administering and managing affordable housing activities assisted with grant amounts provided under this title; and

''(B) expenses incurred in preparing a housing plan under section 803.

''(e) PUBLIC-PRIVATE PARTNERSHIPS.—The Director shall make all reasonable efforts, consistent with the purposes of this title, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in implementing a housing plan that has been approved by the Secretary under section 803.

''SEC. 803. HOUSING PLAN.

''(a) PLAN SUBMISSION.—The Secretary shall—

''(1) require the Director to submit a housing plan under this section for each fiscal year; and

''(2) provide for the review of each plan submitted under paragraph (1).

''(b) 5-YEAR PLAN.—Each housing plan under this section shall—

''(1) be in a form prescribed by the Secretary; and

''(2) contain, with respect to the 5-year period beginning with the fiscal year for which the plan is submitted, the following information:

''(A) MISSION STATEMENT.—A general statement of the mission of the Department of Hawaiian Home Lands to serve the needs of the low-income families to be served by the Department.

''(B) GOAL AND OBJECTIVES.—A statement of the goals and objectives of the Department of Hawaiian Home Lands to enable the Department to serve the needs identified in subparagraph (A) during the period.

''(C) ACTIVITIES PLANS.—An overview of the activities planned during the period including an analysis of the manner in which the activities will enable the Department to meet its mission, goals, and objectives.

''(c) 1-YEAR PLAN.—A housing plan under this section shall—

''(1) be in a form prescribed by the Secretary; and

''(2) contain the following information relating to the fiscal year for which the assistance under this title is to be made available:

''(A) GOALS AND OBJECTIVES.—A statement of the goals and objectives to be accomplished during the period covered by the plan.

''(B) STATEMENT OF NEEDS.—A statement of the housing needs of the low-income families served by the Department and the means by which those needs will be addressed during the period covered by the plan, including—

''(i) a description of the estimated housing needs and the need for assistance for the low-income families to be served by the Department, including a description of the manner in which the geographical distribution of assistance is consistent with—

''(I) the geographical needs of those families; and

''(II) needs for various categories of housing assistance; and

''(ii) a description of the estimated housing needs for all families to be served by the Department.

''(C) FINANCIAL RESOURCES.—An operating budget for the Department of Hawaiian Home Lands, in a form prescribed by the Secretary, that includes—

''(i) an identification and a description of the financial resources reasonably available to the Department to carry out the purposes of this title, including an explanation of the manner in which amounts made available will be used to leverage additional resources; and

''(ii) the uses to which the resources described in clause (i) will be committed, including—

''(I) eligible and required affordable housing activities; and

''(II) administrative expenses.

''(D) AFFORDABLE HOUSING RESOURCES.—A statement of the affordable housing resources currently available at the time of the submittal of the plan and to be made available during the period covered by the plan, including—

''(i) a description of the significant characteristics of the housing market in the State of Hawaii, including the availability of housing from other public sources, private market housing;

''(ii) the manner in which the characteristics referred to in clause (i) influence the decision of the Department of Hawaiian Home Lands to use grant amounts to be provided under this title for—

''(I) rental assistance;

''(II) the production of new units;

''(III) the acquisition of existing units; or

''(IV) the rehabilitation of units;

''(iii) a description of the structure, coordination, and means of cooperation between the Department of Hawaiian Home Lands and any other governmental entities in the development, submission, or implementation of housing plans, including a description of—

''(I) the involvement of private, public, and nonprofit organizations and institutions;

''(II) the use of loan guarantees under section 184A of the Housing and Community Development Act of 1992; and

''(III) other housing assistance provided by the United States, including loans, grants, and mortgage insurance;

''(iv) a description of the manner in which the plan will address the needs identified pursuant to subparagraph (C);

''(v) a description of—

''(I) any existing or anticipated homeownership programs and rental programs to be carried out during the period covered by the plan; and

''(II) the requirements and assistance available under the programs referred to in subclause (I);

''(vi) a description of—

''(I) any existing or anticipated housing rehabilitation programs necessary to ensure the long-term viability of the housing to be carried out during the period covered by the plan; and

''(II) the requirements and assistance available under the programs referred to in subclause (I);

''(vii) a description of—

''(I) all other existing or anticipated housing assistance provided by the Department of Hawaiian Home Lands during the period covered by the plan, including—

''(aa) transitional housing;

''(bb) homeless housing;

''(cc) college housing; and

''(dd) supportive services housing; and

''(II) the requirements and assistance available under such programs;

''(viii)(I) a description of any housing to be demolished or disposed of;

''(II) a timetable for that demolition or disposition; and

''(III) any other information required by the Secretary with respect to that demolition or disposition;

''(ix) a description of the manner in which the Department of Hawaiian Home Lands will coordinate with welfare agencies in the State of Hawaii to ensure that residents of the affordable housing will be provided with access to resources to assist in obtaining employment and achieving self-sufficiency;

''(x) a description of the requirements established by the Department of Hawaiian Home Lands to—

''(I) promote the safety of residents of the affordable housing;

''(II) facilitate the undertaking of crime prevention measures;

''(III) allow resident input and involvement, including the establishment of resident organizations; and

''(IV) allow for the coordination of crime prevention activities between the Department and local law enforcement officials; and

''(xi) a description of the entities that will carry out the activities under the plan, including the organizational capacity and key personnel of the entities.

''(E) CERTIFICATION OF COMPLIANCE.—Evidence of compliance that shall include, as appropriate—

''(i) a certification that the Department of Hawaiian Home Lands will comply with—

''(I) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or with the Fair Housing Act (42 U.S.C. 3601 et seq.) in carrying out this title, to the extent that such title is applicable; and

''(II) other applicable Federal statutes;

''(ii) a certification that the Department will require adequate insurance coverage for housing units that are owned and operated or assisted with grant amounts provided under

this title, in compliance with such requirements as may be established by the Secretary;

''(iii) a certification that policies are in effect and are available for review by the Secretary and the public governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title;

''(iv) a certification that policies are in effect and are available for review by the Secretary and the public governing rents charged, including the methods by which such rents or homebuyer payments are determined, for housing assisted with grant amounts provided under this title; and

''(v) a certification that policies are in effect and are available for review by the Secretary and the public governing the management and maintenance of housing assisted with grant amounts provided under this title.

''(d) APPLICABILITY OF CIVIL RIGHTS STATUTES.—

''(1) IN GENERAL.—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of the Fair Housing Act (42 U.S.C. 3601 et seq.) apply to assistance provided under this title, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of assistance under this title—

''(A) to the Department of Hawaiian Home Lands on the basis that the Department served Native Hawaiians; or

''(B) to an eligible family on the basis that the family is a Native Hawaiian family.

''(2) CIVIL RIGHTS.—Program eligibility under this title may be restricted to Native Hawaiians. Subject to the preceding sentence, no person may be discriminated against on the basis of race, color, national origin, religion, sex, familial status, or disability.

''(e) USE OF NONPROFIT ORGANIZATIONS.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands shall, to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

''SEC. 804. REVIEW OF PLANS.

''(a) REVIEW AND NOTICE.—

''(1) REVIEW.—

''(A) IN GENERAL.—The Secretary shall conduct a review of a housing plan submitted to the Secretary under section 803 to ensure that the plan complies with the requirements of that section.

''(B) LIMITATION.—The Secretary shall have the discretion to review a plan referred to in subparagraph (A) only to the extent that the Secretary considers that the review is necessary.

''(2) NOTICE.—

''(A) IN GENERAL.—Not later than 60 days after receiving a plan under section 803, the Secretary shall notify the Director of the Department of Hawaiian Home Lands whether the plan complies with the requirements under that section.

''(B) EFFECT OF FAILURE OF SECRETARY TO TAKE ACTION.—For purposes of this title, if the Secretary does not notify the Director, as required under this subsection and subsection (b), upon the expiration of the 60-day period described in subparagraph (A)—

''(i) the plan shall be considered to have been determined to comply with the requirements under section 803; and

''(ii) the Director shall be considered to have been notified of compliance.

''(b) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan submitted under section 803 does not comply with the requirements of that section, the Secretary shall specify in the notice under subsection (a)—

''(1) the reasons for noncompliance; and

''(2) any modifications necessary for the plan to meet the requirements of section 803.

''(c) REVIEW.—

''(1) IN GENERAL.—After the Director of the Department of Hawaiian Home Lands submits a housing plan under section 803, or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make a determination under this subsection, the Secretary shall review the plan (including any amendments or modifications thereto) to determine whether the contents of the plan—

''(A) set forth the information required by section 803 to be contained in the housing plan;

''(B) are consistent with information and data available to the Secretary; and

''(C) are not prohibited by or inconsistent with any provision of this Act or any other applicable law.

''(2) INCOMPLETE PLANS.—If the Secretary determines under this subsection that any of the appropriate certifications required under section 803(c)(2)(E) are not included in a plan, the plan shall be considered to be incomplete.

''(d) UPDATES TO PLAN.—

''(1) IN GENERAL.—Subject to paragraph (2), after a plan under section 803 has been submitted for a fiscal year, the Director of the Department of Hawaiian Home Lands may comply with the provisions of that section for any succeeding fiscal year (with respect to information included for the 5-year period under section 803(b) or for the 1-year period under section 803(c)) by submitting only such information regarding such changes as may be necessary to update the plan previously submitted.

''(2) COMPLETE PLANS.—The Director shall submit a complete plan under section 803 not later than 4 years after submitting an initial plan under that section, and not less frequently than every 4 years thereafter.

''(e) EFFECTIVE DATE.—This section and section 803 shall take effect on the date provided by the Secretary pursuant to section 807(a) to provide for timely submission and review of the housing plan as necessary for the provision of assistance under this title for fiscal year 2001.

''SEC. 805. TREATMENT OF PROGRAM INCOME AND LABOR STANDARDS.

''(a) PROGRAM INCOME.—

''(1) AUTHORITY TO RETAIN.—The Department of Hawaiian Home Lands may retain any program income that is realized from any grant amounts received by the Department under this title if—

''(A) that income was realized after the initial disbursement of the grant amounts received by the Department; and

''(B) the Director agrees to use the program income for affordable housing activities in accordance with the provisions of this title.

''(2) PROHIBITION OF REDUCTION OF GRANT.—The Secretary may not reduce the grant amount for the Department of Hawaiian Home Lands based solely on—

''(A) whether the Department retains program income under paragraph (1); or

''(B) the amount of any such program income retained.

''(3) EXCLUSION OF AMOUNTS.—The Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with the requirements of this subsection would create an unreasonable administrative burden on the Department.

''(b) LABOR STANDARDS.—

''(1) IN GENERAL.—Any contract or agreement for assistance, sale, or lease pursuant to this title shall contain—

''(A) a provision requiring that an amount not less than the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary, shall be paid to all architects, technical engineers, draftsmen, technicians employed in the development and all maintenance, and laborers and mechanics employed in the operation, of the affordable housing project involved; and

''(B) a provision that an amount not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Act commonly known as the 'Davis-Bacon Act' (46 Stat. 1494, chapter 411; 40 U.S.C. 276a et seq.) shall be paid to all laborers and mechanics employed in the development of the affordable housing involved.

''(2) EXCEPTIONS.—Paragraph (1) and provisions relating to wages required under paragraph (1) in any contract or agreement for assistance, sale, or lease under this title, shall not apply to any individual who performs the services for which the individual volunteered and who is not otherwise employed at any time in the construction work and received no compensation or is paid expenses, reasonable benefits, or a nominal fee for those services.

''SEC. 806. ENVIRONMENTAL REVIEW.

''(a) IN GENERAL.—

''(1) RELEASE OF FUNDS.—

''(A) IN GENERAL.—The Secretary may carry out the alternative environmental protection procedures described in subparagraph (B) in order to ensure—

''(i) that the policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of grant amounts provided under this title; and

''(ii) to the public undiminished protection of the environment.

''(B) ALTERNATIVE ENVIRONMENTAL PROTECTION PROCEDURE.—In lieu of applying environmental protection procedures otherwise applicable, the Secretary may by regulation provide for the release of funds for specific projects to the Department of Hawaiian Home Lands if the Director of the Department assumes all of the responsibilities for environmental review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were the Secretary to undertake those projects as Federal projects.

''(2) REGULATIONS.—

''(A) IN GENERAL.—The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

''(B) CONTENTS.—The regulations issued under this paragraph shall—

''(i) provide for the monitoring of the environmental reviews performed under this section;

''(ii) in the discretion of the Secretary, facilitate training for the performance of such reviews; and

''(iii) provide for the suspension or termination of the assumption of responsibilities under this section.

''(3) EFFECT ON ASSUMED RESPONSIBILITY.—The duty of the Secretary under paragraph (2)(B) shall not be construed to limit or reduce any responsibility assumed by the Department of Hawaiian Home Lands for grant amounts with respect to any specific release of funds.

''(b) PROCEDURE.—

''(1) IN GENERAL.—The Secretary shall authorize the release of funds subject to the procedures under this section only if, not less than 15 days before that approval and before any commitment of funds to such projects, the Director of the Department of Hawaiian Home Lands submits to the Secretary a request for such release accompanied by a certification that meets the requirements of subsection (c).

''(2) EFFECT OF APPROVAL.—The approval of the Secretary of a certification described in paragraph (1) shall be deemed to satisfy the responsibilities of the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and such other provisions of law as the regulations of the Secretary specify to the extent that those responsibilities relate to the releases of funds for projects that are covered by that certification.

''(c) CERTIFICATION.—A certification under the procedures under this section shall—

''(1) be in a form acceptable to the Secretary;

''(2) be executed by the Director of the Department of Hawaiian Home Lands;

''(3) specify that the Department of Hawaiian Home Lands has fully carried out its responsibilities as described under subsection (a); and

''(4) specify that the Director—

''(A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and each provision of law specified in regulations issued by the Secretary to the extent that those laws apply by reason of subsection (a); and

''(B) is authorized and consents on behalf of the Department of Hawaiian Home Lands and the Director to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities of the Director of the Department of Hawaiian Home Lands as such an official.

''SEC. 807. REGULATIONS.

''The Secretary shall issue final regulations necessary to carry out this title not later than October 1, 2001.

''SEC. 808. EFFECTIVE DATE.

''Except as otherwise expressly provided in this title, this title shall take effect on the date of enactment of the American Homeownership and Economic Opportunity Act of 2000.

''SEC. 809. AFFORDABLE HOUSING ACTIVITIES.

''(a) NATIONAL OBJECTIVES AND ELIGIBLE FAMILIES.—

''(1) PRIMARY OBJECTIVE.—The national objectives of this title are—

''(A) to assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments for occupancy by low-income Native Hawaiian families;

''(B) to ensure better access to private mortgage markets and to promote self-sufficiency of low-income Native Hawaiian families;

''(C) to coordinate activities to provide housing for low-income Native Hawaiian families with Federal, State and local activities to further economic and community development;

''(D) to plan for and integrate infrastructure resources on the Hawaiian Home Lands with housing development; and

''(E) to—

''(i) promote the development of private capital markets; and

''(ii) allow the markets referred to in clause (i) to operate and grow, thereby benefiting Native Hawaiian communities.

''(2) ELIGIBLE FAMILIES.—

''(A) IN GENERAL.—Except as provided under subparagraph (B), assistance for eligible housing activities under this title shall be limited to low-income Native Hawaiian families.

''(B) EXCEPTION TO LOW-INCOME REQUIREMENT.—

''(i) IN GENERAL.—The Director may provide assistance for homeownership activities under—

''(I) section 810(b);

''(II) model activities under section 810(f); or

''(III) loan guarantee activities under section 184A of the Housing and Community Development Act of 1992 to Native Hawaiian families who are not low-income families, to the extent that the Secretary approves the activities under that section to address a need for housing for those families that cannot be reasonably met without that assistance.

''(ii) LIMITATIONS.—The Secretary shall establish limitations on the amount of assistance that may be provided under this title for activities for families that are not low-income families.

''(C) OTHER FAMILIES.—Notwithstanding paragraph (1), the Director may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this title to a family that is not composed of Native Hawaiians if—

''(i) the Department determines that the presence of the family in the housing involved is essential to the well-being of Native Hawaiian families; and

''(ii) the need for housing for the family cannot be reasonably met without the assistance.

''(D) PREFERENCE.—

''(i) IN GENERAL.—A housing plan submitted under section 803 may authorize a preference, for housing or housing assistance provided through affordable housing activities assisted with grant amounts provided under this title to be provided, to the extent practicable, to families that are eligible to reside on the Hawaiian Home Lands.

''(ii) APPLICATION.—In any case in which a housing plan provides for preference described in clause (i), the Director shall ensure that housing activities that are assisted with grant amounts under this title are subject to that preference.

''(E) USE OF NONPROFIT ORGANIZATIONS.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands, shall to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

''SEC. 810. ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.

''(a) IN GENERAL.—Affordable housing activities under this section are activities conducted in accordance with the requirements of section 811 to—

''(1) develop or to support affordable housing for rental or homeownership; or

''(2) provide housing services with respect to affordable housing, through the activities described in subsection (b).

''(b) ACTIVITIES.—The activities described in this subsection are the following:

''(1) DEVELOPMENT.—The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include—

''(A) real property acquisition;

''(B) site improvement;

''(C) the development of utilities and utility services;

''(D) conversion;

''(E) demolition;

''(F) financing;

''(G) administration and planning; and

''(H) other related activities.

''(2) HOUSING SERVICES.—The provision of housing-related services for affordable housing, including—

''(A) housing counseling in connection with rental or homeownership assistance;

''(B) the establishment and support of resident organizations and resident management corporations;

''(C) energy auditing;

''(D) activities related to the provisions of self-sufficiency and other services; and

''(E) other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in other housing activities assisted pursuant to this section.

''(3) HOUSING MANAGEMENT SERVICES.—The provision of management services for affordable housing, including—

''(A) the preparation of work specifications;

''(B) loan processing;

''(C) inspections;

''(D) tenant selection;

''(E) management of tenant-based rental assistance; and

''(F) management of affordable housing projects.

''(4) CRIME PREVENTION AND SAFETY ACTIVITIES.—The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime.

''(5) MODEL ACTIVITIES.—Housing activities under model programs that are—

''(A) designed to carry out the purposes of this title; and

''(B) specifically approved by the Secretary as appropriate for the purpose referred to in subparagraph (A).

''SEC. 811. PROGRAM REQUIREMENTS.

''(a) RENTS.—

''(1) ESTABLISHMENT.—Subject to paragraph (2), as a condition to receiving grant amounts under this title, the Director shall develop written policies governing rents and homebuyer payments charged for dwelling units assisted under this title, including methods by which such rents and homebuyer payments are determined.

''(2) MAXIMUM RENT.—In the case of any low-income family residing in a dwelling unit assisted with grant amounts under this title, the monthly rent or homebuyer payment (as applicable) for that dwelling unit may not exceed 30 percent of the monthly adjusted income of that family.

''(b) MAINTENANCE AND EFFICIENT OPERATION.—

''(1) IN GENERAL.—The Director shall, using amounts of any grants received under this title, reserve and use for operating under section 810 such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing.

''(2) DISPOSAL OF CERTAIN HOUSING.—This subsection may not be construed to prevent the Director, or any entity funded by the Department, from demolishing or disposing of housing, pursuant to regulations established by the Secretary.

''(c) INSURANCE COVERAGE.—As a condition to receiving grant amounts under this title, the Director shall require adequate insurance coverage for housing units that are owned or operated or assisted with grant amounts provided under this title.

''(d) ELIGIBILITY FOR ADMISSION.—As a condition to receiving grant amounts under this title, the Director shall develop written policies governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title.

''(e) MANAGEMENT AND MAINTENANCE.—As a condition to receiving grant amounts under

this title, the Director shall develop policies governing the management and maintenance of housing assisted with grant amounts under this title.

"SEC. 812. TYPES OF INVESTMENTS.

''(a) IN GENERAL.—Subject to section 811 and an applicable housing plan approved under section 803, the Director shall have—

''(1) the discretion to use grant amounts for affordable housing activities through the use of—

''(A) equity investments;

''(B) interest-bearing loans or advances;

''(C) noninterest-bearing loans or advances;

''(D) interest subsidies;

''(E) the leveraging of private investments; or

''(F) any other form of assistance that the Secretary determines to be consistent with the purposes of this title; and

''(2) the right to establish the terms of assistance provided with funds referred to in paragraph (1).

''(b) INVESTMENTS.—The Director may invest grant amounts for the purposes of carrying out affordable housing activities in investment securities and other obligations, as approved by the Secretary.

"SEC. 813. LOW-INCOME REQUIREMENT AND INCOME TARGETING.

''(a) IN GENERAL.—Housing shall qualify for affordable housing for purposes of this title only if—

''(1) each dwelling unit in the housing—

''(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of the initial occupancy of that family of that unit; and

''(B) in the case of housing for homeownership, is made available for purchase only by a family that is a low-income family at the time of purchase; and

''(2) each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for—

''(A) the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership; or

''(B) such other period as the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this title, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if that action—

''(i) recognizes any contractual or legal rights of any public agency, nonprofit sponsor, or other person or entity to take an action that would—

''(I) avoid termination of low-income affordability, in the case of foreclosure; or

''(II) transfer ownership in lieu of foreclosure; and

''(ii) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.

''(b) EXCEPTION.—Notwithstanding subsection (a), housing assisted pursuant to section 809(a)(2)(B) shall be considered affordable housing for purposes of this title.

"SEC. 814. LEASE REQUIREMENTS AND TENANT SELECTION.

''(a) LEASES.—Except to the extent otherwise provided by or inconsistent with the laws of the State of Hawaii, in renting dwelling units in affordable housing assisted with grant amounts provided under this title, the Director, owner, or manager shall use leases that—

''(1) do not contain unreasonable terms and conditions;

''(2) require the Director, owner, or manager to maintain the housing in compliance with applicable housing codes and quality standards;

''(3) require the Director, owner, or manager to give adequate written notice of termination of the lease, which shall be the period of time required under applicable State or local law;

''(4) specify that, with respect to any notice of eviction or termination, notwithstanding any State or local law, a resident shall be informed of the opportunity, before any hearing or trial, to examine any relevant documents, record, or regulations directly related to the eviction or termination;

''(5) require that the Director, owner, or manager may not terminate the tenancy, during the term of the lease, except for serious or repeated violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or for other good cause; and

''(6) provide that the Director, owner, or manager may terminate the tenancy of a resident for any activity, engaged in by the resident, any member of the household of the resident, or any guest or other person under the control of the resident, that—

''(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the Department, owner, or manager;

''(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

''(C) is criminal activity (including drug-related criminal activity) on or off the premises.

''(b) TENANT OR HOMEBUYER SELECTION.—As a condition to receiving grant amounts under this title, the Director shall adopt and use written tenant and homebuyer selection policies and criteria that—

''(1) are consistent with the purpose of providing housing for low-income families;

''(2) are reasonably related to program eligibility and the ability of the applicant to perform the obligations of the lease; and

''(3) provide for—

''(A) the selection of tenants and homebuyers from a written waiting list in accordance with the policies and goals set forth in an applicable housing plan approved under section 803; and

''(B) the prompt notification in writing of any rejected applicant of the grounds for that rejection.

"SEC. 815. REPAYMENT.

''If the Department of Hawaiian Home Lands uses grant amounts to provide affordable housing under activities under this title and, at any time during the useful life of the housing, the housing does not comply with the requirement under section 813(a)(2), the Secretary shall—

''(1) reduce future grant payments on behalf of the Department by an amount equal to the grant amounts used for that housing (under the authority of section 819(a)(2)); or

''(2) require repayment to the Secretary of any amount equal to those grant amounts.

"SEC. 816. ANNUAL ALLOCATION.

''For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this title for the fiscal year, in accordance with the formula established pursuant to section 817 to the Department of Hawaiian Home Lands if the Department complies with the requirements under this title for a grant under this title.

"SEC. 817. ALLOCATION FORMULA.

''(a) ESTABLISHMENT.—The Secretary shall, by regulation issued not later than the expiration of the 6-month period beginning on the date of enactment of the American Homeownership and Economic Opportunity Act of 2000, in the manner provided under section 807, establish a formula to provide for the allocation of amounts available for a fiscal year for block grants under this title in accordance with the requirements of this section.

''(b) FACTORS FOR DETERMINATION OF NEED.—The formula under subsection (a) shall be based on factors that reflect the needs for assistance for affordable housing activities, including—

''(1) the number of low-income dwelling units owned or operated at the time pursuant to a contract between the Director and the Secretary;

''(2) the extent of poverty and economic distress and the number of Native Hawaiian families eligible to reside on the Hawaiian Home Lands; and

''(3) any other objectively measurable conditions that the Secretary and the Director may specify.

''(c) OTHER FACTORS FOR CONSIDERATION.—In establishing the formula under subsection (a), the Secretary shall consider the relative administrative capacities of the Department of Hawaiian Home Lands and other challenges faced by the Department, including—

''(1) geographic distribution within Hawaiian Home Lands; and

''(2) technical capacity.

''(d) EFFECTIVE DATE.—This section shall take effect on the date of enactment of the American Homeownership and Economic Opportunity Act of 2000.

"SEC. 818. REMEDIES FOR NONCOMPLIANCE.

''(a) ACTIONS BY SECRETARY AFFECTING GRANT AMOUNTS.—

''(1) IN GENERAL.—Except as provided in subsection (b), if the Secretary finds after reasonable notice and opportunity for a hearing that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary shall—

''(A) terminate payments under this title to the Department;

''(B) reduce payments under this title to the Department by an amount equal to the amount of such payments that were not expended in accordance with this title; or

''(C) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

''(2) ACTIONS.—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1), the Secretary shall continue that action until the Secretary determines that the failure by the Department to comply with the provision has been remedied by the Department and the Department is in compliance with that provision.

''(b) NONCOMPLIANCE BECAUSE OF A TECHNICAL INCAPACITY.—The Secretary may provide technical assistance for the Department, either directly or indirectly, that is designed to increase the capability and capacity of the Director of the Department to administer assistance provided under this title in compliance with the requirements under this title if the Secretary makes a finding under subsection (a), but determines that the failure of the Department to comply substantially with the provisions of this title—

''(1) is not a pattern or practice of activities constituting willful noncompliance; and

''(2) is a result of the limited capability or capacity of the Department of Hawaiian Home Lands.

''(c) REFERRAL FOR CIVIL ACTION.—

''(1) AUTHORITY.—In lieu of, or in addition to, any action that the Secretary may take under subsection (a), if the Secretary has reason to believe that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary may refer the matter to the Attorney General of the United States with

a recommendation that an appropriate civil action be instituted.

''(2) CIVIL ACTION.—Upon receiving a referral under paragraph (1), the Attorney General may bring a civil action in any United States district court of appropriate jurisdiction for such relief as may be appropriate, including an action—

''(A) to recover the amount of the assistance furnished under this title that was not expended in accordance with this title; or

''(B) for mandatory or injunctive relief.

''(d) REVIEW.—

''(1) IN GENERAL.—If the Director receives notice under subsection (a) of the termination, reduction, or limitation of payments under this Act, the Director—

''(A) may, not later than 60 days after receiving such notice, file with the United States Court of Appeals for the Ninth Circuit, or in the United States Court of Appeals for the District of Columbia, a petition for review of the action of the Secretary; and

''(B) upon the filing of any petition under subparagraph (A), shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

''(2) PROCEDURE.—

''(A) IN GENERAL.—The Secretary shall file in the court a record of the proceeding on which the Secretary based the action, as provided in section 2112 of title 28, United States Code.

''(B) OBJECTIONS.—No objection to the action of the Secretary shall be considered by the court unless the Department has registered the objection before the Secretary.

''(3) DISPOSITION.—

''(A) COURT PROCEEDINGS.—

''(i) JURISDICTION OF COURT.—The court shall have jurisdiction to affirm or modify the action of the Secretary or to set the action aside in whole or in part.

''(ii) FINDINGS OF FACT.—If supported by substantial evidence on the record considered as a whole, the findings of fact by the Secretary shall be conclusive.

''(iii) ADDITION.—The court may order evidence, in addition to the evidence submitted for review under this subsection, to be taken by the Secretary, and to be made part of the record.

''(B) SECRETARY.—

''(i) IN GENERAL.—The Secretary, by reason of the additional evidence referred to in subparagraph (A) and filed with the court—

''(I) may—

''(aa) modify the findings of fact of the Secretary; or

''(bb) make new findings; and

''(II) shall file—

''(aa) such modified or new findings; and

''(bb) the recommendation of the Secretary, if any, for the modification or setting aside of the original action of the Secretary.

''(ii) FINDINGS.—The findings referred to in clause (i)(II)(bb) shall, with respect to a question of fact, be considered to be conclusive if those findings are—

''(I) supported by substantial evidence on the record; and

''(II) considered as a whole.

''(4) FINALITY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), upon the filing of the record under this subsection with the court—

''(i) the jurisdiction of the court shall be exclusive; and

''(ii) the judgment of the court shall be final.

''(B) REVIEW BY SUPREME COURT.—A judgment under subparagraph (A) shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification, as provided in section 1254 of title 28, United States Code.

''SEC. 819. MONITORING OF COMPLIANCE.

''(a) ENFORCEABLE AGREEMENTS.—

''(1) IN GENERAL.—The Director, through binding contractual agreements with owners or other authorized entities, shall ensure long-term compliance with the provisions of this title.

''(2) MEASURES.—The measures referred to in paragraph (1) shall provide for—

''(A) to the extent allowable by Federal and State law, the enforcement of the provisions of this title by the Department and the Secretary; and

''(B) remedies for breach of the provisions referred to in paragraph (1).

''(b) PERIODIC MONITORING.—

''(1) IN GENERAL.—Not less frequently than annually, the Director shall review the activities conducted and housing assisted under this title to assess compliance with the requirements of this title.

''(2) REVIEW.—Each review under paragraph (1) shall include onsite inspection of housing to determine compliance with applicable requirements.

''(3) RESULTS.—The results of each review under paragraph (1) shall be—

''(A) included in a performance report of the Director submitted to the Secretary under section 820; and

''(B) made available to the public.

''(c) PERFORMANCE MEASURES.—The Secretary shall establish such performance measures as may be necessary to assess compliance with the requirements of this title.

''SEC. 820. PERFORMANCE REPORTS.

''(a) REQUIREMENT.—For each fiscal year, the Director shall—

''(1) review the progress the Department has made during that fiscal year in carrying out the housing plan submitted by the Department under section 803; and

''(2) submit a report to the Secretary (in a form acceptable to the Secretary) describing the conclusions of the review.

''(b) CONTENT.—Each report submitted under this section for a fiscal year shall—

''(1) describe the use of grant amounts provided to the Department of Hawaiian Home Lands for that fiscal year;

''(2) assess the relationship of the use referred to in paragraph (1) to the goals identified in the housing plan;

''(3) indicate the programmatic accomplishments of the Department; and

''(4) describe the manner in which the Department would change its housing plan submitted under section 803 as a result of its experiences.

''(c) SUBMISSIONS.—The Secretary shall—

''(1) establish a date for submission of each report under this section;

''(2) review each such report; and

''(3) with respect to each such report, make recommendations as the Secretary considers appropriate to carry out the purposes of this title.

''(d) PUBLIC AVAILABILITY.—

''(1) COMMENTS BY BENEFICIARIES.—In preparing a report under this section, the Director shall make the report publicly available to the beneficiaries of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.) and give a sufficient amount of time to permit those beneficiaries to comment on that report before it is submitted to the Secretary (in such manner and at such time as the Director may determine).

''(2) SUMMARY OF COMMENTS.—The report shall include a summary of any comments received by the Director from beneficiaries under paragraph (1) regarding the program to carry out the housing plan.

''SEC. 821. REVIEW AND AUDIT BY SECRETARY.

''(a) ANNUAL REVIEW.—

''(1) IN GENERAL.—The Secretary shall, not less frequently than on an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether—

''(A) the Director has—

''(i) carried out eligible activities under this title in a timely manner;

''(ii) carried out and made certifications in accordance with the requirements and the primary objectives of this title and with other applicable laws; and

''(iii) a continuing capacity to carry out the eligible activities in a timely manner;

''(B) the Director has complied with the housing plan submitted by the Director under section 803; and

''(C) the performance reports of the Department under section 821 are accurate.

''(2) ONSITE VISITS.—Each review conducted under this section shall, to the extent practicable, include onsite visits by employees of the Department of Housing and Urban Development.

''(b) REPORT BY SECRETARY.—The Secretary shall give the Department of Hawaiian Home Lands not less than 30 days to review and comment on a report under this subsection. After taking into consideration the comments of the Department, the Secretary may revise the report and shall make the comments of the Department and the report with any revisions, readily available to the public not later than 30 days after receipt of the comments of the Department.

''(c) EFFECT OF REVIEWS.—The Secretary may make appropriate adjustments in the amount of annual grants under this title in accordance with the findings of the Secretary pursuant to reviews and audits under this section. The Secretary may adjust, reduce, or withdraw grant amounts, or take other action as appropriate in accordance with the reviews and audits of the Secretary under this section, except that grant amounts already expended on affordable housing activities may not be recaptured or deducted from future assistance provided to the Department of Hawaiian Home Lands.

''SEC. 822. GENERAL ACCOUNTING OFFICE AUDITS.

''To the extent that the financial transactions of the Department of Hawaiian Home Lands involving grant amounts under this title relate to amounts provided under this title, those transactions may be audited by the Comptroller General of the United States under such regulations as may be prescribed by the Comptroller General. The Comptroller General of the United States shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the Department of Hawaiian Home Lands pertaining to such financial transactions and necessary to facilitate the audit.

''SEC. 823. REPORTS TO CONGRESS.

''(a) IN GENERAL.—Not later than 90 days after the conclusion of each fiscal year in which assistance under this title is made available, the Secretary shall submit to Congress a report that contains—

''(1) a description of the progress made in accomplishing the objectives of this title;

''(2) a summary of the use of funds available under this title during the preceding fiscal year; and

''(3) a description of the aggregate outstanding loan guarantees under section 184A of the Housing and Community Development Act of 1992.

''(b) RELATED REPORTS.—The Secretary may require the Director to submit to the Secretary such reports and other information as may be necessary in order for the Secretary to prepare the report required under subsection (a).

''SEC. 824. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to the Department of Housing and Urban Development for grants under this title such

sums as may be necessary for each of fiscal years 2001, 2002, 2003, 2004, and 2005.''.

SEC. 724. LOAN GUARANTEES.

Subtitle E of title I of the Housing and Community Development Act of 1992 is amended by inserting after section 184 (12 U.S.C. 1715z–13a) the following:

''SEC. 184A. LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING.

''(a) DEFINITIONS.—In this section:

''(1) DEPARTMENT OF HAWAIIAN HOME LANDS.—The term 'Department of Hawaiian Home Lands' means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

''(2) ELIGIBLE ENTITY.—The term 'eligible entity' means a Native Hawaiian family, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and private nonprofit or private for-profit organizations experienced in the planning and development of affordable housing for Native Hawaiians.

''(3) FAMILY.—The term 'family' means 1 or more persons maintaining a household, as the Secretary shall by regulation provide.

''(4) GUARANTEE FUND.—The term 'Guarantee Fund' means the Native Hawaiian Housing Loan Guarantee Fund established under subsection (i).

''(5) HAWAIIAN HOME LANDS.—The term 'Hawaiian Home Lands' means lands that—

''(A) have the status of Hawaiian Home Lands under section 204 of the Hawaiian Homes Commission Act (42 Stat. 110); or

''(B) are acquired pursuant to that Act.

''(6) NATIVE HAWAIIAN.—The term 'Native Hawaiian' means any individual who is—

''(A) a citizen of the United States; and

''(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

''(i) genealogical records;

''(ii) verification by kupuna (elders) or kama'aina (long-term community residents); or

''(iii) birth records of the State of Hawaii.

''(7) OFFICE OF HAWAIIAN AFFAIRS.—The term 'Office of Hawaiian Affairs' means the entity of that name established under the constitution of the State of Hawaii.

''(b) AUTHORITY.—To provide access to sources of private financing to Native Hawaiian families who otherwise could not acquire housing financing because of the unique legal status of the Hawaiian Home Lands or as a result of a lack of access to private financial markets, the Secretary may guarantee an amount not to exceed 100 percent of the unpaid principal and interest that is due on an eligible loan under subsection (b).

''(c) ELIGIBLE LOANS.—Under this section, a loan is an eligible loan if that loan meets the following requirements:

''(1) ELIGIBLE BORROWERS.—The loan is made only to a borrower who is—

''(A) a Native Hawaiian family;

''(B) the Department of Hawaiian Home Lands;

''(C) the Office of Hawaiian Affairs; or

''(D) a private nonprofit organization experienced in the planning and development of affordable housing for Native Hawaiians.

''(2) ELIGIBLE HOUSING.—

''(A) IN GENERAL.—The loan will be used to construct, acquire, or rehabilitate not more than 4-family dwellings that are standard housing and are located on Hawaiian Home Lands for which a housing plan described in subparagraph (B) applies.

''(B) HOUSING PLAN.—A housing plan described in this subparagraph is a housing plan that—

''(i) has been submitted and approved by the Secretary under section 803 of the Native American Housing Assistance and Self-Determination Act of 1996; and

''(ii) provides for the use of loan guarantees under this section to provide affordable homeownership housing on Hawaiian Home Lands.

''(3) SECURITY.—The loan may be secured by any collateral authorized under applicable Federal or State law.

''(4) LENDERS.—

''(A) IN GENERAL.—The loan shall be made only by a lender approved by, and meeting qualifications established by, the Secretary, including any lender described in subparagraph (B), except that a loan otherwise insured or guaranteed by an agency of the Federal Government or made by the Department of Hawaiian Home Lands from amounts borrowed from the United States shall not be eligible for a guarantee under this section.

''(B) APPROVAL.—The following lenders shall be considered to be lenders that have been approved by the Secretary:

''(i) Any mortgagee approved by the Secretary for participation in the single family mortgage insurance program under title II of the National Housing Act (12 U.S.C.A. 1707 et seq.).

''(ii) Any lender that makes housing loans under chapter 37 of title 38, United States Code, that are automatically guaranteed under section 3702(d) of title 38, United States Code.

''(iii) Any lender approved by the Secretary of Agriculture to make guaranteed loans for single family housing under the Housing Act of 1949 (42 U.S.C.A. 1441 et seq.).

''(iv) Any other lender that is supervised, approved, regulated, or insured by any agency of the Federal Government.

''(5) TERMS.—The loan shall—

''(A) be made for a term not exceeding 30 years;

''(B) bear interest (exclusive of the guarantee fee under subsection (d) and service charges, if any) at a rate agreed upon by the borrower and the lender and determined by the Secretary to be reasonable, but not to exceed the rate generally charged in the area (as determined by the Secretary) for home mortgage loans not guaranteed or insured by any agency or instrumentality of the Federal Government;

''(C) involve a principal obligation not exceeding—

''(i) 97.75 percent of the appraised value of the property as of the date the loan is accepted for guarantee (or 98.75 percent if the value of the property is $50,000 or less); or

''(ii) the amount approved by the Secretary under this section; and

''(D) involve a payment on account of the property—

''(i) in cash or its equivalent; or

''(ii) through the value of any improvements to the property made through the skilled or unskilled labor of the borrower, as the Secretary shall provide.

''(d) CERTIFICATE OF GUARANTEE.—

''(1) APPROVAL PROCESS.—

''(A) IN GENERAL.—Before the Secretary approves any loan for guarantee under this section, the lender shall submit the application for the loan to the Secretary for examination.

''(B) APPROVAL.—If the Secretary approves the application submitted under subparagraph (A), the Secretary shall issue a certificate under this subsection as evidence of the loan guarantee approved.

''(2) STANDARD FOR APPROVAL.—The Secretary may approve a loan for guarantee under this section and issue a certificate under this subsection only if the Secretary determines that there is a reasonable prospect of repayment of the loan.

''(3) EFFECT.—

''(A) IN GENERAL.—A certificate of guarantee issued under this subsection by the Secretary shall be conclusive evidence of the eligibility of the loan for guarantee under this section and the amount of that guarantee.

''(B) EVIDENCE.—The evidence referred to in subparagraph (A) shall be incontestable in the hands of the bearer.

''(C) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Secretary as security for the obligations made by the Secretary under this section.

''(4) FRAUD AND MISREPRESENTATION.—This subsection may not be construed—

''(A) to preclude the Secretary from establishing defenses against the original lender based on fraud or material misrepresentation; or

''(B) to bar the Secretary from establishing by regulations that are on the date of issuance or disbursement, whichever is earlier, partial defenses to the amount payable on the guarantee.

''(e) GUARANTEE FEE.—

''(1) IN GENERAL.—The Secretary shall fix and collect a guarantee fee for the guarantee of a loan under this section, which may not exceed the amount equal to 1 percent of the principal obligation of the loan.

''(2) PAYMENT.—The fee under this subsection shall—

''(A) be paid by the lender at time of issuance of the guarantee; and

''(B) be adequate, in the determination of the Secretary, to cover expenses and probable losses.

''(3) DEPOSIT.—The Secretary shall deposit any fees collected under this subsection in the Native Hawaiian Housing Loan Guarantee Fund established under subsection (j).

''(f) LIABILITY UNDER GUARANTEE.—The liability under a guarantee provided under this section shall decrease or increase on a pro rata basis according to any decrease or increase in the amount of the unpaid obligation under the provisions of the loan agreement involved.

''(g) TRANSFER AND ASSUMPTION.—Notwithstanding any other provision of law, any loan guaranteed under this section, including the security given for the loan, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the Federal Government or of any State or the District of Columbia.

''(h) DISQUALIFICATION OF LENDERS AND CIVIL MONEY PENALTIES.—

''(1) IN GENERAL.—

''(A) GROUNDS FOR ACTION.—The Secretary may take action under subparagraph (B) if the Secretary determines that any lender or holder of a guarantee certificate under subsection (c)—

''(i) has failed—

''(I) to maintain adequate accounting records;

''(II) to service adequately loans guaranteed under this section; or

''(III) to exercise proper credit or underwriting judgment; or

''(ii) has engaged in practices otherwise detrimental to the interest of a borrower or the United States.

''(B) ACTIONS.—Upon a determination by the Secretary that a holder of a guarantee certificate under subsection (c) has failed to carry out an activity described in subparagraph (A)(i) or has engaged in practices described in subparagraph (A)(ii), the Secretary may—

''(i) refuse, either temporarily or permanently, to guarantee any further loans made by such lender or holder;

''(ii) bar such lender or holder from acquiring additional loans guaranteed under this section; and

''(iii) require that such lender or holder assume not less than 10 percent of any loss on further loans made or held by the lender or holder that are guaranteed under this section.

''(2) CIVIL MONEY PENALTIES FOR INTENTIONAL VIOLATIONS.—

''(A) IN GENERAL.—The Secretary may impose a civil monetary penalty on a lender or holder of a guarantee certificate under subsection (d) if the Secretary determines that the holder or lender has intentionally failed—

''(i) to maintain adequate accounting records;

''(ii) to adequately service loans guaranteed under this section; or

''(iii) to exercise proper credit or underwriting judgment.

''(B) PENALTIES.—A civil monetary penalty imposed under this paragraph shall be imposed in the manner and be in an amount provided under section 536 of the National Housing Act (12 U.S.C.A. 1735f–1) with respect to mortgagees and lenders under that Act.

''(3) PAYMENT ON LOANS MADE IN GOOD FAITH.—Notwithstanding paragraphs (1) and (2), if a loan was made in good faith, the Secretary may not refuse to pay a lender or holder of a valid guarantee on that loan, without regard to whether the lender or holder is barred under this subsection.

''(i) PAYMENT UNDER GUARANTEE.—

''(1) LENDER OPTIONS.—

''(A) IN GENERAL.—

''(i) NOTIFICATION.—If a borrower on a loan guaranteed under this section defaults on the loan, the holder of the guarantee certificate shall provide written notice of the default to the Secretary.

''(ii) PAYMENT.—Upon providing the notice required under clause (i), the holder of the guarantee certificate shall be entitled to payment under the guarantee (subject to the provisions of this section) and may proceed to obtain payment in 1 of the following manners:

''(I) FORECLOSURE.—

''(aa) IN GENERAL.—The holder of the certificate may initiate foreclosure proceedings (after providing written notice of that action to the Secretary).

''(bb) PAYMENT.—Upon a final order by the court authorizing foreclosure and submission to the Secretary of a claim for payment under the guarantee, the Secretary shall pay to the holder of the certificate the pro rata portion of the amount guaranteed (as determined pursuant to subsection (f)) plus reasonable fees and expenses as approved by the Secretary.

''(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

''(II) NO FORECLOSURE.—

''(aa) IN GENERAL.—Without seeking foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) continues for a period in excess of 1 year), the holder of the guarantee may submit to the Secretary a request to assign the obligation and security interest to the Secretary in return for payment of the claim under the guarantee. The Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interest of the United States.

''(bb) PAYMENT.—Upon assignment, the Secretary shall pay to the holder of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (f)).

''(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

''(B) REQUIREMENTS.—Before any payment under a guarantee is made under subparagraph (A), the holder of the guarantee shall exhaust all reasonable possibilities of collection. Upon payment, in whole or in part, to the holder, the note or judgment evidencing the debt shall be assigned to the United States and the holder shall have no further claim against the borrower or the United States. The Secretary shall then take such action to collect as the Secretary determines to be appropriate.

''(2) LIMITATIONS ON LIQUIDATION.—

''(A) IN GENERAL.—If a borrower defaults on a loan guaranteed under this section that involves a security interest in restricted Hawaiian Home Land property, the mortgagee or the Secretary shall only pursue liquidation after offering to transfer the account to another eligible Hawaiian family or the Department of Hawaiian Home Lands.

''(B) LIMITATION.—If, after action is taken under subparagraph (A), the mortgagee or the Secretary subsequently proceeds to liquidate the account, the mortgagee or the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property described in subparagraph (A) except to another eligible Hawaiian family or to the Department of Hawaiian Home Lands.

''(j) HAWAIIAN HOUSING LOAN GUARANTEE FUND.—

''(1) ESTABLISHMENT.—There is established in the Treasury of the United States the Hawaiian Housing Loan Guarantee Fund for the purpose of providing loan guarantees under this section.

''(2) CREDITS.—The Guarantee Fund shall be credited with—

''(A) any amount, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and any collections and proceeds therefrom;

''(B) any amounts appropriated pursuant to paragraph (7);

''(C) any guarantee fees collected under subsection (d); and

''(D) any interest or earnings on amounts invested under paragraph (4).

''(3) USE.—Amounts in the Guarantee Fund shall be available, to the extent provided in appropriations Acts, for—

''(A) fulfilling any obligations of the Secretary with respect to loans guaranteed under this section, including the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loans;

''(B) paying taxes, insurance, prior liens, expenses necessary to make fiscal adjustment in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed under this section or held by the Secretary;

''(C) acquiring such security property at foreclosure sales or otherwise;

''(D) paying administrative expenses in connection with this section; and

''(E) reasonable and necessary costs of rehabilitation and repair to properties that the Secretary holds or owns pursuant to this section.

''(4) INVESTMENT.—Any amounts in the Guarantee Fund determined by the Secretary to be in excess of amounts currently required at the time of the determination to carry out this section may be invested in obligations of the United States.

''(5) LIMITATION ON COMMITMENTS TO GUARANTEE LOANS AND MORTGAGES.—

''(A) REQUIREMENT OF APPROPRIATIONS.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year to the extent, or in such amounts as are, or have been, provided in appropriations Acts, without regard to the fiscal year for which such amounts were appropriated.

''(B) LIMITATIONS ON COSTS OF GUARANTEES.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent that amounts in the Guarantee Fund are or have been made available in appropriations Acts to cover the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loan guarantees for such fiscal year. Any amounts appropriated pursuant to this subparagraph shall remain available until expended.

''(C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section for each of fiscal years 2001, 2002, 2003, 2004, and 2005 with an aggregate outstanding principal amount not exceeding $100,000,000 for each such fiscal year.

''(6) LIABILITIES.—All liabilities and obligations of the assets credited to the Guarantee Fund under paragraph (2)(A) shall be liabilities and obligations of the Guarantee Fund.

''(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Guarantee Fund to carry out this section such sums as may be necessary for each of fiscal years 2001, 2002, 2003, 2004, and 2005.

''(k) REQUIREMENTS FOR STANDARD HOUSING.—

''(1) IN GENERAL.—The Secretary shall, by regulation, establish housing safety and quality standards to be applied for use under this section.

''(2) STANDARDS.—The standards referred to in paragraph (1) shall—

''(A) provide sufficient flexibility to permit the use of various designs and materials in housing acquired with loans guaranteed under this section; and

''(B) require each dwelling unit in any housing acquired in the manner described in subparagraph (A) to—

''(i) be decent, safe, sanitary, and modest in size and design;

''(ii) conform with applicable general construction standards for the region in which the housing is located;

''(iii) contain a plumbing system that—

''(I) uses a properly installed system of piping;

''(II) includes a kitchen sink and a partitional bathroom with lavatory, toilet, and bath or shower; and

''(III) uses water supply, plumbing, and sewage disposal systems that conform to any minimum standards established by the applicable county or State;

''(iv) contain an electrical system using wiring and equipment properly installed to safely supply electrical energy for adequate lighting and for operation of appliances that conforms to any appropriate county, State, or national code;

''(v) be not less than the size provided under the applicable locally adopted standards for size of dwelling units, except that the Secretary, upon request of the Department of Hawaiian Home Lands may waive the size requirements under this paragraph; and

''(vi) conform with the energy performance requirements for new construction established by the Secretary under section 526(a) of the National Housing Act (12 U.S.C.A. 1735f–4), unless the Secretary determines that the requirements are not applicable.

''(l) APPLICABILITY OF CIVIL RIGHTS STATUTES.—To the extent that the requirements

of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of the Fair Housing Act (42 U.S.C.A. 3601 et seq.) apply to a guarantee provided under this subsection, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of the guarantee to an eligible entity on the basis that the entity serves Native Hawaiian families or is a Native Hawaiian family.''.

Page 166, in line 10, strike the dash and all that follows through ''GENERAL.'' in line 11.

Page 166, strike lines 17 through 25.

Strike line 25 on page 173, and all that follows through line 2 on page 174, and insert the following:

''(1) to protect the quality, durability, safety, and affordability of manufactured homes;''

Page 174, strike lines 11 through 13 and insert the following:

''(5) to protect residents of manufactured homes with respect to personal injuries and the amount of insurance costs and property damages in manufactured housing, consistent with the other purposes of this section;''.

Page 176, line 18, before the semicolon insert '', including the inspection of homes in the plant''.

Page 176, line 21, strike both commas.

Strike line 25 on page 176 and all that follows through ''means'' in line 1 on page 177, and insert the following:

''(21) 'monitoring' means

Page 177, lines 5 through 7, strike ''recommended by the consensus committee and promulgated in accordance with'' and insert ''promulgated under this title, giving due consideration to the recommendations of the consensus committee as provided in''.

Page 177, line 10, strike ''; and'' and insert ''.''.

Page 177, strike lines 11 through 13.

Page 179, line 19, strike ''appoint'' and insert ''recommend''.

Page 182, lines 12 and 13, strike '', subject to approval by the Secretary,'' and insert ''by the Secretary, after consideration of the recommendations made''.

Page 182, line 14, insert a comma after ''organization''.

Page 182, strike lines 22 through 25 and insert the following:

''(C) DISAPPROVAL.—The Secretary shall state, in writing, the reasons for failing to appoint any individual recommended under paragraph (2)(A)(ii)(I).

Page 184, lines 1 and 2, strike ''administering organization in its appointments'' and insert ''Secretary''.

Page 188, line 20, before the period insert ''in accordance with section 553 of title 5, United States Code''.

Page 188, line 23, after ''standard'' insert ''in accordance with such section 553''.

Page 189, line 22, strike ''7'' and insert ''30''.

Page 193, line 5, after ''regulations'' insert ''and revision to existing regulations''.

Page 195, strike lines 16 through 22 and insert the following:

''(5) AUTHORITY TO ACT AND EMERGENCY.—If the Secretary determines, in writing, that such action is necessary to address an issue on which the Secretary determines that the consensus committee has not made a timely recommendation following a request by the Secretary, or in order to respond to an emergency which jeopardizes the public health or safety, the Secretary

Page 196, line 3, strike ''emergency''.

Page 196, line 5, after ''issues'' insert ''the order after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code,''.

Page 196, line 12, strike ''of'' and insert ''or''.

Page 196, line 19, strike ''1104(a)(3)'' and insert ''604(a)(3)''.

Page 199, line 18, after ''shall'' insert ''to the maximum extent possible, taking into account the factors described in section 604(e),''.

Page 200, after line 9, insert the following:

''(4) ISSUANCE.—The model manufactured home installation standards shall be issued after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

Strike '', except that'' in line 20 on page 201, and all that follows through line 2 on page 202, and insert a period.

Page 206, after line 3, insert the following new section:

SEC. 1108. PROHIBITED ACTS.

Section 610(a) (42 U.S.C. 5409(a)) is amended—

(1) in paragraph (5), by striking ''or'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following new paragraph:

''(7) after the expiration of the period specified in section 605(c)(2)(B), fail to comply with the requirements for the installation program required by section 605 in any State that has not adopted and implemented a State installation program.''.

Page 207, line 10, strike ''and''.

Page 207, after line 13, insert the following:

''(F) implementing sections 605 and 623; and

Page 207, strike lines 19 through 23 and insert the following:

''(b) CONTRACTORS.—When using fees under this section, the Secretary shall ensure that no fewer than 3 separate contracts and 3 separate and independent contractors are retained to carry out monitoring and inspection work and any other work that may be delegated to a contractor under this title; except that the required minimum number of separate contracts and separate and independent contractors shall increase to 4 simultaneous with the latter of—

''(1) the issuance by the Secretary of a request for proposals for the implementation of installation programs, and

''(2) the issuance by the Secretary of a request for proposals for the implementation of dispute resolution program,

as provided in this title. The Secretary shall also ensure that no conflict of interest arises from the award of any such contracts.''.

Page 208, line 17, strike the quotation marks and the last period.

Page 208, after line 17, insert the following:

''(3) PAYMENTS TO STATES.—On and after the effective date of the Manufactured Housing Improvement Act, the Secretary shall continue to fund the States having approved State plans in amounts which are not less than the allocated amounts based on the fee distribution system in effect on the day before the effective date of such Act.''.

Page 208, lines 20 and 21, strike ''5(b)'' each place such term appears and insert ''1105(b)''.

Page 209, line 19, after the period insert the following: ''The order establishing the dispute resolution program shall be issued after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code.''.

Page 210, strike lines 7 through 11 and insert ''paragraph.''.

Page 211, line 16, after ''awarded'' insert ''after April 6, 2000,''.

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from New York (Mr. LAZIO) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from New York (Mr. LAZIO).

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this manager's amendment is the result of some hard work that has been referenced by earlier remarks. The manager's amendment was created in a bipartisan fashion, helping to improve an already good bill, and refining some of the technical aspects of this bill.

It further speaks to the underlying premise of this bill, which is that it is about empowerment, it is about more consumer choice, it is about lower homeownership costs, it is about stronger communities, and it is about opportunity. This manager's amendment includes several provisions that further perfect this bill.

I want to commend all the Members, and particularly the gentleman from New York (Mr. LAFALCE) and the gentleman from Massachusetts (Mr. FRANK), as well as the gentleman from Iowa (Mr. LEACH) for their help.

It includes technical changes that affect the neighborhood teacher program, the risk sharing demonstration program, and the rural housing section of the legislation.

The amendment expands housing assistance for native Hawaiians by extending to them the same types of Federal housing programs available to Native Americans and to Alaska natives.

The amendment adopts changes to the manufactured housing title made by HUD to clarify the Secretary's authority over appointments to the consensus committee. This is, again, a model framework based on discussions between AARP, the Manufactured Housing industry, consumers, HUD, and members of the committee.

It addresses outstanding policy issues raised by the gentleman from Massachusetts (Mr. FRANK), ranking member, and the Manufactured Housing industry concerning States' roles in monitoring manufactured homes and the distribution systems of manufactured program fees to States.

It also adopts certain filed amendments to the legislation, which we have been trying to work together with in a bipartisan fashion to meet America's need for more homeownership opportunities.

These include amendments by the gentleman from Texas (Mr. BENTSEN) as they relate to the selection criteria for the Homeownership Zone Grant program, providing that HUD may not reject an applicant who meets the selection criteria basically only because the zone is located in an unincorporated area.

The amendment of the gentleman from Ohio (Mr. TRAFICANT) extends homeownership counseling statutes through September 30, 2005 that require a notice, within 45 days of delinquency, to homebuyers on their payment status and provides information about housing counselors in the area, a very important amendment.

The amendment of the gentleman from California (Mr. BACA) includes a

sense of Congress that the HUD Secretary should consult with other agencies to make additional properties available for law enforcement officers, teachers, and fire fighters.

The amendment of the gentlewoman from California (Ms. PELOSI) adds pre-kindergarten teachers to be eligible for section 203 for reduced down payment for loans for teachers and uniformed municipal employees, consistent with similar other provisions in the bill.

I urge the House to adopt the manager's amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is the gentleman from New York (Mr. LAFALCE) opposed to the amendment?

Mr. LAFALCE. Mr. Chairman, this manager's amendment has been developed in a bipartisan fashion similarly to the main bill itself.

The CHAIRMAN. Without objection, there apparently being no one to claim the time in opposition, the gentleman from New York (Mr. LAFALCE) is recognized to claim that time.

There was no objection.

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume.

I am very pleased that the manager's amendment includes a number of important provisions, important especially to the Members on my side of the aisle. These include a Pelosi amendment to ensure that pre-kindergarten teachers are eligible in the same way as all other teachers are for the section 203, 1 percent down payment FHA loans; an amendment by the gentleman from Texas (Mr. BENTSEN) to make sure that unincorporated areas are eligible for homeownership zone grants; an amendment by the gentleman from Ohio (Mr. TRAFICANT) to extend homeownership counseling programs; and an amendment from the gentleman from California (Mr. BACA) directing HUD to work with other agencies to identify other buildings suitable for homeownership resale.

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I also especially commend the gentleman from Hawaii (Mr. ABERCROMBIE) and the gentlewoman from Hawaii (Mrs. MINK) for their amendment, which includes making native Hawaiians eligible for the same Federal housing programs that Native Americans are currently eligible for; and, of course, the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Indiana (Mr. ROEMER), who represents perhaps the headquarters of the manufactured housing industry, for shepherding this bill through. Even though the gentleman from Indiana (Mr. ROEMER) is not a member of the committee, his assistance in crafting the legislation was invaluable.

Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Chairman, I thank the gentleman for yielding me this time, and I also would urge strong support for the manager's amendment. As good as the underlying bill is, and I think the bill is solid, I think the manager's amendment is better and makes some important improvements.

Very quickly, two particular programs that are included in the manager's amendment that this Member had something to do with. Number one, this manager's amendment would create a 3-year pilot project to help people with disabilities to use section 8 assistance towards home ownership. It creates incentives for employment and home ownership for the most underserved portion of the American public, those with disabilities.

Unemployment rates for those with disabilities in America exceeds 70 percent, and home ownership for people with disabilities is below 5 percent. This bill takes an important step in breaking that cycle.

This manager's amendment also has an important pilot project, a 3-year program, for law enforcement officers. It helps Federal, State and local law enforcement officers purchase homes in locally designated, locally defined high crime areas.

This is different than other law enforcement officer programs because it turns to local leaders, local officials to designate those areas. This will help deter crime. This will help stabilize neighborhoods.

In so many ways this manager's amendment makes the dream of home ownership and stable, sound, solid communities a reality. And again, I encourage my colleagues not only to support this amendment and support the bill but to go home and talk about it.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. LEE), a member of the committee.

Ms. LEE. Mr. Chairman, I thank the gentleman for yielding me this time and also for the bipartisan effort to bring this bill forward today.

This is a modest measure. It is an excellent modest measure that begins to address a national crisis of housing.

Moderate- and low-income families deserve the opportunity to realize the American Dream of homeownership. And given the high cost of housing, this dream is quickly becoming a nightmare in many regions of our country. This crisis is so bad that in my district, around the Bay Area of Northern California, professional households with incomes near $100,000 even face difficult housing choices.

If these kinds of families are struggling, what does this mean for moderate- and low-income families? It means that Congress must do better.

Mr. Chairman, Americans dream of owning our own homes. It rightfully gives us a stake in our society. Homeownership allows us to have a solid place from which we can accumulate some wealth to care for our families, to send our kids to college and to invest in small businesses.

We still have a long way to go in this country. Even though there has been an increase in homeownership, there is really an embarrassing gap in this land of plenty when we realize that the homeownership rate for African Americans is still 20 percent below the national average. The rate for Hispanic Americans is over 20 percent below the national average.

So this bill will really help us begin to correct the damage resulting from our refusal to, I believe, invest in housing in past years. Secretary Cuomo is doing the best that he can. But given the severe constraints of the Balanced Budget Act, it is difficult to imagine how HUD can just maintain, not to mention expand programs where there are tight budget caps.

I urge support of the American Homeownership and Economic Opportunity Act.

Mr. LAZIO. Mr. Chairman, I yield 2½ minutes to the gentleman from Delaware (Mr. CASTLE), the former governor of Delaware and my mentor and friend.

Mr. CASTLE. Mr. Chairman, I thank the gentleman very much for yielding me this time, and I thank him for his comments. I never knew I was a mentor until just now, but that is a nice thought too.

This legislation, which both gentlemen from New York have worked on, in my judgment, is as good a piece of legislation as we have had on the floor this year for a variety of reasons.

One is it is bipartisan. It is a piece of legislation which I think all of us are proud to be able to support and, hopefully, will get a great vote.

Secondly, I think we all recognize that homeownership is the key element to stability in most families, and beyond families, a lot of individuals and a lot of others who want to live the American Dream.

In this day of plenty it is pretty simple to think well, gee, homeownership is up, I think it is up to 67 percent now, and we do not have to worry about legislation such as this. But when we get behind the scenes and start to look at it, we start to see other problems.

For example in U.S. News and World Report there is an article here, In an Age of Plenty a Search for Shelter, and this talks about Minneapolis, as I recall, and they have all kinds of problems with people in lower income circumstances being able to obtain housing. And that is what this bill addresses, and that is what the manager's amendment addresses as well.

So I really congratulate those who have worked on this because they have really looked carefully at provisions which are essential to help with these problems. And indeed, when we look at those who are on more fixed-income circumstances, teachers, firefighters, or police officers, these are desirable neighbors in any kind of neighborhood. They are the kind of neighbors we want, but sometimes they do not have the means to acquire a home, and under this bill they would be able to do it.

We have gone into various pockets of money which is available at the Federal Government level and said we are going to allow that to help with the acquisition of homes, which is something we should do. We have looked at State and local governments, as well as the Federal Government, and said there are barriers and regulations and we need to deal with those.

So many good things have happened. We should support the manager's amendment, we should support the underlying legislation, but we should also continue, I think, the drive that we all have here now, that we feel here today, which is moving ahead with all aspects of looking at our public housing laws and other housing opportunities at the Federal Government level and giving people the opportunity for homeownership.

With that, we will introduce all kinds of social improvement in this country. It is for that reason that I am highly supportive of the legislation, and I would encourage everybody to support the manager's amendment and the legislation and, hopefully, we can send it to the Senate and have it signed by the President.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY), a member of the committee.

Ms. SCHAKOWSKY. Mr. Chairman, I rise in support of H.R. 1776. I am very proud to be a cosponsor of this bipartisan bill, which authorizes nearly $7 billion for affordable homeownership and job creation.

We ought to do this. We are in the midst of the longest economic expansion in the history of the United States. Despite this wealth, we are leaving too many families behind. Just recently, HUD reported that 5.4 million households do not have decent and affordable housing, and this bill gives us some power to deal with these problems.

The reauthorized Community Development Block Grant will provide State and local governments, like Chicago, funding for economic development so we can encourage employers to create jobs in our district. The HOME program will provide the city, as well as Chicago-based community organizations, such as National People's Action and ACORN, with necessary funds to increase homeownership. With this money they can rehabilitate dilapidated homes and provide mortgage counseling.

In short, this bill empowers our neighbors and mayors with the means to stabilize and improve our communities.

I am grateful that the full Committee on Banking and Financial Services approved my amendment to assist families that desperately cry out for housing and to help assist persons with disabilities who are facing foreclosure. I urge support for this legislation.

Mr. LAZIO. Mr. Chairman, I reserve the balance of my time.

Mr. LAFALCE. Mr. Chairman, I yield 1¼ minutes to the gentleman from Indiana (Mr. ROEMER), who has been so concerned about manufactured housing.

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Chairman, I thank the gentleman for yielding me this time, and I will be including for the RECORD a letter from the governors regarding this legislation.

Mr. Chairman, first of all, I want to thank a lot of people who have been working on this issue and who have showed a great deal of insight and expertise. Certainly to the chairman, the gentleman from New York (Mr. LAZIO), who has shown great leadership on this bill. I also want to extend my personal thanks to the gentleman from New York (Mr. LAFALCE) and the gentleman from Massachusetts (Mr. FRANK), who have shown real sensitivity in trying to increase the amount of people in America who will own homes and, under title VII, the manufactured housing title of this bill, we look at ways to update a 25-year-old code that is not serving consumers, it is not serving regulators, it is not serving homeownership, and we are updating that, and I want to thank the gentleman from New York (Mr. LAFALCE) for that.

We have heard we are a Nation of achievers and we are certainly a Nation of dreamers, and nothing symbolizes the achievement of the American Dream more than homeownership. And when we can work together in a bipartisan way, with Secretary Cuomo, who has intervened a couple of times to keep this discussion of updating title VII going, when we have Republicans and Democrats working together, when the Senate has passed a similar bill on their side, we are working toward legislation that really will enhance consumer protection, will enhance making a better product, and will enhance everybody's opportunity to have homeownership.

I really do want to also thank the gentleman from New York (Mr. LAZIO) for his help on this bill, and the document I referred to earlier, Mr. Chairman, I submit for the RECORD.

OFFICE OF THE GOVERNOR,
Indianapolis, IN, April 4, 2000.

Hon. JIM LEACH,
Chairman, Committee on Banking and Financial Services, House of Representatives, Washington, DC.

Hon. JOHN J. LAFALCE,
Ranking Member, Committee on Banking and Financial Services, House of Representatives, Washington, DC.

DEAR CHAIRMAN LEACH AND CONGRESSMAN LAFALCE: I am writing to express my strong support for enacting legislation to streamline and improve the current Manufactured Housing Program overseen by the Department of Housing and Urban Development (HUD).

Almost one of every four new homes in America is a manufactured house. In my state of Indiana, the manufactured housing industry employs 20,000 Hoosiers and has a total economic impact of nearly $3 billion per year.

The Manufactured Housing Program administered by HUD is clearly not working as it should. Over the last several years, staffing for this program has been greatly reduced. I also understand that over 150 proposed changes to construction and safety standards and regulations are currently pending, with some languishing for as many as five years. Meanwhile, the manufactured housing industry has grown 100 percent over the past decade. Both the general public and the manufactured housing industry need assurances that proper standards are in place and effectively enforced.

The two pending versions of legislation before Congress, H.R. 1776 and S. 1452, include many similar provisions that should produce a more efficient and workable system for implementing construction and safety standards. I am hopeful that the House and Senate will act on these bills quickly and resolve any differences in a timely manner.

As you proceed with consideration of this important legislation, I urge you to ensure a balanced approach to federal-state regulations by making the ''quality, durability, safety, and affordability of manufactured housing'' a key purpose of the Manufactured Housing Program. I also support both the proposed ''consensus committee'' process, which ensures representation for consumers, the manufactured housing industry, and public officials, and the vesting of authority in the Secretary of Housing and Urban Development (HUD) to approve or reject committee recommendations. I also believe it makes sense to introduce more competition into the awarding of monitoring contracts.

The House and Senate legislation maintain authority for states to carry out enforcement activities as they may already do under current law. I urge that the final version of the bill include provisions that will ensure continued support for state enforcement efforts. Labeling fees collected to help support state enforcement programs should not be diverted for other purposes. If state enforcement is not sufficiently funded, the integrity of the federal-state partnership will be put at risk.

In sum, I support efforts by Congress to reform the current federal Manufactured Housing Program to ensure that reliable and enforceable construction and safety standards are maintained and urge expeditious action on the pending legislation.

Sincerely,

FRANK O'BANNON.

Mr. LAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, I thank the gentlemen from New York for yielding me this time, and for three or four specific provisions in this bill that I think are great.

I think the removal of the barriers for housing affordability has been great. The regulatory impact analysis, the grants for removing regulatory barriers, these are things I see in my own community that limit people's ability to achieve housing.

I think also the title III section 8 homeownership option is a great step forward to allow people to get into a home that otherwise was not there. The pilot program with that is great as well.

The transfer of unoccupied and substandard HUD housing is something that has been long awaited because it needs to have that option if we are in fact going to clean up some of the

neighborhoods that we have and clean up some of the homes.

The last thing I am appreciative of is the rural housing opportunities that were made, and that is very important to my district. I do have some concerns about it, and I would just take a moment to say that the gentlewoman from California (Ms. WATERS) has an amendment, and if we combine her amendment with my second amendment, what we do is to enlarge this pie to all Americans to in fact go into these neighborhoods and create greater demand and greater assistance to raise the level of the neighborhoods.

I am hopeful as we debate that that we can talk about fairness and equal opportunity to all, not just municipal employees and not just firefighters and not just policemen but the other significant members of the community, including pastors. Because a spiritual component in any community is just as important as any other aspect in terms of crime, in terms of drug addiction, and in terms of some of the other problems we face.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Chairman, I rise today in strong support of H.R. 1776, the American Homeownership and Economic Opportunity Act.

Today, we are making a monumental step toward supporting those who serve our communities in various capacities for whom we are eternally grateful. These include our firefighters, police, teachers, rescue personnel, and municipal workers.

I have always been a supporter of the Community Development Block Grant program and the Housing Opportunities program. Today, with the passage of this bill, I become even a stronger supporter.

These are some of the worthwhile things that the CDBG programs already does: Funding Meals on Wheels, senior citizen centers, community centers where low-income children are able to have a safe and stimulating environment in which to play.

Now, CDBG and HOME funds will help make homeownership possible for those who are not fortunate enough to have stock options or 401(k) programs and all the other perks of the private sector. Let us tell our teachers, police officers, firefighters, rescue personnel, and municipal workers that we are grateful for what they do, and this is our tangible way of showing it.

This is a great bill, and I urge my colleagues to support it.

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Mr. LAZIO. Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentlewoman from Hawaii (Mrs. MINK), who, along with her Hawaii colleague, did a great deal to make sure the rights of native Hawaiians were protected in this section, and it is in the manager's amendment.

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, I appreciate the opportunity to just have a minute to express my appreciation to the gentleman from New York (Mr. LAZIO), the gentleman from Nebreska (Mr. BEREUTER), the gentleman from Massachusetts (Mr. FRANK), and the gentleman from New York (Mr. LAFALCE) for all of their support in making sure that the program for extension of housing assistance to native Hawaiians was included in H.R. 1776.

Mr. Chairman, I rise in strong support of the bill and, most particularly, because of the manager's amendment. The problem has always been that there has been a housing program for native Indians, native Americans, which native Hawaiians felt they should have been included, and the Alaskan natives, but the native Hawaiians were not included.

For the first time, because of the manager's amendment and its inclusion in H.R. 1776, Native Hawaiian families will have the opportunity for Federal assistance in loan guarantees and other forms of grants. We have a very unique situation in Hawaii.

Mr. Chairman, I rise in support of H.R. 1776 and the manager's amendment. The amendment has a provision in it that is very important to my constituents. The amendment expands housing assistance for native Hawaiians by extending to them the same types of federal housing programs available to American Indians and Alaska natives. The provision authorizes appropriations for block grants for affordable housing activities and for loan guarantees for mortgages for owner- and renter-occupied housing. It authorizes technical assistance in cases where administrative capacity is lacking. The block grants would be provided by the Department of Housing and Urban Development to the Department of Hawaiian Home Lands of the government of the State of Hawaii.

I thank the gentleman from New York [Mr. LAZIO], the gentleman from Nebraska [Mr. BEREUTER] and the gentleman from Massachusetts [Mr. FRANK] and Mr. LAFALCE of New York for their assistance in incorporating the provisions for Native Hawaiian housing in the bill.

Passage of this bill is critical for the Native Hawaiian communities. Within the last several years, three studies have documented the housing needs that confront Native Hawaiians who are eligible to reside on the Home Lands.

In 1992, the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing issued its final report to Congress, ''Building the Future: A Blueprint for Change.'' In its study, the Commission found that Native Hawaiians had the worst housing conditions in the State of Hawaii and the highest percentage of homelessness, representing over 30% of the State's homeless population.

In 1995, the U.S. Department of Housing and Urban Development issued a report entitled, ''Housing Problems and Needs of Native Hawaiians.'' This report contained the alarming conclusion that Native Hawaiians experience the highest percentage of housing problems in the nation—49%—higher than that of American Indians and Alaska Natives residing on reservations (44%) and substantially higher than that of all U.S. households (27%). The report also concluded that the percentage of overcrowding within the Native Hawaiian population is 36% compared to 3% for all other U.S. households.

Also, in 1995, the Hawaii State Department of Hawaiian Home Lands published a Beneficiary Needs Study as a result of research conducted by an independent research group. This study found that among the Native Hawaiian population, the needs of Native Hawaiians eligible to reside on the Hawaiian home lands are the most severe. 95% of home lands applicants (16,000) were in need of housing, with one-half of those applicant households facing overcrowding and one-third paying more than 30% of their income for shelter.

H.R. 1776 will provide eligible low-income Native Hawaiians access to Federal housing programs that provide assistance to low-income families. Currently, those Native Hawaiians who are eligible to reside on Hawaiian home lands but who do not qualify for private mortgage loans, are unable to access Federal assistance.

The provisions for Native Hawaiian housing assistance are identical to those contained in S. 225, which passed the other body on November 5, 1999. S. 225 was introduced by the two Senators from Hawaii. That legislation in turn is identical to S. 109 which passed the other body in the 105th Congress. It is gratifying that the House will now pass the same language. I look forward to the enactment of this legislation that is so important to the native people of Hawaii.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. BECERRA).

Mr. BECERRA. Mr. Chairman, I thank the gentleman for yielding me the minute.

Mr. Chairman, I rise in support of H.R. 1776, and I applaud the gentleman from New York (Chairman LAZIO) and the ranking member, the gentleman from New York (Mr. LAFALCE), and all the members of the committee for the work they have done to increase homeownership for American working families.

I am especially heartened to see that the manager's amendment expands the eligibility for the Teacher Next Door program to include law enforcement officers and fire fighters and other safety personnel; that program which has been renamed the Community Partners Next Door program, which offers HUD-foreclosed homes to these individuals at a 50 percent discount, will go a long way not only in increasing homeownership, but also in helping these communities have professionals and role models available and living in their communities.

I would like to work with the gentleman from New York (Chairman LAZIO) and the gentleman from New York (Mr. LAFALCE) and the members of the committee in trying to, perhaps, expand the program a bit more to increase the pool of homes that would be made available. Only 4,000 of the 45,000

HUD-foreclosed homes would be available at this point under the program.

I think there is work that we can do to try to expand the pool of homes beyond the 4,000 so that more than of the 4 million or so people who qualify could be available. I look forward to working with the committee. And I request a yes vote.

Mr. FRANK of Massachusetts. Mr. Chairman, how much time is remaining on both sides?

The CHAIRMAN. The gentleman from Massachusetts (Mr. FRANK) has 2¼ minutes remaining. The gentleman from New York (Mr. LAZIO) has 30 seconds remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Chairman, I want to thank all Members, particularly, the gentleman from New York (Mr. LAFALCE), our ranking member, and the gentleman from Massachusetts (Mr. FRANK), and also the gentleman from New York (Mr. LAZIO), our chairman, for the work they have done on H.R. 1776.

I rise today in support of the bill and the manager's amendment, but I also want to talk about one particular aspect that was really not fully addressed in committee that I hope will be addressed during the committees later on during this process.

Mr. Chairman, there is a composition of a consensus committee that is set up within this bill which is dealing with manufactured housing. The concept of this consensus committee is to put together consumers, industry experts, and government officials who advise HUD on safety standards and regulations. Unfortunately, there was one group of individuals that was left out of this consensus committee that I hope will be considered later on. They are the design professionals, the builders and the building inspectors, who are so vital in making sure there are safeguards and industry standards complied with during manufactured housing.

We hope that as the bill moves through the process, they will be considered and added to the bill. I thank the chairman for his consideration.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield the remaining time to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in support of this timely and urgently needed legislation. This bill promotes homeownership, the ultimate American dream, and deserves our support.

Our economy is experiencing a historic boom; but for many, the rising tide of prosperity has failed to lift their boats.

This bill can help to close a growing income and wealth gap that is creating two Americas. Homeownership is the single most important asset for wealth accommodation. Yet, in the past decade, the percentage of homeownership relating to wealth accumulation has declined almost by 10 percent.

Recently, there have been record lows that the mortgage interest rates have been going down; but actually, homeownership between lower-income persons has been going down as well. It is not true that affordability is there for low and moderate income. This bill makes it possible.

Mr. Chairman, I am extremely pleased that the manager's provision has a provision in there providing homeownership opportunity for those who live in public housing, using section 8 as a part of the down payment and mortgage assistance. This is a provision that the Congressional Black Caucus has strongly supported, and I want to urge and thank you for all of your consideration in this bill. I urge a yes vote.

Mr. Chairman, I rise in support of this timely and urgently needed legislation. This bill promotes homeownership—the ultimate American Dream—and deserves our support.

Our economy is experiencing an historic boom. But, for many, this rising tide of prosperity has failed to lift their boats. This bill can help to close the growing income and wealth gap that is creating Two Americas.

Homeownership is the single most important asset for wealth. Yet, in the past decade, the percentage of owner-occupied housing as it relates to all assets has declined by close to ten percent.

Recently, there have been record lows in mortgage interest rates, leaving many to believe that housing in the United States is more affordable than ever. That is not true.

Despite lower mortgage rates, fewer people are able to afford to purchase homes. That is principally because income growth for the poor and working poor has been weak. This group of Americans are ''cost-burdened'' under H.U.D. standards. That is, they spend more than thirty percent of their income for housing. The poor and working poor thus find themselves on a treadmill to nowhere when it comes to breaking into home ownership.

This bill can help reverse that trend.

There are many good provisions in the bill—such as raising the loan amount for Rural Housing; facilitating ownership opportunities for our police, firefighters, teachers and other municipal employees; and assisting our seniors and the disabled in becoming owners.

However, I would like to focus my remarks on one of its most outstanding features. The bill improves the manner in which we spend money for housing programs.

Under the Section 8 Program, we have had generations of families, dislocated from society, isolated in public housing and, very often, dependent upon the government to provide them with a relatively decent place to live. This bill allows Public Housing Authorities to use Section 8 funds to provide a suitable amount of cash assistance that can be used to help finance homes. By doing this, these families can begin the process of reducing their reliance on government and take the first step toward accumulating equity and wealth.

Home ownership builds healthy communities. Home ownership instills strength and pride in families. Home ownership provides dignity. When one owns a home, they are more likely to take care of it, maintain it and keep it clean and presentable.

This is a good bill, Mr. Chairman, with bipartisan support. I urge its passage.

Mr. LAZIO. Mr. Chairman, I yield 30 seconds to the distinguished gentleman from Missouri (Mr. BLUNT), the chief deputy whip.

Mr. BLUNT. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I wish I had more time to talk about this great bill and the manager's amendment that perfects it in an even better way. This is about homeownership. It is about choice. I served for a number of years on the Missouri Housing Development Commission. There is no higher point in a family's life than that moment when they own their home.

We are building in the 7th Congressional District in Missouri this year a Habitat for Humanity, a house that Congress built. There is no better day for a family when they get to see their own efforts make another step towards homeownership. This gives flexibility. It does the thing that we need to do to allow families to have the dream that they want to have.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. LAZIO).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider Amendment No. 2 printed in House Report 106–562.

AMENDMENT NO. 2 OFFERED BY MR. COBURN

Mr. COBURN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. COBURN:

Strike line 6 on page 27 and all that follows through line 13 on page 31.

Strike line 3 on page 73 and all that follows through line 16 on page 76.

Strike line 13 on page 91 and all that follows through line 21 on page 93.

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Oklahoma (Mr. COBURN) and the gentleman from New York (Mr. LAFALCE) each will control 10 minutes.

The Chair recognizes the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have listened this morning as speaker after speaker has come to this floor to discuss how important this bill is, to provide the necessary assistance to allow city employees to live where they work, and I would agree with that. I think that is an important consideration.

I have a question for my colleagues. Is it not also equally important that factory workers, union members, small businesses owners, Federal employees, the clergy, and nonprofit employees live where they work? The same help provided under this bill to municipal

employees is not provided to any of these individuals that I listed.

If we are facing the housing crisis that we described, which I believe that we may be, then why help just some individuals? Why not help them all? Why are some Americans more worthy of receiving Federal housing assistance than others? This amendment is about fairness.

I want to walk through with my colleagues for a minute who benefits under this law and who does not. Who qualifies for government-funded down payment assistance? Closing costs, support mortgage? Anyone, provided they make less than 80 percent, that is what the answer is. Local government employees making up to 115 percent of area median income or 150 percent in areas with high housing costs, what is the lowest down payment an individual can make to qualify for an FHA loan under the current law? Under H.R. 1776, 3 percent of the total purchase price, that is the current law, or 1 percent for teachers, fire fighters, rescue personnel, or law enforcement officers, under the new bill.

At what price can you buy a HUD home? 100 percent of appraised value. Under this new bill, 50 percent if you are a teacher, a fire fighter, rescue personnel, or a law enforcement officer; but that is not applied to you if you are the union worker building the home in that area or if you are the preacher that has a community church in that area. That is not forwarded to you.

I believe that this is a question about fairness. This amendment is designed to strike all but the 50 percent discounts that are directed in this bill.

Mr. Chairman, I reserve the balance of my time.

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, I rise in opposition to the Coburn amendment.

First, I would seek clarification. Is this Coburn Amendment No. 21 that strikes section 203 from the bill? It is.

This is not the amendment which would expand and extend it? Very good.

The Coburn amendment before us, and the gentleman has two, but this one would strike the provision which authorizes FHA 1 percent down payment loans and deferred and ultimately forgivable upfront premiums for teachers, policeman, and firemen buying a home in the school district or jurisdiction that employs them.

Section 203 incorporates the provisions of H.R. 3884, the bill that I had introduced, which is entitled the Homeownership Opportunities for Uniform Services and Educators Act, also known as the HOUSE Act. This bill, the provision that the Coburn amendment would strike, is supported by the Fraternal Order of Police, the National Education Association, the American Federation of Teachers, and the American Association of School Administrators.

Let us listen to what the Congressional Budget Office, or CBO, has to say about Section 203, which the Coburn amendment would strike. The CBO has concluded that section 203 will result in 125,000 additional FHA mortgages for teachers, policemen, and firemen over the next 5 years.

CBO also concludes that the provision will raise $162 million over the next 5 years. If Members vote for the Coburn amendment, they would vote to deny homeownership opportunities for 125,000 teachers, policemen, and firemen; and you would vote to reduce the Federal budget surplus by $162 million.

Is there any basis for supporting this amendment because of concerns about FHA? Absolutely not. A recently completed independent audit of FHA found that FHA makes billions of dollars a year in profits for the Federal Government and that the net worth of the FHA increased by $5 billion in the last 12 months, to a record net worth of $16 billion, many times the congressionally required capital standard for FHA.

Is there an argument that affordable low down payment loans for low- and moderate-income public servants do not serve a worthwhile purpose? No. I believe that the great majority of Members in this House believe that the teachers who educate our children, the policemen who keep us safe, the firemen who protect our homes from property damage, injury and death, play a critical role in our local communities. And especially high-cost areas, school districts, police departments, and fire departments are finding it increasingly difficult to recruit and retain qualified individuals; or when they can, these individuals may not be able to live in the local community because of the barrier of rising home prices and high down payment requirements.

Section 203 provides new opportunities to overcome this down payment hurdle, opportunities that the CBO says will not hurt, but will, in fact, help the taxpayer.

Mr. Chairman, I would strongly urge Members to vote no on the Coburn amendment and preserve these critical provisions in the bill and increase the surplus to the Federal Government.

Mr. COBURN. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. SANFORD).

Mr. SANFORD. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I would say this is a well-intentioned bill; but without the Coburn amendment which corrects a number of fatal flaws, I think it is, in fact, fatally flawed. And I would say that for a couple of different reasons. I would say, first of all, if we look at the way the Coburn amendment corrects the bill, it helps us to focus, because as it is now configured with 150 percent of median income the threshold, what that means is we have a worker in Fairfax County, Virginia, making $50,000 or $60,000 subsidized in the purchase of their home by somebody making $12,000 or $18,000 in Yamasee, South Carolina, which is in the neck of the woods where I grew up, where frankly there is not a whole lot of money to go around. So it loses focus on helping those in need.

Two, I think it encourages risk. It is very easy to spend somebody else's money; but by moving from 3 percent down to 1 percent, in terms of the amount of your own money you have to have in the deal, you frankly encourage people to, in essence, go out and take options on homes. These are not purchases but options. And I would say of most concern for me is that this bill supposedly is about recruiting and retaining EMS workers, firefighters, teachers, et cetera; but, in fact, it will have the reverse effect.

□ 1215

It is going to encourage job rotation. I can envision the day, if this bill goes through without this correcting amendment, when we will be watching a ''60 Minutes'' special about the policeman or the firefighter who switched jobs every 2 months, bought himself a different FHA house and because he could buy it for 50 percent of appraised value, he was buying $100,000 houses for $50,000 and he was making $300,000 flipping houses by moving jobs rather than making the pay that he was supposed to be earning as a firefighter or an EMS worker. It is going to have the reverse effect in terms of job rotation and retaining of workforce.

Mr. LAFALCE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. LAZIO).

Mr. LAZIO. Mr. Chairman, let me just say I have had many discussions with the gentleman from Oklahoma for whom I have respect. I know he brings this amendment in all good faith in an attempt to strengthen the bill. As he has already outlined, it has a number of very positive aspects to it. I am going to regretfully oppose this amendment because I think it dilutes one of the very important tools that we are providing to local communities, to provide them with the flexibility of meeting the needs of both attracting and retaining people who are providing critical services.

The idea of making sure that we can offer incentives to teachers who would otherwise not be able to own their own home to stay in the community is a very positive thing to serve as a role model or a mentor. The idea that we would provide an incentive for a police officer who is patrolling the local area to actually live in the local area and raise their family when they have a stake in it is a very positive aspect of this bill.

What we are saying here is we are not forcing anybody to do it, we are giving local communities the ability to control, the flexibility to try and fashion their own programs. I would say the same is true as well with firefighters and others who provide critical municipal services.

What we are trying to do is two things here, Mr. Chairman: One is to

boost homeownership opportunities, to get more people into homes, to have more Americans sharing the American dream, and also strengthening America's communities by building that social capital.

But we have got to do that in a balanced way. We cannot undermine the basic targeting provisions. We cannot fall victim to criticism that somehow we are shifting our resources to the very high income. But we have got to recognize that there are high cost areas where teachers and police officers and firefighters cannot afford to live without a little Federal help. We want to give them a little Federal help without undermining the FHA program. This is exactly what the gentleman from New York (Mr. LAFALCE) has said.

I would add, in addition, to what my good friend from South Carolina mentioned. It would be fraudulent, it would be against the law for somebody to game this system. They would be subject to criminal penalties to do that. That will not be permitted. That will not be permitted for somebody to be able to buy a home every 3 months and turn it over.

Mr. SANFORD. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentleman from South Carolina.

Mr. SANFORD. Mr. Chairman, I think we could debate whether or not an individual would be gaming the system based on what the Secretary eventually came out in terms of regulation behind this bill. But I think there is a larger issue here which is quite simple and, that is, if this bill goes through without this correcting amendment, you could literally buy a house for 50 cents on the dollar, for half price. You could buy it for half of appraised value. Is that not correct?

Mr. LAZIO. The only thing that the gentleman I think is addressing is the 1 percent down payment option.

Mr. SANFORD. That is incorrect.

Mr. LAZIO. That is what is stricken in this amendment.

There is another part of the bill which is not affected by this amendment which speaks to homes that are foreclosed homes, HUD-held homes that might well be in distressed areas that would permit local authorities to sell these homes in distressed areas. Some of these are going to be, and this would be totally flexible. It is not mandatory.

Mr. SANFORD. It could be in the most distressed area or it could be in the most affluent area.

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume.

Let me simply say that I believe the gentleman from South Carolina in all his remarks was addressing an amendment and a provision that was something other than the amendment and provision in question.

Mr. COBURN. Mr. Chairman, I yield myself such time as I may consume.

This amendment does not delete the 50 percent benefit of purchasing a HUD home at 50 percent. Let me clarify that.

Let me read what the American Federation of State, County and Municipal Workers say about pay: ''It is clear that compensation packages between the private sector and public sector at the State and local level is highly competitive and does not favor one over the other.''

By the union's own admission, they are competitive in their salaries. I do not question the intention of both gentlemen from New York. Their motives are pure in what they are trying to accomplish. What I say is what they are accomplishing is entirely unfair to the people who are paying the taxes that will make up for the 50 percent discount that goes with that.

If this program is so good for teachers, so good for the FHA, so good for improving the surplus, then I am sure that if they deny this amendment, they would want to support the other one, that expands that to clergy, that expands it to union members, expands it to the carpenter who builds the house when the carpenter who works for the city can buy the house. I am sure they would want to support that.

The next amendment that I am bringing up in terms of trying to correct this, I do not disagree with their motivation, but would expand this pie. And if we create 150,000 new mortgages with their amendment, we would create 300,000 if we expand the pie. What we would do is we would put it on an even basis. If we are going to pick winners, let us pick everybody to be a winner. Let us allow everyone the same opportunity.

Mr. Chairman, I reserve the balance of my time.

Mr. LAFALCE. Mr. Chairman, I yield the balance of my time to the gentleman from Massachusetts (Mr. FRANK).

The CHAIRMAN. The gentleman from Massachusetts is recognized for 1¾ minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, the major reason for differentiation is the nexus between municipal employment and the municipality. We have in fact many municipalities which have decided to impose residency requirements. They require that certain employees live in the city. Part of the impetus for this legislation is the increasing problem when people are faced with an inconsistent set of demands.

On the one hand they are legally ordered to live in the city, and on the other hand they cannot afford it. It is not my understanding that cities order other people to live there. The people who would be covered if the gentleman from Oklahoma's expanded amendment were adopted are not subject to a requirement of municipal residency nor has anyone thought that there was a logical reason to do that.

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Chairman, the only question I have is the Federal Government did not set any mandates on any city that their employees be a resident.

Mr. FRANK of Massachusetts. Right. I understand the gentleman's question. That is true. Cities, however, have done that. The fact that a mandate was not imposed by the Federal Government does not invalidate it in my mind. I believe cities have the right to make these judgments.

Independent of this legislation, many cities decided in the democratic process that governs those cities that it was helpful to have municipal employees living there, that it was helpful to promote the interaction, to have the police living there, the teachers living there. It was helpful to have these people who perform those important services living in the neighborhood.

This language facilitates that. It is not a general housing aid. It is in facilitation of an important municipal policy that they find useful to have their employees living in the communities. I am for broadening housing aid in general, and I thank the gentleman. I will be glad to be with him when the budget comes up so we can increase these programs and accommodate the increases he wants to make. But this is one with a particular nexus between the city and its employees.

Mr. COBURN. Mr. Chairman, I yield myself such time as I may consume.

The gentleman's argument is that the city should not have to live with the consequences of their own rules on their own citizens and, therefore, the Federal Government should make up that difference. That is what we are talking about.

The question that I would have for the gentleman from New York and the gentleman from Massachusetts, if in fact that is true and they do not want to support this amendment, then surely they will consider the next amendment. The reason that that is, is because if in fact we are going to take the premise that a city can require people to live within their district and then say the housing costs are so high we cannot afford to pay to fulfill this rule, that the Federal Government ought to come along, is it not fair to create in that mix a broad spectrum of people?

The gentleman from Illinois (Mr. RUSH) is going to say it is equally important to have a nurse there, a health care professional there. What can be wrong with that? Why would we not want to advantage nurses?

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COBURN. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. What is wrong with it is that the budget that has been adopted, over the objection of the gentleman who thought it was too liberal, does not have enough money. I would be glad to join with the gentleman from Oklahoma if he would be

willing to put his money where his mouth is, if in fact he would allow the program——

Mr. COBURN. Reclaiming my time, the gentleman from New York (Mr. LAFALCE) just told us that this would enhance HUD by $5 billion. Would enhance. Your own testimony from your side of the argument has already said that you will enhance this program by $5 billion according to the CBO. So why not allow the gentleman from Illinois' amendment?

Mr. Chairman, the gentlewoman from California (Ms. WATERS) has an amendment to bring this back to 80 percent. If we are really concerned about fairness and spreading this money out, bring it back to 80 percent and expand the pot to everybody.

Expand the pot to the people that are paying the taxes who are not going to get any advantage out of it. Let us expand it to the union worker who actually builds a house, the union plumber who puts the plumbing in the house. He is disadvantaged. It is interesting to note that the American Homebuilders Association is opposed to these amendments. They are up here lobbying for certain people to be advantage when their own employees who are paying the taxes for it will get no benefit other than a job.

Mr. FRANK of Massachusetts. If the gentleman will yield further, I thank the gentleman for his strong endorsement of union workers. I am sure when Davis-Bacon comes up there will be——

Mr. COBURN. My union record is not all that bad if the gentleman will look at it.

Mr. FRANK of Massachusetts. The fact is that as you expand this program, it is going to cost some more money. I support greater housing aid. I would say to the gentleman I am all in favor of this. In fact I do not think it should be limited at all by occupation.

Mr. COBURN. I guess the point is, the testimony is that it is going to be enhanced by $5 billion just what we do. And if you really think it ought to be broadened, then let us broaden it to everybody. We will defeat my first amendment but you support the second one which does broaden it and does create fairness in the housing market.

Mr. FRANK of Massachusetts. If the gentleman will yield further, I am in partial agreement with the gentleman as to the first amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. COBURN).

The amendment was rejected.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 106–562.

AMENDMENT NO. 3 OFFERED BY MR. RUSH

Mr. RUSH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. RUSH:

Page 27, line 14, after ''TEACHERS'' insert '', NURSES,''.

Page 29, line 1, strike ''or (bb)'' and insert ''(bb) a nurse (as such term is defined by the Secretary, except that such term shall include nurses employed in hospitals and nursing homes), or (cc)''.

Page 30, line 3, strike ''or''.

Page 30, after line 3, insert the following:

''(II) in the case of a mortgage of a mortgagor described in clause (i)(I)(bb), the jurisdiction in which the hospital, nursing home, or other place of work of the nurse is located; or

Page 30, line 4, strike ''(II)'' and insert ''(III)''.

Page 30, line 6, strike ''(i)(I)(bb)'' and insert ''(i)(I)(cc)''.

Page 73, line 16, after ''of,'' insert ''and nurses (which shall include nurses employed in hospitals and nursing homes)''.

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Illinois (Mr. RUSH) and the gentleman from New York (Mr. LAZIO) each will control 5 minutes.

The Chair recognizes the gentleman from Illinois (Mr. RUSH).

Mr. RUSH. Mr. Chairman, I yield myself such time as I may consume. First I want to commend the author of this particular bill, H.R. 1776. I think that it is a fine bill. I want to commend both the subcommittee chairman, the full committee chairman, the ranking member of the subcommittee and the ranking member of the full chairman. I think that this is a bill that is going to really solve a serious problem.

REQUEST FOR MODIFICATION TO AMENDMENT NO. 3 OFFERED BY MR. RUSH

Mr. RUSH. Mr. Chairman, I ask unanimous consent that my amendment be modified so that it applies to section 505 of H.R. 1776. Due to a drafting error, it currently applies only to section 203 and 404 of the bill.

□ 1230

The CHAIRMAN. The Clerk will report the modification to the amendment offered by the gentleman from Illinois (Mr. RUSH).

The Clerk read as follows:

Modification to Amendment No. 3 offered by Mr. RUSH:

The amendment as modified is as follows:

Page 27, line 14, after ''TEACHERS'' insert '', NURSES,''.

Page 29, line 1, strike ''or (bb)'' and insert ''(bb) a nurse (as such term is defined by the Secretary, except that such term shall include nurses employed in hospitals and nursing homes), or (cc)''.

Page 30, line 3, strike ''or''.

Page 30, after line 3, insert the following:

''(II) in the case of a mortgage of a mortgagor described in clause (i)(I)(bb), the jurisdiction in which the hospital, nursing home, or other place of work of the nurse is located; or

Page 30, line 4, strike ''(II)'' and insert ''(III)''.

Page 30, line 6, strike ''(i)(I)(bb)'' and insert ''(i)(I)(cc)''.

Page 73, line 3, before the period insert ''**AND NURSES**''.

Page 73, line 16, after ''of,'' insert ''nurses (as such term is defined by the Secretary for purposes of section 203(b)(10) of the National Housing Act (12 U.S.C. 1709(b)(10)) who are employed in a hospital, nursing home, or other place of work that is located within the jurisdiction of,''.

Page 91, line 13, before the period insert ''**AND NURSES**''.

Page 92, line 8, after ''(B)(i)'' insert ''(I)''.

Page 92, line 15, strike ''and'' and insert ''or''.

Page 92, after line 15, insert the following:

''(II) is a nurse (as such term is defined by the Secretary for purposes of section 203(b)(10) of the National Housing Act (12 U.S.C. 1709(b)(10)) who is employed in a hospital, nursing home, or other place of work that is located within the participating jurisdiction that is investing funds made available under this title to support homeownership of the residence; and

Mr. RUSH (during the reading). Mr. Chairman, I ask unanimous consent that the modification to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Is there objection to the modification to the amendment offered by the gentleman from Illinois (Mr. RUSH)?

Mr. LAZIO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Illinois (Mr. RUSH) if he wishes to proceed on the amendment as introduced.

Mr. RUSH. Mr. Chairman, I will proceed.

The CHAIRMAN. Does the gentleman from Illinois (Mr. RUSH) wish to reserve his time?

Mr. RUSH. Yes, Mr. Chairman, I will reserve my time.

Mr. LAZIO. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. LAZIO).

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

I know that the gentleman from Illinois offers this amendment with the best of intentions to try and expand homeownership opportunities for nurses, and perhaps because my wife is a nurse and because I work closely with nurses on a number of health-related issues, I like to think of myself as not insensitive to the need to recruit and retain high-quality nurses.

But we are trying to fashion a balanced approach in this bill, and we are trying to speak to dual needs: one is boosting the promise of homeownership for people who serve our community in dangerous situations, quite often, fire fighters and police officers, people who serve our community as mentors and as teachers. We are trying to deal with the issue of recruitment, and we are trying to do this in a relatively balanced way, which is to say we are not trying to open this up to everyone.

Mr. Chairman, there are a number of different meritorious arguments that can be made for different groups that ought to have the additional flexibility to be helped to achieve homeownership. There is a lot in this bill that does this that will speak to those people. There are a lot of things in the bill that will allow nurses of modest income to achieve the dream of homeownership.

However, by expanding the 1 percent provision in this section 203, which allows 1 percent down payments beyond the balanced approach that was crafted in a bipartisan way, I think we are diluting the support that we will have to provide flexibility to local governments. We are trying to give mayors and local leaders the tools that they need to create magnets for people that serve in those very communities. While some nurses may serve in those communities, some nurses may serve in other communities. Regional hospitals or tertiary care hospitals are different in terms of who they may attract relative to schools where the people live in that area, or with respect to police departments headquarters, which also deal with the people in that local vicinity.

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Chairman, I would ask the gentleman, what about the school nurse?

Mr. LAZIO. Mr. Chairman, reclaiming my time, the provision in this bill speaks to both administrators and teachers. That is where the crisis is. That is where we are finding that we cannot, as we are seeing the explosion in the amount of children coming into our school system, fill the need to recruit and retain quality people. We are dealing with a situation where, for example, in Atlanta, teachers, starting teachers' salaries are $29,000. They cannot get any help for homeownership. They can get no help for homeownership, because the median income in Atlanta is $22,000; and the law says only the people that are at 80 percent of that number or under $20,000 can qualify for that. A policeman in Atlanta cannot qualify for homeownership assistance.

So we are saying here that through the various programs, the 1 percent down payment program, through CDBG, through HOME, I know that these are not all of the issues that the gentleman from Illinois is raising, that we are trying to help provide social capital, a more solid community, and an enticement for police officers and for teachers and for fire fighters who serve that very community to achieve that dream of homeownership.

So I think because of the overexpansion, I am unfortunately going to oppose the gentleman's amendment.

Mr. RUSH. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. LAFALCE), the ranking member of the committee.

Mr. LAFALCE. Mr. Chairman, I would like to associate myself with the remarks of the distinguished chairman of the Subcommittee on Housing (Mr. LAZIO). I would have to oppose this amendment too, but yet I think the gentleman from Illinois (Mr. RUSH) has a very, very worthy purpose in mind; and I would like to work closely with him if this amendment goes down in order to try to accomplish his goals and his purpose.

There are public nurses. There are nurses who work for publicly owned hospitals, there are publicly run nursing homes, et cetera; and I do not think that if there is such an amendment developed, that it would be inconsistent with the purposes that are articulated in the bill.

Right now, I think that the amendment that is offered is just too broadly based and would be inadequately targeted. I thank the gentleman.

Mr. RUSH. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, I just want to point out that the gentleman's intent is a good intent, because the gentleman from New York just made the argument in Atlanta that if one is a school teacher or fire fighter, but if one is a nurse making the same amount of money living in the community, one does not have the opportunity.

We just rejected an amendment, two votes for it on a floor vote, we did not ask for a recorded vote, that said this house is overwhelmingly decided we are going to subsidize the purchase of homes for municipal employees. That is what we have just said.

So if we are going to do that, why do we not share subsidization with the people that are paying the taxes that also need help buying a home who would also qualify for that? I believe that is the gentleman's point, plus the fact that a nurse in these areas is a qualified health professional that would also be of great advantage to the community. So what we are saying is the base bill gives us a $5 billion plus up; and we are saying, let us make it $300,000. Let us do the rest of the homes.

Mr. RUSH. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I rise in support of the Rush amendment. There are many economically distressed and medically underserved communities that find it virtually impossible to recruit nurses, virtually impossible. This amendment would provide nurses and those communities the same opportunities that we are providing for other individuals.

So I would associate myself with the remarks of the gentleman from New York (Mr. LAFALCE) that I would hope that we would be able to work out an agreement where there can be the encompassing of the intent of the gentleman's amendment in final passage of the bill, which is an excellent bill; and I commend all of those who worked on it, and especially do I commend the committee for the inclusion of the ability for public aid, public assistance individuals on section 8 to move towards homeownership.

Mr. RUSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I fully support this bill, and I believe that this bill is a good bill. I believe this bill could become a better bill if, in fact, my amendment was a part of the bill. I, too, represent a disadvantaged community on the South Side of the City of Chicago, and I know the problem that is caused by the scarcity of nurses in my hospitals and in my nursing homes and in other health care facilities. This amendment is meant to address this very, very serious problem that we are facing, not only in the City of Chicago, but all across this Nation. We need to give some incentives to nurses who are committed to working in disadvantaged communities.

Mr. Chairman, I would just like to engage in a colloquy with the gentleman from New York (Mr. LAZIO), the chairman of the subcommittee, and ask him if, in fact, this amendment does get voted down, would he please assure me and other Members of the House that he will work with the ranking member and myself to make sure that we try to work on this particular amendment.

Today the House will be voting on a bill to increase homeownership among low- and moderate-income families, including teachers, police officers, firefighters.

My amendment would simply add nurses to the pool of people who are able to benefit from the downpayment and closing costs abatement on homes.

My amendment would allow the Secretary of Health and Human Services to define the term nurse. It would also specify that under the bill, nurses would be required to live in the jurisdiction where the hospital, nursing home or other place of nursing employment is located.

Many of today's nurses do not want to work in disadvantaged and underserved communities and this causes a critical shortage in these areas.

Also, because of managed care cuts and the growing health needs of an aging population there is a shortage of skilled nurses in many of our communities.

When hospitals cut nursing jobs, many leave the profession and fewer students pursue nursing degrees.

Another factor contributing to fewer skilled nurses is the aging nursing population: the average age of all registered nurses nationally was 44 years in 1996. More than 62 percent of RNs are age 40 or older. In some communities starting salaries for nurses range from $14,000 to $20,000.

Mr. Chairman, I urge my colleagues on both sides of the aisle to support this amendment.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. RUSH) has expired.

The gentleman from New York (Mr. LAZIO) has 1½ minutes remaining.

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

In answer to the gentleman from Illinois's comments, I very much appreciate the good faith in which the gentleman from Illinois has brought this amendment. I would very much love to help nurses and other people in health care service, especially those who are employed by municipalities and are serving in that very same community.

I would say to the gentleman that I would be happy to work with the gentleman and with the ranking member to see if we can identify some means of providing the kind of support that the gentleman has raised, whether it is a rental or homeownership, but to provide some support for nurses and other people who are health care professionals as time goes on. I do not think this is the right forum for it, but I would be happy to work with the gentleman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. RUSH).

The amendment was rejected.

The CHAIRMAN. It is now in order to consider Amendment No. 4 printed in House report 106–562.

AMENDMENT NO. 4 OFFERED BY MR. COBURN

Mr. COBURN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. COBURN:

Page 28, line 19, after ''(I)'' insert ''(aa)''.

Page 29, line 1, strike ''or (bb)'' and insert ''(bb) is employed on a full-time basis as''.

Page 29, line 8, before the semicolon insert the following:

, (cc) is employed on a full-time basis by a tax-exempt authority, (dd) is employed on a full-time basis by the Federal Government, (ee) is a member of an organization under the jurisdiction of the National Labor Relations Board, (ff) is employed on a full-time basis by, or has a financial interest in, a small business, or (gg) qualifies for the child care tax credit under section 24 of the Internal Revenue Code of 1986

Page 73, line 3, strike ''**EMPLOYEES**'' and insert ''**RESIDENTS**''.

Page 73, strike lines 13 through 23 and insert the following:

''(24) provision of direct assistance to facilitate and expand homeownership among residents of the metropolitan city or urban county receiving grant amounts under this title pursuant to section 106(b) or the unit of general local government receiving such grant amounts pursuant to section 106(d), except that—

Page 73, line 25, strike ''employees'' and insert ''residents''.

Page 74, lines 11 and 12, strike ''employees'' and insert ''residents''.

Page 75, lines 2 and 3, strike ''employees'' and insert ''residents''.

Page 92, line 8, after ''(B)(i)'' insert ''(I)''.

Page 92, line 15, strike ''and'' and insert ''or''.

Page 92, after line 15, insert the following:

''(II)(aa) is employed on a full-time basis by a tax-exempt authority, is employed on a full-time basis by the Federal Government, is a member of an organization under the jurisdiction of the National Labor Relations Board, is employed on a full-time basis by, or has a financial interest in, a small business, or is qualified for the child care tax credit under section 24 of the Internal Revenue Code of 1986, and (bb) is a resident of the participating jurisdiction that is investing funds made available under this title to support homeownership of the residence; and''.

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Oklahoma (Mr. COBURN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, I yield myself such time as I may consume.

This is the amendment that we spoke about. I just want to outline basically for the Members of the body and those people at home what this amendment does.

What we have already said is if we pass this bill, we are going to subsidize middle-income America to buy homes at a cheap rate, certain groups at a lower rate than others, and that the other people who are making that same amount of money will not have the same opportunity as the people that have been ferreted out through social engineering in this bill.

So what this amendment does is it allows 1 percent down payments on FHA homes, and it would allow HOME funds to be used for down payment and closing cost assistance, as well as mortgage subsidies for the following individuals: those employed on a full-time basis for a tax-exempt authority. That means preachers, youth ministers, social workers, members of an organization under the jurisdiction of the NLRB. That means any union member would have exactly the same opportunity to buy a home, especially those that are building the homes; they are paying the taxes, they make the same amount of money; but if one happens to be a carpenter for the city, you get to buy that home, but if you happen to be the carpenter working to build that, you do not have that advantage. Those employed on a full-time basis by the Federal Government; those employed on a full-time basis by a small business, the very heart of these communities that we are trying to enhance; those who have a financial interest in a small business, as well as those who would qualify for a child-care tax credit. In addition, the amendment would allow CDBG funds to be used for down payment and closing cost assistance as well as mortgage subsidies for any resident of a community, provided that they meet the income restrictions.

This is about fairness. If, in fact, we are going to subsidize, and that is the will of this Congress, we should not at the same time pick winners and losers out of people who have exactly the same income status in this country, and that is what we are doing, regardless of our social goal.

What we are doing is saying, if one is not a fire fighter, then one cannot have this advantage, even though one may do something just as valuable in the community; or if one is not a policeman, if one is not a teacher, if one is not a municipal employee, and what we are actually saying when we do that is we are saying a municipal employee has more value than any other employee in the city who makes the same income.

To me, I think that is unfair, and I think that is one of the great flaws with this bill. I would hope that the gentleman from New York would support the expansion of this.

Mr. Chairman, I reserve the balance of my time.

□ 1245

The CHAIRMAN. Is the gentleman from New York (Mr. LAFALCE) opposed to the amendment?

Mr. LAFALCE. I am, Mr. Chairman.

The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I regret that I must rise in opposition to the Coburn amendment, because I do understand the arguments that are motivating him. But I really believe, too, that his arguments are misguided.

First of all, what we attempted to do was create a nexus between a municipal employer and a municipal employee. We said, well, maybe we ought to be able to help municipalities keep their employees living within the district that they work in.

So if they are a teacher, if they are a policeman, if they are a fireman, and if they work in the city of Tonawanda and will live in the city of Tonawanda, it will create this incentive. It is not really a subsidy, either. It is an incentive, not a subsidy. We make money, according to CBO.

What the gentleman's expansion would do is apply it virtually to the world, and therefore, the gentleman eliminates the whole concept behind it: a geographic nexus. So the gentleman would have an incentive created for an individual who lives 3 hours away. It destroys the purpose of the amendment. The gentleman does not expand the purpose of the amendment, he destroys the purpose of the amendment.

Let me continue. I have already discussed some of the benefits of the program. The Coburn amendment before us now says, why limit these benefits? First, because he eliminates the geographic nexus that we insist upon.

There are other reasons, too. There is a public purpose in helping these public servants, a public purpose that does not apply to the groups that the gentleman from Oklahoma (Mr. COBURN) would make eligible. The teachers who educate our children, the policemen who keep us safe, and the firemen who protect our home from property damage, injury, and death, all play a critical public role in our local communities.

People who work in small businesses, for example, or who qualify for the child care tax credit, may be very worthy individuals, they simply do not serve the same public function as our educators and our essential public safety officers. In particular, Section 203 and related provisions of the bill address the very real problem that school districts, police departments, and fire departments are finding it increasingly difficult to recruit and retain qualified individuals, or when they can, these individuals may not be able to live in the

local community because of the barrier of rising home prices and high down-payment requirements.

These considerations simply do not come into play in the case of the categories that the Coburn amendment would expand eligibility to include.

The other problem with this amendment is that it could have a very negative impact on the health of the FHA fund. We had CBO score our bill. They scored our bill as raising revenues, because it will provide opportunities for a large number of people not currently using FHA. Thus, the increased revenues from such added use will outweigh the cost of foregoing premiums for those borrowers that would have used the program anyway, and would just be getting more favorable treatment.

However, I do not believe the gentleman from Oklahoma (Mr. COBURN) has a CBO estimate of his amendment. In my judgment, by opening up eligibility to in effect virtually everyone in the Nation, the revenue loss could be tremendous.

The gentleman from Oklahoma (Mr. COBURN) would like to piggyback. He says, his provision makes money; therefore, mine would, too. Not at all. They deal with totally different classes of people. The effect most likely would be that the FHA, instead of generating millions of dollars in profits each year, as it current is, could end up operating at a significant loss.

Thus, the likelihood in my judgment is that this amendment, if enacted, would be a budget-buster, threatening the very program that last year provided mortgage loans to 1.3 million Americans.

Mr. COBURN. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, what the gentleman just made a logical argument for is to say that pastors and union members and small business owners are going to default at a higher rate than the groups they have selectively placed out, because in fact, earnings through this program are based on default rates. The lower the default rate, the more increased the earnings are. The assumption of his argument is that that is what would happen.

The other part of his argument, which I find completely inaccurate, is that a firefighter has more impact in a community than a pastor. I think that is wrong.

Mr. Chairman, I yield 30 seconds to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Chairman, I am not speaking against anyone, but it is extremely important that, for principle's sake, that I say that if we want these new programs, worthy as they are, then we should appropriate new funds for them. When we get into presently persistent programs that are set aside for low- and minority-income people, then we begin to find the kind of bifurcation we are finding here today: other groups are going to be coming up and ask for the same thing.

I am compelled to say to the chairman that even though the gentleman from Oklahoma (Mr. COBURN) and I never agree on anything, in terms of the expansion of this program, he is right in that we must remember these set-asides that we bring into the HOME program in the long run will cause us problems.

Mr. COBURN. Mr. Chairman, I yield the balance of my time to the gentleman from South Carolina (Mr. SANFORD).

The CHAIRMAN. The gentleman from South Carolina (Mr. SANFORD) is recognized for 1½ minutes.

Mr. SANFORD. Mr. Chairman, I would just mention to Members that if Members believe in a ruling class, then they will vote against the amendment of the gentleman from the gentleman from Oklahoma (Mr. COBURN). If Members believe in a government class, they will vote against the gentleman's amendment.

What this is about is government making the choices. That is what he has raised. We have gone from removing barriers, which is supposedly what this original bill was all about, to subsidy, and Washington getting to pick the winners and losers.

I think that is fundamentally against the idea of one man-one vote, equality in this country. I would go back to a point that was talked about earlier, which again, the gentleman's amendment, unfortunately, cannot get at, but it is a very important point.

That is, if this bill goes through in its present form, then a number of categories that Washington has chosen can buy a house for half price, while the farmer in our home district cannot buy that house for half price, while the McDonald's workers in our hometown cannot buy that house for half price, while the person who cuts timber in our backyard cannot buy a house for half price, or somebody working in a grocery store, or somebody who works at the local nursery school, or somebody who works in construction, they cannot buy houses at half price.

All of those are important parts of what makes up a local community. I think they have value, too. Without the gentleman's amendment, they are excluded. I do not think that is fair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. COBURN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COBURN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 460, further proceedings on the amendment offered by the gentleman from Oklahoma (Mr. COBURN) will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider amendment No. 5 printed in House Report 102–562.

AMENDMENT NO. 5 OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. ANDREWS:

Page 53, after line 25, insert the following new section:

SEC. 209. ENERGY EFFICIENCY CERTIFICATIONS.

Section 526(a) of the National Housing Act (12 U.S.C. 1735f–4(a)) is amended—

(1) by inserting ''(1)'' after ''(a)''; and

(2) by adding at the end the following new paragraph:

''(2) The Secretary shall require, with respect to any single- or multifamily residential housing subject to a mortgage insured under this Act, that any approval or certification of the housing for meeting any energy efficiency or conservation criteria, standards, or requirements pursuant to this title and any approval or certification required pursuant to this title with respect to energy conserving improvements or any solar energy system, shall be conducted only by a home energy rating system provider who has been accredited to conduct such ratings by the Home Energy Ratings System Council, the Residential Energy Services Network, or such other appropriate national organization, as the Secretary may provide.''.

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from New Jersey (Mr. ANDREWS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I first want to express my enthusiastic support for the work that the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAZIO) and the gentleman from New York (Mr. LAFALCE) and the gentleman from Massachusetts (Mr. FRANK) have done, and thank them for bringing to the floor a bill that will no doubt make more Americans homeowners in high-quality homes. I congratulate them.

In 1973, the phrase ''oil embargo'' became known to the vocabulary of most Americans for the first time. It was widely acknowledged that we needed to do something to reduce our dependence upon foreign energy. Here we are, 27 years later, and one of the major issues confronting the country is our dependence upon foreign oil.

One of the long-term strategies to reduce that dependence is to become more energy-efficient in every aspect of American life. It is to the credit of the authors of this bill and their predecessors that we are moving in that direction in the field of housing. Through various tools available to the Federal government, we are creating a situation in which more energy-efficient homes are being financed and purchased by more people.

The purpose of my amendment is to be sure that when we say that something is energy-efficient, that it really is; that the certification of what is energy-efficient is a certification that

meets a high standard, as is presently the law, and that that standard is carefully reviewed by a well-trained, well-prepared, and duly-accredited appraisal agency.

I appreciate the work that both the majority and minority staffs have done on this measure, and I appreciate the fact that there are some very valid concerns about the scope of the issue that I have raised.

In particular, we are certainly of the intention that no duly accredited organization be excluded from the provisions of this amendment. I know that the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. FRANK) want to be sure that the scope of the amendment is broadened to include every such qualified organization.

Secondly, I know there have been concerns raised about the availability of such inspections in all areas of the country. It is certainly not our intention, as sponsors of the amendment, to make it more difficult for any American to own or finance or refinance a home.

With that in mind, I would ask the chairman of the subcommittee, the gentleman from New York (Mr. LAZIO), to discuss this matter. It is, frankly, my intention, based upon representations that we could work on this problem together in conference, to withdraw this amendment, but I wanted to speak to him about that.

Mr. LAZIO. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from New York.

Mr. LAZIO. I thank the gentleman for yielding to me, Mr. Chairman.

I truly appreciate the gentleman's efforts to provide protection to consumers and provide the best possible options for homeowners for energy efficiency certification. The concern that I have, and I think I have spoken to the gentleman about, is about whether or not we mandate or limit options for consumers.

I would be very pleased to work with the gentleman from New Jersey as the process moves forward to try and address some of the concerns raised.

Again, I think there is a cost option and there is a choice option. I think the gentleman's intention is not to undermine either of those. He does not want to have a more expensive certification process, does not want to eliminate important options for consumers.

I think if we work together, we may be able to try and find ways to try and adjust that.

Mr. ANDREWS. Reclaiming my time, Mr. Chairman, the chairman has accurately stated my intentions, and I appreciate his intentions.

Mr. Chairman, it is my intention that we have no additional energy certification requirement than is presently in the law, that we simply address the way one is certified as meeting that requirement in a way that does not add significant cost to the consumer, and in a way that does not limit the choices that a consumer would have in choosing a qualified certifier. That certainly accurately states my intentions.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I thank the gentleman for yielding to me.

Mr. Chairman, the gentleman said it was his intention to acknowledge that the gentleman from New York had accurately stated his intentions. I certainly do not intentionally want to undo any of this harmony. I simply say that I join with both gentlemen in our commitment to work this out. I think they have made it very creative. We will be able to do that.

Mr. ANDREWS. Mr. Chairman, the gentleman from Massachusetts has very clearly stated everyone's intentions here, which I appreciate.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

□ 1300

The CHAIRMAN. It is now in order to consider amendment No. 6 printed in House Report 106–562.

AMENDMENT NO. 6 OFFERED BY MR. WEYGAND

Mr. WEYGAND. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 Offered by Mr. WEYGAND:

Page 59, after line 23, insert the following new section:

SEC. 212. PROPERTY IMPROVEMENT LOAN LIMIT FOR SINGLE-FAMILY HOMES.

Section 2(b)(1)(A)(i) of the National Housing Act (12 U.S.C. 1703(b)(1)(A)(i)) is amended by striking ''$25,000'' and inserting ''$32,500''.

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Rhode Island (Mr. WEYGAND) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a very simple amendment. It revises or amends title I of the FHA home improvement section, which is actually the oldest section of the FHA program. It was started back in 1934.

This program was intended, as it does today, to provide for mortgages for home improvements. This is done through an FHA-approved lender who makes the loans out of their own funds to eligible borrowers, through HUD and through FHA.

These are for typical kinds of homeowner improvements, whether they be for utilities, whether they be for renovations to rooms, bathrooms, roofs, whatever it may be, but it is not for such things as luxury items, swimming pools and other things like that. It is for core essentials to make improvements to one's home.

As I said, this program was started in 1934 and over the years we have had many changes with the original loan limit. Presently, the loan limit is $25,000 per loan. This was established approximately 9 years ago, and since that time construction costs and the rate of inflation have certainly eaten into the purchasing power of that $25,000.

This amendment that we are offering today would simply move the limit to $32,500, which would be equivalent to what the rate of inflation and building costs would have been over the last 9 years. In fact, what we are doing is allowing for the borrower to purchase the same amount of construction improvements in 2000, 2001, as they would back in 1991. It is not an expansion. It is just simply keeping pace with inflation.

As a matter of fact, such an index is also used in FHA 203(b), single-family loan limits that they go through every year. So it is not unusual for us to do this.

At the chairman's request, and I want to thank him for his indulgence and his assistance in this, I have talked not only with FHA but also with OMB and we have letters from both that will be coming to us by way of myself to the chairman that they are in full agreement. They have no opposition to this amendment whatsoever. They believe that it is reasonable and they will not oppose it and the administration would not oppose it.

I made that promise to the chairman because I believe that the administration should be on board with this amendment if we are to move forward with it.

Lastly, Mr. Chairman, this kind of an increase, again, has nothing to do with the existing title I program in terms of modifying or changing any of the criterion, the regulations or the oversight that would be part of title I. This is a good improvement, would allow those people who are really scratching, trying to get by to make major home improvements allow them the opportunity to do that.

Mr. LAZIO. Mr. Chairman, will the gentleman yield?

Mr. WEYGAND. I yield to the gentleman from New York.

Mr. LAZIO. Mr. Chairman, I want to thank the gentleman from Rhode Island (Mr. WEYGAND) for yielding.

Mr. Chairman, the gentleman is correct in referencing that we have had numerous discussions about this issue. The title I home improvement program is a valuable program for America. It helps some of our neediest communities achieve the dollars that they need, homeowners getting the dollars they need to put a new roof on their

house or rebuild their heating system, much the way other parts of this bill deal with the reverse equity program, allowing seniors who are house rich but cash poor tap into their equity, stay in their home, rebuild their heating system, put a new walkway in or put a new roof on without having to move out.

So these are very positive aspects of this proposal, and I support the proposal, but as I said to the gentleman I am concerned. I am concerned about the Department of Housing and Urban Development ensuring that this program is properly enforced.

We have had continuing concerns, and the gentleman from Massachusetts (Mr. FRANK) has shared these concerns, about the ability of the Department to properly enforce the law so that the worst players are eliminated and people are still able to access these dollars.

I am concerned, based on a conversation I just had only minutes ago, that HUD may not be willing to issue the kind of statement that the gentleman from Rhode Island (Mr. WEYGAND) I know has been seeking. So I would only say that I am going to support this amendment with the understanding by all parties that I want to get the green light from HUD that this will not undermine their ability for proper enforcement. If that does not come before we are able to conference this bill, then I am going to reevaluate my position.

Mr. WEYGAND. Mr. Chairman, reclaiming my time, I concur with the gentleman from New York (Mr. LAZIO), and I have said to him that we will provide not only the letters but also the support from the administration on this.

I would also like to add one last thing about the amendment. The gentleman from New York (Mr. LAZIO) is correct. We believe that there must be stronger, more vigilant guidelines and regulation of the title I program. This would not change that, and I thank the gentleman for his cooperation.

Mr. FRANK of Massachusetts. Mr. Chairman, I claim the time in opposition.

Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would say at the outset that my opposition is quite tentative, but under the rule there is no other way to get time. So in the interest of making sure that everybody has a chance to offer amendments, I am prepared to express, as I said, the mildest of opposition to this amendment. I think I am capable of being persuaded to the contrary. I am open minded. I guess one would say, Mr. Chairman, I am claiming the time as leaning against, which I believe, as I look at the parliamentarians, is acceptable under the rules.

Mr. LAZIO. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO. Mr. Chairman, I just want to thank the gentleman from Massachusetts (Mr. FRANK) for the bipartisan nature of the concern to ask HUD to address some of these problems that have been identified without undermining the program. There is a rule that has been proposed, as the gentleman knows, that could potentially undermine the ability of this program to be properly implemented.

I know the gentleman shares my concerns, and I am just wondering if he would like to express his concerns.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman for that. One of the things that has been very heartening about this debate and I mean this, with regard to this, with regard to the points that were made by the gentleman from Oklahoma on the previous amendment and joined by the gentleman from South Carolina, I think what we have seen is a consensus that whatever criticisms we might have had of various government housing programs in the past, sufficient improvements have been made in the way in which they are operated so we can, with some confidence now, increase funding for them.

We have come out of a period when there were two constraints on funding for government housing programs. One was the concern that they were not being well run; another, the severe deficit condition of the Federal Government. We are making very substantial progress on both.

This bill is a recognition of that, and there are some initiatives here. One of the things that we have done, we got out of the housing production business. Section 8 became purely a rental program. One of the things that was commented on, I believe by the gentleman from Wisconsin earlier, was that this bill begins to put section 8 back into a program that could help housing production because it puts it into a homeownership situation.

Obviously, one cannot use section 8 for homeownership if it is on an annualized basis. One cannot buy a home with a one-year certificate. So we are recognizing that there is some value to lengthening it.

There are other parts of this bill that try to do that. Raising the FHA limit, let me put it this way, we have a demand to raise the FHA limit. Where does that come from? People who have had good experiences with FHA. There were periods in our history when people heard FHA and thought, oh, the program is not running well. It is now running well enough so that there is considerable interest in expanding it.

The gentleman from Oklahoma made some very good points on his second amendment about expanding some of these programs, but we need to have funds with which to do that.

So I hope that the lesson of today will be, first, that we are trying as prudently as possible to expend the funds made available to us but, secondly, that we are making a very good case for an increase in funding; that the allocations that go for housing programs ought substantially to be increased and we are going to get some further indications of that.

Mrs. MEEK of Florida. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentlewoman from Florida.

Mrs. MEEK of Florida. Mr. Chairman, I agree with the gentleman, but the gentleman said one significant thing. The gentleman mentioned that these programs are good and worthy but a new appropriation is needed. Therefore, the gentleman's subcommittee should have authorized these new programs.

So if the gentleman authorizes them, then we could get them funded.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentlewoman from Florida (Mrs. MEEK), and would that it were my subcommittee. I assure my friend, the gentlewoman from Florida (Mrs. MEEK), that if it were my subcommittee I would authorize in a way that would stretch even her capacity to appropriate, considerable though that may be.

Mrs. MEEK of Florida. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentlewoman from Florida.

Mrs. MEEK of Florida. Mr. Chairman, if that is the case then, then we can continue to authorize on appropriation bills.

Mr. FRANK of Massachusetts. Well, I am all in favor of increasing the authorization. I am not in favor of authorizing in appropriation bills. I will say, we have made a very real effort here, to the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAZIO). In the House Committee on Banking and Financial Services, we have made a very real effort to authorize, whether it was in the debt relief area or in the housing area, and I think if the gentlewoman from Florida (Mrs. MEEK) would look she will note that the Subcommittee on Housing and Community Opportunity and the full Committee on Banking and Financial Services has done its work in authorizing.

The levels have been too low. I would like to see the levels be higher, but it certainly has been the case that we have done our authorization.

Mr. LAZIO. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO. Mr. Chairman, I want to thank the gentleman from Massachusetts (Mr. FRANK) for yielding and just remark that whenever we have taken up the necessary changes in these programs, the reforms that have been called upon, it has been my position, and I think the position of the majority in the House, to move forward and try and properly fund programs, as we did with the rental vouchers of the section 8 program, to give people the choice of mobility of moving closer to a better school or closer to a job.

I want to thank the gentleman from Rhode Island (Mr. WEYGAND) for this

increase. Again, I think it helps empower people to stay in their own homes.

Mr. FRANK of Massachusetts. Mr. Chairman, let me just say that I have been persuaded, and I am no longer opposed to this.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. WEYGAND).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 106–562.

AMENDMENT NO. 7 OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Ms. WATERS:

Page 73, line 4, strike ''(a) ELIGIBLE ACTIVITIES.—''.

Page 74, strike lines 9 through 24 and insert the following:

''(B) such assistance may only be provided on behalf of low- and moderate-income persons;''.

Page 76, strike lines 7 through 16.

The CHAIRMAN. Pursuant to House Resolution 460, the gentlewoman from California (Ms. WATERS) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Community Development Block Grant statutes are found in the Housing and Community Development Act of 1974. When Congress passed the Housing and Community Development Act, the primary objective of the act was to provide decent housing and a suitable living environment and expanding economic opportunities principally for persons of low- and moderate-income.

Congress further declared that funds received under this act shall be used for the support of activities and the benefit of persons of low- and moderate-income. Unfortunately, the income requirements found in section 404 of H.R. 1776 violate this intent of Congress.

My amendment strikes those provisions which undermine the Community Development Block Grant.

Section 404 of the act titled Homeownership for Municipal Employees would expand the CDBG eligibility criteria for municipal employees who are first-time homebuyers.

Under the act, municipal employees who earn up to 115 percent of the area median income would be eligible for CDBG funds. Also, municipal employees in designated high cost areas who earn up to 150 percent of the area median income would be eligible for CDBG funds. In an area where the median income is $60,000, a police officer making up to $69,000 or so, in a high cost area, $90,000, will now be eligible for the same pool of CDBG funds as a cashier making $48,000 or less.

This bill allows more affluent persons to benefit from the CDBG program without expanding the funding of CDBG. Thus, less funds will be available to help the poorest communities that CDBG has intended to help.

My amendment deletes these harmful provisions and brings this bill in line with the true intent of Congress and the spirit of the Community Development Block Grant.

Mr. Chairman, I have been in conversation with two of my colleagues from the committee. The gentleman from Massachusetts (Mr. CAPUANO) will be on the floor shortly, and I have been speaking with the gentleman from Massachusetts (Mr. FRANK), and we know that we have some issues that we must address. Our communities have some different requirements, and while I must always act on behalf of my constituents and make sure that the opportunities that we have created here in government are available to them I must also pay attention to the concerns of my colleagues who serve on that committee with me who are only trying in their best way to do what is best for their constituents.

While we are going to have some discussion on this amendment today, I reserve the right to withdraw the amendment.

Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. CAPUANO).

Mr. CAPUANO. Mr. Chairman, I just need to give out some numbers as to what prompted me to put this amendment in the committee in the first place.

I think that most people in this country do not understand the housing crisis we have in Boston. I cannot help it that Boston is one of the most expensive housing markets in the country, and my average median income is 25 percent above the national median income. That sounds great as an individual statistic, but it then does not say what housing costs.

The average apartment rent for a three-bedroom apartment, which is necessary for any family of four, hopefully desirable, is almost $1,200 a month, and even then one is lucky if they can find one.

When we put that against the median income of the nation, it turns into 28 percent.

My concern is people paying that kind of rent, that kind of percentage of their income, could never ever put the money away for a down payment. As a matter of fact, on those numbers it would take over 20 years, if one could save 10 percent of their net income every year it would take 20 years to put enough money aside to put a down payment together.

□ 1315

That is what this amendment was intended to do. Nonetheless, I have had discussions with the gentlewoman from California (Ms. WATERS), and she has been a fantastic advocate and great leader for me as a new Member, relative to housing matters. I would never pretend to know more about housing than she does.

With housing discussions, I think she understands my concerns. I certainly understand hers. Because of that, we have had, I think, great discussions to say, look, we have had different issues, but they are on the same page. We are moving in the same way trying to help the same type of people, with a little different constituency; and because of that, we are going to work together as often as we can on this bill and others to try to help out the people we represent.

Ms. WATERS. Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from New York (Mr. LAZIO) is recognized for 10 minutes.

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to associate myself with the comments of the gentleman from Massachusetts (Mr. CAPUANO). The intent of this section and the effect of this section will be to try and help solidify the social capital in areas that are high-cost areas, because housing in Boston or in New York or in Chicago is very different than the housing costs of Mississippi and Alabama and even in Nebraska.

The gentleman from Massachusetts raised some relative costs, and I just want to add some for reference points. For example, a teacher with a starting salary of $32,000 in Pittsburgh would never qualify for any assistance under our Federal programs. The same would be true of Chicago and Atlanta, Boston, Dallas, Oklahoma City, and Memphis. Police officers and teachers would not qualify.

So the intent is it try and help those communities that are high-cost areas where the relative high income is more than neutralized by the even higher costs of housing.

So I want to associate myself with the comments of the gentleman from Massachusetts.

I want to thank the gentlewoman from California (Ms. WATERS) for her advocacy. I would like to ask the gentlewoman if she would consider withdrawing this amendment with the understanding that the principles that she is articulating I think are still intact, both in this bill, and they are ones that I share as we talk about how to strengthen and preserve the Community Development Block Grant Program and the HOME program.

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I think that I have already signaled my intent, so that question is moot. But I would like to ask the gentleman from New York, would he consider going with me to the Committee on Appropriations to

expand the amount of CDBG money so that we can expand the population of people who can be taken care of, taking in consideration those who are above the limits that are allowed in CDBG. Would the gentleman do that?

Mr. LAZIO. Mr. Chairman, reclaiming my time, I would say to the gentlewoman, I am a strong advocate of increasing the proportionate share of dollars that go to housing and the Community Development Block Grant program, because the flexibility of the program is a very important part of housing. So I would say I am happy to advocate for more dollars for housing for our neediest citizens.

Ms. WATERS. Mr. Chairman, if the gentleman will yield, then I take it that the gentleman from New York and I will go together.

Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK).

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, I first applaud the Subcommittee on Housing and Community Opportunity for having put this program together. I have cautioned them. I have some concerns. It is a good bill, and everybody is loving it to death. But there are some things in the bill that I think my colleagues need to pay attention to, and the gentlewoman from California (Ms. WATERS) just finished talking about them. My colleagues just cannot overlook them.

First of all, when one begins to fool around with income eligibility in programs like CDBG and HOME, one opens oneself up for broad parameters that one may not be able to fill. Remember, these programs are block grant programs. They are supposed to be given to the local areas. The decisions are not supposed to be made here in the Congress.

This block grant program goes into one's local areas, and they decide what should be done with this block grant money. If we decide here in Washington what Westchester should do with its CDBG monies, we are wrong. That money should be left up to Westchester County what they do with it.

So I caution my colleagues, even though I am going to work with the gentlewoman from California (Ms. WATERS) and the committee and everyone else when the gentlewoman is withdrawing this, please understand that my colleagues are treading on very, very weak ground.

Mr. Chairman, I thank the gentlewoman from California for bringing it to our attention.

Mr. Chairman, I rise in strong support of the Waters amendment.

The Waters amendment strikes the provisions of the bill that allow ''higher income'' teachers and uniformed municipal employees to receive homeownership assistance through the CDBG program.

Title IV of H.R. 1776 would allow this assistance to households with incomes at 150 percent of the median in ''high housing cost areas''. In 1999 there were six metro areas with ''high housing costs''. So, for example in the Westchester, NY, area, a household with $124,650 could get CDBG money; or, in Nassau/Suffolk County, NY, a household with $114,750 could get CDBG aid.

Another provision would also allow CDBG money to be used for downpayment and closing costs for households with incomes up to 115 percent of the areawide median income. In Boston, that would be $75,325. In LA that would be $59,915.

Currently, anyone, provided they make less than 80 percent of the Area Median Income qualifies for government funded downpayment assistance, closing support, and mortgage subsidies.

Why should Congress give preferential treatment to a specific class of citizens?

Why should we dilute the CDBG program by offering homeownership assistance to higher income Americans when it is clear that the CDBG program exists to aid low and moderate income people?

The primary objective in the CDBG program is to: Principally benefit low and moderate income people, and aid in the elimination and prevention of slums and blight.

We should assist municipal employees, teachers, law enforcement agents gain access to homeownership—in fact, we should assist all Americans reach this important goal.

We should not do it at the expense of the low- and moderate-income people that CDBG serves.

The Maxine Waters amendment would eliminate the language allowing households with 115 percent or 150 percent of areawide median income to benefit. The Waters amendment would allow households with incomes below 80 percent of the median (the traditional CDBG limit) to continue to benefit.

I urge to vote in support of the Waters amendment.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Ohio (Mrs. JONES).

(Mrs. JONES of Ohio asked and was given permission to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Chairman, I say to the gentlewoman from California (Ms. WATERS), I rise in support of her amendment.

Mr. Chairman, I would like to voice the same concerns that have been voiced by the gentlewoman from Florida (Mrs. MEEK). I recognize in the communities like the gentleman from Massachusetts (Mr. CAPUANO) and other communities where there are large urban centers where the cost of housing is significant, that they find themselves in a dilemma.

I also am very supportive of law enforcement folks and uniform persons and teachers. But, again, the purpose of the enactment of these dollars was for low-income communities and low-income persons.

When one begins to work on or improve and increase the median increase by some percentage to allow others to walk into this program, then one decreases the opportunity for low-income people to be involved in the program, especially when one provides no additional dollars for this particular program.

It is important that, even though we want to encourage people to move back into cities, like police officers and teachers, and be a part of the community, we want the community people as well to be able to stay in the district. If we do not allow the community people access to the funds that were created for them, we create a problem.

Mr. Chairman, I rise today in support of the Waters amendment. I rise in support of striking the language in section 404 that raises the CDBG income eligibility to 115 percent and in high cost areas, to 150 percent.

Mr. Chairman, housing and expanding homeownership is of great concern in the 11th Congressional District of Ohio as well as across this Nation. We must continue to explore ways to provide affordable housing for all.

Mr. Chairman, I want it also noted that I support teachers and uniformed employees. I also support efforts to expand their homeownership. While I applaud the efforts of this bill to provide homeownership opportunities for uniformed employees, however, I believe the bill as it is currently written is a reverse Robin Hood. Yes, it robs neighborhoods all over this Nation. Since there is no additional funding for this median income hike, communities that use CDBG funds for childcare, social services, and development are robbed.

Mr. Chairman, the CDBG program was developed for those with low to moderate incomes. Since, 1974, CDBG has been the backbone of communities. CDBG provided a flexible source of grant funds for local governments to devote to particular development projects and priorities. There were some provisions, however, for this support. CDBG offered grant funds, provided that these projects either (1) benefit low- and moderate-income persons; (2) prevent or eliminate slums or blight; or (3) meet other urgent community development needs. Let us not move from that important purpose.

Mr. Chairman, in determining eligibility, low- and moderate-income persons was generally defined as ''members of a family earning no more than 80 percent of the area median income.'' This proposed bill allows CDBG and HOME money to be used to help people with incomes up to 115 percent of the area median income buy homes. In addition, in areas the Secretary deems ''high housing'' cost areas, this percentage shoots up to 150 percent. This potentially means that a uniformed employee making $94,000 could get CDBG help to buy a home.

Mr. Chairman, low-income households do not generally benefit from the allocation of CDBG funds in proportion to the severity of their needs. Then, let us not further diminish low-income households' access to CDBG by allowing those with greater means to benefit in proportion to their needs.

Moreover, under current law, low-and moderate-income people only receive 50 percent assistance for downpayment assistance. This section allows 100 percent downpayment aid for uniformed employees. We cannot continue to take from the least of these.

If we want to expand homeownership opportunities for teachers and uniformed employees, let us do it the right way. Let us draft legislation to deal with this concern.

What is the reality here? There are but so many pieces of the pie to be sliced. To continue providing slices without baking additional pies only means one thing . . . someone gets left out. Who's that? Usually, it is the folks who need help the most. We must change that.

Let us move back to the 80 percent level. Support the Waters amendment.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me join in congratulating the gentlewoman from California (Ms. WATERS) for this particular amendment. I wanted to particularly come and support this amendment, but as well, associate my concerns with the overall impact of legislation that may move decision-making on these funds to a broader umbrella than the local community.

In particular, in this booming economy we must look at the question of the economic divide. This whole legislative initiative from its very beginning was to bring up those, was to lift the boats of those who could least afford opportunities for housing.

In our communities today, there is still the great divide of homeownership. The lack of homeownership falls upon those who have the least amount of income. It would be terrible to take away this umbrella, this boat, if you will, from these individuals, to give them the opportunity, the working poor, to own homes.

Whenever one goes into communities, what they ask for most is I would like to be a homeowner, to raise my family. So it is appropriate that we keep the income level so that those people who suffer in the least of the economic areas can as well provide, have the opportunity for housing.

Ms. WATERS. Mr. Chairman, may I inquire how much time is remaining.

The CHAIRMAN. The gentlewoman from California (Ms. WATERS) has 2½ minutes remaining. The gentleman from New York (Mr. LAZIO) has 7½ minutes remaining.

Ms. WATERS. Mr. Chairman, do I have the right to close on this debate?

The CHAIRMAN. No. The gentleman from New York (Mr. LAZIO) has the right to close.

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just then make my closing of this side of the argument by saying that I really do understand the dilemma that my colleagues find themselves in, particularly the gentleman from Massachusetts (Mr. CAPUANO), who has spent some time helping me to understand his dilemma.

I am very appreciative for the cost of housing and how it is increasing. I also understand that this great economic boom that we have has increased the cost of housing. There is less housing on the market, and something must be done about that.

But I want to say to the gentleman from New York (Mr. LAZIO), my good friend, who is in the very privileged position of chairing the Subcommittee on Housing and Community Opportunity of our Committee on Banking and Financial Services that it is incumbent upon us, when we recognize these problems, to take serious and substantial action to do something about it.

I do believe we should have authorized additional funds in CDBG. We should go to the Committee on Appropriations to expand the pot so that we can take care of those who find themselves in this new situation.

What is very, very troubling is that we have still the masses of poor people and people who are working for very low wages who need desperately to have access to resources that are offered in some cities only by CDBG and other very limited opportunities to have housing.

These people, many are homeless, many of them are living two, three, four, and five families to a house. In California, we have people living in garages without running water, and they are in desperate need.

So it is very, very troubling to talk about taking this very limited pot, this pot of money, and having to spread it even with those who may need it, but who make substantially more money, and have the opportunity to purchase something while we have so many people who do not have, can never dream of having a down payment, who can never dream of homeownership without some assistance from their government.

While I am certainly going to work with my colleagues in every way that I possibly can to try and satisfy all of our concerns, I would say to those who are in the leadership, who are in power now, let us do the right thing and expand the amount of dollars that are available.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentlewoman yield?

Ms. WATERS. Yes, I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I want to say some of these programs, which are very important programs, CDBG, HOME, they have been well run for years, they have been frozen, they have been level-funded, the need has increased. I hope out of this comes an increased recognition that we need to increase the funds.

Ms. WATERS. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

Mr. COBURN. Mr. Chairman, reserving the right to object, I believe the gentlewoman from California makes a great point. The reason that I am going to object to her unanimous consent is I believe the House ought to have a separate vote on moving the income requirement from 80 percent.

Mr. FRANK of Massachusetts. Mr. Chairman, I object to the unanimous consent request. The gentleman from Oklahoma is going to object anyway, so I object now.

The CHAIRMAN. Objection is heard.

The gentleman from New York (Mr. LAZIO) has 7½ minutes remaining.

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would address this now with this amendment obviously going forward. I appreciate the gentlewoman from California for making the request to withdraw this amendment. It would be better, I think, if the House could move forward to the other amendments. But let me just address this for a moment.

We are trying to give local communities the authority to rebuild their own backyards. We are trying to give local mayors the ability to use new housing tools to build social capital. Do we believe in that, or do we not?

Do we think that police officers and fire fighters and teachers should live in the communities that they serve in because, in many of America's communities, they cannot own a home because they cannot afford to get into a home because the cost of housing is too much.

In Oklahoma City, in Dallas, in Portland, in Boston, in Chicago and Philadelphia and Pittsburgh, if one is a starting entry-level worker who enters into the teaching profession or enters into the profession of being a fire fighter or a police officer, one is going to get boxed out. One will not be eligible for that little bit of help, not from Washington, D.C., but from a mayor that wants to provide or a local not-for-profit wants to provide, or the local community, in trying to build a strategy for revitalization, for rebuilding that community, for bringing in role models and mentors and folks that serve that community.

That is what we are trying to do here, help those communities that, from a distance, look like they are high-income communities; but when one looks a little bit closer from a relative basis, they are also very high-cost communities.

So if one is from a State that is a low-income State, one may or may not want to do this. One may or may not need to do this. But there are other communities, and the community of the gentleman from Massachusetts (Mr. CAPUANO) is one of those, perhaps where their mayor in their community wants to rebuild the infrastructure of their community by getting police officers and getting fire fighters and getting teachers and getting municipal workers to live in the community that they are supposed to serve.

□ 1330

And what is wrong with that?

Mrs. MEEK of Florida. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentlewoman from Florida.

Mrs. MEEK of Florida. Mr. Chairman, with great respect to the housing

chairperson, I would want to know, since the gentleman is the chairman of the authorizing committee, and the gentleman from Massachusetts (Mr. CAPUANO) and the gentlewoman from California (Ms. WATERS) both have very, very strong and valid arguments, why will the gentleman not lead the effort to authorize a program to fit the needs of the people everyone is trying to get under CDBG? In that way the gentleman will authorize it, and he will get monies and resources to do it.

But if the gentleman rides on the back of other programs, he is going to have problems.

Mr. LAZIO. Reclaiming my time, Mr. Chairman, I would say that is exactly what this bill does. This bill allows local communities to borrow against future revenue sources so they can rebuild not just one house at a time but an entire block at a time.

This bill provides the flexibility to create loan pools so people can borrow, so many, many more low-income Americans can borrow against that money to overcome the transactional barriers of downpayment or of closing costs. This bill does it. This bill does what the gentlewoman is talking about.

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Chairman, I just want to continue the point related to this amendment, which is that the vast majority of the people I think in this House are going to want to increase this limit.

The point the gentlewoman from California made is there is not enough money to go around if, in fact, we increase the limit. My reason for objecting is we ought to have a vote of the House if we are going to do that, and that was the purpose.

Mr. LAZIO. Reclaiming my time, I would just respond that I understand the gentleman's point.

And, again, I would say if we believe that local communities ought to have more control, more tools at their disposal, we will defeat this amendment. If we understand and if we embrace the idea that different parts of the country have different needs and we need to respect those needs, we will defeat this amendment.

I want to again reiterate and thank the gentlewoman for trying to withdraw this amendment.

Mr. CAPUANO. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentleman from Massachusetts.

Mr. CAPUANO. Mr. Chairman, I thank the gentleman for yielding.

I find this to be unfortunate. The people who are proposing the amendment are working with us to try to come to a mutual agreement, and the people who really do not do much about housing do not want us to.

I want to make two points. Number one, this amendment does not do anything to take the decisions out of local control. It simply allows the director of HUD to designate some communities, only some, that are high cost areas. That is all it does. That is all it does. Nobody has to do this. If a local community does not want to do it, they do not do it.

I will tell my colleagues that not more than 15 months ago I was the mayor of a city that is an entitlement community under a block grant. I did this. This is what I did.

Mrs. MEEK of Florida. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentlewoman from Florida.

Mrs. MEEK of Florida. I would simply say to the gentleman from Massachusetts that he does not need a Federal statute.

Mr. CAPUANO. Well, Mr. Chairman, if the gentleman will continue to yield, I would just say to the gentlewoman, not with a 150 percent income. We do need those standards.

Mr. GREEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentleman from Wisconsin.

Mr. GREEN of Wisconsin. Mr. Chairman, I thank the gentleman for yielding to me.

Too much of this discussion, I think, is looking at the only benefit derived from this bill and from this program as being the family that is enrolled in it and actually utilizing the loan. It is ignoring the fact that there is a public good in stabilizing neighborhoods.

Neighborhoods are stabilized by creating mixed-use, mixed-income homeownership. That is how we stabilize deteriorating neighborhoods. That is how we stop the core of deterioration from spreading outward.

The part of the goal here is to stabilize neighborhoods; to give local officials the ability to stabilize and to protect and to solidify the good that is going on in so many communities. It is a great idea that I think the gentleman from Massachusetts (Mr. CAPUANO) has had. It allows more local officials greater flexibility in the tools that they need, that they need to manage the good that is going on in the communities all across the Nation.

I strongly support it, and I do oppose the gentlewoman's amendment.

Mr. LAZIO. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California (Ms. WATERS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COBURN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 460, further proceedings on the amendment offered by the gentlewoman from California (Ms. WATERS) will be postponed.

The point of no quorum is considered withdrawn.

The CHAIRMAN. It is now in order to consider amendment No. 8, printed in House Report 106–562.

AMENDMENT NO. 8 OFFERED BY MR. SHAYS

Mr. SHAYS. Mr. Chairman, I offer amendment No. 8, made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. SHAYS:

Page 78, line 18, strike ''$260,000,000'' and insert ''$292,000,000''.

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Connecticut (Mr. SHAYS) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Chairman, I yield myself such time as I may consume, and since this amendment is sponsored by myself, as well as the gentleman from New York (Mr. NADLER), the gentleman from New York (Mr. CROWLEY), and the gentlewoman from Maryland (Mrs. MORELLA), I will be yielding to those three colleagues as well.

What this amendment does is it increases the fiscal year 2001 funding authorization for the Housing Opportunity for Persons With AIDS, HOPWA, program from $260 million to $292 million, the minimum level determined necessary by the HIV/AIDS community to meet the needs of people living with HIV/AIDS. HOPWA is now funded at about $232 million.

There is a housing crisis for individuals living with AIDS. Many will face a housing crisis at some point during their illness as a result of the increased medical expenses and lost wages. HOPWA was created to address this growing problem. It is one of the most cost-effective ways to ensure that people living with HIV/AIDS have adequate and affordable housing.

Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Chairman, I rise to urge the Members of this House to vote for the Shays-Nadler-Crowley-Morella amendment, and I want to commend the gentleman from Connecticut (Mr. SHAYS) for his leadership on this amendment.

Mr. Chairman, at any given time, one-third to one-half of all Americans with AIDS are either homeless or in imminent danger of losing their homes. These are people who face discrimination or have lost their jobs because of illness or, most cruelly, are placed in the untenable position of choosing between expensive lifesaving medications and other necessities, such as shelter.

This is where HOPWA comes in. HOPWA is the only Federal housing programming that specifically provides cities and States with the resources to address the housing crisis faced by people living with AIDS. It is a locally controlled program that provides maximum flexibility to States and communities to design and implement the

strategies that best respond to local housing needs.

Currently, fiscal year 2000 funds are serving people in over 67 cities across 34 States. This is a well-run, far-reaching, and successful program. But as the success of HOPWA grows, so too does the need for funding. Ironically, as a result of the recent advances in medical science and in care and treatment, the people currently being housed are living longer and the waiting list for these programs are growing even longer.

On top of these strains on funding, new geographic areas join HOPWA every year. Without a significant increase in funding, it will be unable to serve those already in the program, not to mention those who now seek to join it. Without proper funding for HOPWA, people with HIV and AIDS will continue to die prematurely and perhaps unnecessarily in hospital rooms, in shelters, and on the streets of our cities.

I urge the adoption of this amendment.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Chairman, I rise in strong support of the Shays-Nadler-Crowley-Morella amendment, which would increase the fiscal year 2001 authorization for the Housing Opportunities for People with AIDS program from $260 million to $292 million, which is the amount identified by a number of national HIV/AIDS coalitions as the minimum level needed to adequately meet the needs of those living with HIV/AIDS.

I also want to thank the gentleman from Connecticut (Mr. SHAYS) particularly for his leadership on this issue.

This HOPWA program has strong bipartisan support. It is the only Federal housing program that specifically provides cities and States hardest hit by the AIDS epidemic with the resources to address the housing crisis felt by people who are faced by people who are living with AIDS.

It is true that the number of AIDS-related deaths has begun to decline, thanks to dramatic new treatments and improvements in care. However, HIV/AIDS remains the major killer of young people and is the leading cause of death for African and Hispanic Americans between the ages of 25 and 44.

The high cost of new treatments has often forced people to decide between essential medications and other necessities, such as housing. Further, stable housing is critical to the success of the drug regimen. The medication often must be refrigerated and taken on a rigid time schedule. So without adequate housing, people with HIV/AIDS may not only be unable to adhere to the strict regimen but also premature death may result from poor nutrition, exposure to other diseases, and lack of Medicare.

At any given time, one-third to one-half of all people with AIDS are either homeless or on the verge of losing their homes. HOPWA addresses this need by providing reasonably priced housing for thousands of individuals, and yet the demand far outstrips the supply.

I just want to point out that at a daily cost of $1,085 per day under Medicaid, acute care facilities are more expensive than HOPWA community housing, which averages $55 to $110 per day.

This is a good amendment. I strongly support it.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Chairman, I am a strong supporter of H.R. 1776 and commend my colleagues, the chairman of the committee, the gentleman from Iowa (Mr. LEACH); and my friend, the gentleman from New York (Mr. LAFALCE); along with my other good friend and colleague, the gentleman from New York (Mr. LAZIO) for their hard work on this bill which will expand housing opportunities for all Americans.

While I support H.R. 1776 and its intentions to make affordable homeownership available to more Americans, I think we can make this bill a little better. I am pleased to join my colleagues, the gentleman from Connecticut (Mr. SHAYS), the gentleman from New York (Mr. NADLER), and the gentlewoman from Maryland (Mrs. MORELLA) in offering an amendment to authorize the Housing Opportunities for People With AIDS, also known as the HOPWA program, from $260 million to $292 million.

While new breakthrough drugs have extended the life of people living with HIV and AIDS, there are still many affected by this disease who are unable to work and who are too sick to provide for themselves. These people have to make the decision to take life-extending and lifesaving drugs or pay for a roof over their heads.

It is estimated that 60 percent of the people living with HIV/AIDS require some sort of assistance during their course of illness. People with HIV/AIDS have continually experienced housing discrimination, from being thrown out of their current living situations to outright being denied housing by some landlords. In my Congressional district, a group called Steinway Child and Family Services provides what is one of the largest confidential housing programs for people with AIDS that is funded in part with HOPWA funding.

We cannot throw families out on the street, Mr. Chairman. HOPWA saves taxpayers' money by allowing people to live in their own house or apartment in a healthy, safe setting. We save money that would be spent on acute care facilities to treat the same people.

This is what the gentlewoman from Maryland (Mrs. MORELLA) was talking about. It costs the taxpayers over $1,000 a day to pay for Medicaid treatment for homeless persons in a nursing home who are sick with AIDS. That adds up to almost $400,000 a year. It costs the taxpayers only $55 to a $110 a day to keep the same person in their own home or a group care facility under the HOPWA program.

HOPWA makes sense. I urge my colleagues to support the Shays-Nadler-Crowley-Morella amendment.

Mr. SHAYS. Mr. Chairman, I yield 30 seconds to the gentleman from California (Mr. CUNNINGHAM), our distinguished Vietnam veteran.

Mr. CUNNINGHAM. Mr. Chairman, as a conservative Republican I rise in strong support of the Shays-Nadler-Crowley-Morella amendment.

I am a member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations, and we recently went to NIH. We saw a young man that had contracted HIV in 1989. Because of medicines, he has bought a home, he has hope in his life, he has bought stocks and bonds, but he still has a difficult time.

I think this is a noteworthy amendment, and I think fiscal conservatives and people that care about people will realize this is a well-intentioned amendment. I strongly support it.

Mr. SHAYS. Mr. Chairman, I yield 30 seconds to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to give my wholehearted support for this outstanding amendment and to all those who have authored it.

There is nothing that lessens the lifetime of those with active HIV/AIDS than not to have housing. In my own community of Houston, we know there are at least 10,000 homeless persons on the streets every night. Some of those, unfortunately, are suffering from HIV/AIDS.

To give clean, safe, secure housing in our communities and to provide nonprofits who work with these individuals suffering from HIV/AIDS in all of our communities, but particularly in the communities where it is growing among our minority populations, Hispanics and Africans Americans, this is a great opportunity. And I support the amendment, and ask my colleagues to vote for it.

Mr. SHAYS. Mr. Chairman, may I ask how much time we have remaining?

The CHAIRMAN. The gentleman from Connecticut (Mr. SHAYS) has 2½ minutes left.

Mr. SHAYS. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is there a Member in opposition?

Mr. LAZIO. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Is the gentleman opposed to the amendment?

Mr. LAZIO. Yes, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from New York (Mr. LAZIO) is recognized for 10 minutes.

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do not think there is a Member of this House that is a better or more sincere advocate for the homeless or for people who have housing needs and who also suffer with AIDS than my good friend from Connecticut (Mr. SHAYS), and I have enormous respect for him and what he is trying to accomplish here.

□ 1345

There is no doubt, there is no doubt that there is significant unmet demand for housing opportunities for people who are living with AIDS, and the need for supportive services, the need for those type of life-sustaining supportive services, I think, for most of the folks who are involved in the housing community without question.

I would say to the gentleman from Connecticut (Mr. SHAYS) that my concern is only with the magnitude of the request in this amendment. What I try to do and what I advocate for and what I think the House generally does is to provide guidance in an authorization vehicle for appropriators, but reasonable guidance, so that we will have the credibility to actually get to where we want to go.

In this case, the authorization that is in the underlying bill is an increase over existing dollars for HOPWA, meets the President's budget request, and while there is a good case which has been made by the gentleman from Connecticut (Mr. SHAYS) and others for increase, I am concerned about the size of the increase, and the fact that we need to live within our means.

I am wondering if I can enter into a colloquy with the gentleman from Connecticut (Mr. SHAYS) on this because, again, while I have the utmost respect not only for the gentleman, but what the gentleman is doing here, I also am trying to keep in mind the fact that we have to offer an authorization bill that is sustainable, not just this year or next year, but over the years that follow through the appropriations process.

I know the gentleman from Connecticut (Mr. SHAYS) has been a great fiscal conservative, and the gentleman is also an advocate for this program and for other housing programs.

I am wondering if there is some way that we can reach a reasonable understanding that would meet our dual goals, if we can try and compromise on this, which I do not think is a dirty word; I think it is an honorable word.

Mr. SHAYS. Mr. Chairman, if the gentleman will yield, I would love to respond by first saying the gentleman from New York (Chairman LAZIO) is very gracious in his words about me. This is an amendment truly offered by the gentleman from New York (Mr. NADLER), the gentleman from New York (Mr. CROWLEY) and the gentlewoman from Maryland (Mrs. MORELLA); and they have been working on these issues for a number of years. I know the gentleman from New York (Mr. NADLER), in particular, as well as the gentlewoman from Maryland (Mrs. MORELLA), are aware of the gentleman's concern that the appropriators may not provide the funds necessary to meet the authorization.

Mr. Chairman, I would suggest that if my colleague thought that if we were to reduce this amendment somewhat that the gentleman could be supportive, the gentleman's support and obviously the support of the gentleman from New York (Mr. WALSH) ultimately, while he cannot commit to that now, would obviously be essential.

I am prepared without objection from my colleagues in this amendment to offer a unanimous consent request.

MODIFICATION TO AMENDMENT NO. 8 OFFERED BY MR. SHAYS

Mr. SHAYS. Mr. Chairman, I ask unanimous consent that our amendment be modified in the form that I have placed at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to Amendment No. 8 offered by Mr. SHAYS:

In lieu of the matter proposed to be inserted, insert ''$275,000,000''.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. NADLER. Mr. Chairman, reserving the right to object, let me say that we have worked with the gentleman from Connecticut (Mr. SHAYS) and the gentlewoman from Maryland (Mrs. MORELLA); and they both have been very active on this and very accommodating, and we on this side agree with the modification. We have no objection.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. LAZIO. Mr. Chairman, reserving the right to object, I would like to yield to the gentleman from Connecticut (Mr. SHAYS), and I appreciate the fact that he has made this unanimous consent request which I support, and I think it is a very responsible and reasonable suggestion that meets our dual imperatives of helping those most in need, but also doing it in a fiscally responsible way.

I would support the amendment with the unanimous consent request.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. Further reserving the right to object, I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, I would feel out of place if I did not mention my predecessor, Stuart B. McKinney, died of AIDS-related pneumonia, and his wife, Lucy, has carried on his work as chairman of the Stuart B. McKinney Foundation dedicated to helping people living with AIDS.

In his memory, I feel very motivated to offer this amendment and appreciate my colleague for accepting the modified version of the amendment and, particularly, appreciate my colleagues, the gentleman from New York (Mr. NADLER), the gentleman from New York (Mr. CROWLEY) and the gentlewoman from Maryland (Mrs. MORELLA), for their participation.

Mr. LAZIO. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The amendment is modified.

The Committee will rise informally.

The SPEAKER pro tempore (Mrs. MORELLA) assumed the chair.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

REQUEST TO INCLUDE EXTRANEOUS MATERIAL IN COMMITTEE OF THE WHOLE ON H.R. 1776, AMERICAN HOMEOWNERSHIP AND ECONOMIC OPPORTUNITY ACT OF 2000

Mr. FRANK of Massachusetts. Madam Speaker, could I ask unanimous consent to include subsequent to my remarks on the general debate extraneous material?

The SPEAKER pro tempore. The Committee rose only informally, and the Chair will not entertain that request at this time.

The Committee will resume its sitting.

AMERICAN HOMEOWNERSHIP AND ECONOMIC OPPORTUNITY ACT OF 2000

The Committee resumed its sitting.

Ms. PELOSI. Mr. Chairman, I strongly support the Shays/Nadler/Crowley/Morella amendment to increase authorized HOPWA funding to $292 million for FY2001. This increase will allow the HOPWA program to meet current needs and bring additional newly eligible communities into this effective program.

The need for housing assistance among those living with HIV/AIDS is greater now than ever. As new treatments allow infected individuals to live longer, new HIV infections are continuing at a steady rate. This means that the overall number of people living with HIV/AIDS has grown to its highest level ever. The new treatments that are extending so many lives involve a complicated regimen of medications, requiring certain medications to be taken at certain times, certain medications to be taken after eating, and still others on an empty stomach. This makes adherence very difficult, and nearly impossible with stable housing.

More than 200,000 people with HIV/AIDS are currently in need of housing assistance, and 60% of those living with this disease will need housing assistance at some point during their illness. HIV prevalence within the homeless population is estimated to be ten times greater than infection rates in the general population. In addition, homeless individuals are

much less likely to have regular access to health care than the general population and are therefore less likely to be tested for HIV than are people with stable housing. One San Francisco study showed that up to 33% of homeless individuals who were living with HIV were unaware of being HIV positive.

Under current HOPWA authority 101 jurisdictions qualified for FY2000 funding and HUD estimates that in FY2001, this will increase to between 105 and 111 qualified jurisdictions. HIV/AIDS community policy experts have estimate that unless HOPWA funding is substantially increased, jurisdictions will face decreased service levels and could suffer decreased funding. To avoid these reductions, we must pass the Shays/Nadler/Crowley/Morella amendment and provide HOPWA with the funding necessary to ensure that people living with HIV and AIDS have access to the stable housing that is necessary for their medical care.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Connecticut (Mr. SHAYS).

The amendment, as modified, was agreed to.

The CHAIRMAN. It is now in order to consider Amendment No. 9 printed in House Report 106–562.

AMENDMENT NO. 9 OFFERED BY MR. PAUL

Mr. PAUL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. PAUL:

Page 78, after line 20, insert the following new section:

SEC. 408. PROHIBITION ON USE OF AMOUNTS TO ACQUIRE CHURCH PROPERTY.

Section 105 of the Housing and Community Development Act of 1974 (42 U.S.C. 5305) is amended by adding at the end the following new subsection:

''(i) PROHIBITION ON USE OF ASSISTANCE TO ACQUIRE CHURCH PROPERTY.—Notwithstanding any other provision of this section, no amount from a grant under section 106 may be used to carry out or assist any activity if such activity, or the project for which such activity is to be conducted, involves acquisition of real property owned by a church that is exempt from tax under section 501(a) of the Internal Revenue Code of 1986 (26 U.S.C. 501(a)), unless the governing body of the church has previously consented to such acquisition.''.

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Texas (Mr. PAUL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, I yield myself such time as I may consume.

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. Mr. Chairman, I would first like to thank my colleague, the gentlewoman from Michigan (Ms. KILPATRICK) for cosponsoring this amendment. This amendment is simple and straightforward. The amendment merely states that it prohibits the use of funds for activities involving the acquisition of church property unless the consent of the governing body of the church is obtained. This means that community development block grant money cannot be used to invoke eminent domain and take a church away from the church owners or the occupants without their permission.

It has been done in the past, and it is planned to be done in the future. I think this is a very important amendment to make sure that these funds are not used in this way. I think the point is that private property is very important, that owners do have rights; and quite frequently when this is invoked, it occurs in the poorer areas where there is less legal protection and legal help.

I am very pleased to introduce this amendment. I am very pleased to have the gentlewoman from Michigan (Ms. KILPATRICK) as the cosponsor.

Ms. KILPATRICK. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentlewoman from Michigan, the coauthor.

Ms. KILPATRICK. Mr. Chairman, I stand as a cosponsor of this amendment, and it is a good amendment. We have had several calls in our office today wondering what it is, and we took the opportunity to explain it to them.

Mr. Chairman, let me first thank the gentleman from Iowa (Chairman LEACH), the gentleman from New York (Mr. LAZIO), as well as the gentleman from New York (Mr. LAFALCE), the ranking member, for the fine work that they have done and the entire Committee on Banking and Financial Services. I was a former Member of that committee, and I know the hard work that they do.

No church in America should be denied the opportunity to participate in a developing community. The amendment that the gentleman from Texas (Mr. PAUL) and I are offering today is to say that no community development block grant funds can be used to take any church, unless that church is involved and does agree in that selection.

With that, Mr. Chairman, this is a good amendment. I commend the gentleman from Texas (Mr. PAUL) for bringing it to my attention. We have spoken to the minister and other people who are concerned about this issue. I would move, Mr. Chairman, that we adopt the amendment.

Mr. PAUL. I appreciate the support of the gentlewoman.

Mr. LAZIO. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from New York.

Mr. LAZIO. Mr. Chairman, I want to thank the gentleman from Texas (Mr. PAUL) for bringing this amendment to the House floor to address an important concern. I want to also thank the gentlewoman from Michigan (Ms. KILPATRICK) as well.

I rise in support of the amendment and want to thank the gentleman from Texas (Mr. PAUL) for his hard work in getting this to the floor and for his numerous discussions with my staff and with myself to ensure that the various concerns that have been raised have been addressed. I want to thank the gentleman. I am in strong support of it and I urge passage.

Mr. PAUL. I thank the gentleman from New York (Mr. LAZIO) for the support.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I would just join in making it clear that we on the minority side have no objection to the ''render unto Caesar'' amendment.

Mr. PAUL. I thank the gentleman from Massachusetts.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Does any Member seek time in opposition?

If not, the question is on the amendment offered by the gentleman from Texas (Mr. PAUL).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider Amendment No. 10 printed in House Report 106–562.

AMENDMENT NO. 10 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. TRAFICANT:

At the end of title IV, add the following new section:

SEC. 408. CDBG SPECIAL PURPOSE GRANTS.

Section 107(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5307(a)(1)) is amended—

(1) in the matter preceding subparagraph (A)—

(A) by striking ''$60,000,000'' and inserting ''$95,000,000''; and

(B) by striking ''subsection (b)'' and inserting ''this section''; and

(2) by striking subparagraph (G) and inserting the following new subparagraph:

''(G) $35,000,000 shall be available in fiscal year 2001 for a grant to the City of Youngstown, Ohio, for the site acquisition, planning, architectural design, and construction of a convocation and community center in such city;''.

The CHAIRMAN. Pursuant to House Resolution 460, the gentleman from Ohio (Mr. TRAFICANT) and the gentleman from Massachusetts (Mr. FRANK) each will control 5 minutes.

The Chair recognizes the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

I want to thank the chairman for extending my existing authorization for emergency homeownership counseling programs. They have been cited to save homes with a 45-day notice. The Traficant amendment speaks for itself.

Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1½ minutes.

Mr. Chairman, this is a proposal for $35 million out of CDPG funds for a convention center. We have had a lot of debate about the eligibility requirements of CDPG during the appropriation. At the urging of the gentlewoman from Florida, we modified a proposal extending funds to fire fighting, so that it was fully consistent with CDBG eligibility.

This amendment would be a very big breach in that wall. It is a large amount of money for a particular purpose; the purpose may well be a reasonable one. There are many cities where similar needs could be put forward. It has not had any consideration at the subcommittee or committee level. There was some proposal made, and it was not pursued.

It takes a very large chunk of CDBG for special purpose. Indeed, if you look at the current existing special purpose for CDBG, the existing special purpose for CDBG is $60 million. This would add to that $60 million, but it would add more than half as much as is currently set aside for that purpose. It does not seem to be appropriate to take an amount that is equal to more than half of what is currently set aside for the entire country for special purpose CDBG, use it without any regard for eligibility requirements for a particular project, no matter how worthy in one city, when dozens of other communities that would have similar projects would not get a chance to do anything similar.

Mr. Chairman, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this would not touch one penny of formula money for community development block grants. It would, in fact, add to community development block grants special purpose money of $35 million for a city that is trapped, with the largest senior population outside of Florida, trapped in homes bordered in, with the highest murder per capita rate in America, with our kids on the street. It has been promised by Tip O'Neil, promised by Jim Wright. We had a deficit, and I did not ask for it.

Mr. Chairman, I want to thank the Republican leadership for showing a heart to my people who built the tanks, the steels and lost 55,000 steel workers' jobs, replaced by 20 at minimum wage. This is not a convention center. It is a center for seniors, center for youth, center for them to have someplace to go besides the streets.

Mr. Chairman, I reserve the balance of my time.

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Mr. FRANK of Massachusetts. Madam Chairman, I yield myself 1 minute. It was originally described as a convention center, but I should note that was when we were talking about $15 million. When it was first raised in the committee, it was $15 million. Now it is $35 million. Whether or not commitments were made by people now departed, in many senses, cannot be binding on us today.

The question is, do we set the precedent? I agree that there is a need here. There is need in much of the country. I would hope the leadership on both sides would be willing to expand the total amount of money that could go for CDBG and related purposes. But we just adopted a budget, which in my judgment underfunds this category. To take $35 million for one community without any kind of process of checking out of a fixed amount of money that is going to be available in that allocation seems to me very unwise no matter what was promised 15 years ago.

Madam Chairman, I reserve the balance of my time.

Mr. TRAFICANT. Madam Chairman, I yield myself 30 seconds. The gentleman has been misrepresenting the amendment. It does not take any money from anywhere. It does add $35 million. So instead of building schools overseas and vaccinating dogs overseas, the Traficant amendment adds some money for this significant project that Speaker Hastert has identified as a need. And I commend him.

Madam Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Madam Chairman, I yield myself 1 minute.

I do not deny that this whole process speaks to a need of the speaker. I have a pretty good idea of exactly what that need is in the current political context. But the notion that it does not take from the other programs is simply wrong. We have a budget. We have 602(b) allocations. This does not add $35 million to the overall allocation. It takes out of the allocation that flows from that limited, and I think inadequate, budget $35 million.

Madam Chairman, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Madam Chairman, I hate to go against my friend from Ohio, but all day long I have stood on the floor here to go against people taking a run on CDBG moneys. Even though it is a special purpose grant, I am pretty sure it is very much needed and deserved, so it is in all the other districts throughout the country.

We all have needs. I am sure the gentleman from Ohio is expressing the needs of his area. But I came to say that when we begin to deal with income and moving income eligibility around and placing new programs without additional money, we run into trouble. So the special purpose grants, $35 million, that would fund maybe 25 programs throughout the country. With that I want to be sure that this amendment is defeated.

Mr. FRANK of Massachusetts. Madam Chairman, I yield myself such time as I may consume.

Let me just say, Madam Chairman, that I believe this does give a new meaning to the phrase ''special purpose.'' I had previously thought special purpose had to do with the more narrow purposes of community development block grant. It seems to me that with this $35 million proposal that the gentleman from Ohio says was specifically approved by the Speaker, to meet one of the speaker's needs, we are broadening the purposes beyond what is appropriate for a community development block grant program.

Madam Chairman, I reserve the balance of my time.

Mr. TRAFICANT. Madam Chairman, I yield myself the balance of my time.

There is only one legislative vehicle for which this amendment is germane. Without an authorization, there can be no appropriation. When the bombs were flying, we built those bombs. We built the tanks. When those steel mills closed, they were my mills. The city is basically dead. This is also an economic opportunity act.

I do not know what agenda the gentleman from Massachusetts (Mr. FRANK) is pursuing, but this is not Rotary, either. My kids are on the street. The jobs they get are selling drugs. Then we put them in jails and build more jails. My seniors are boarding their windows from the inside, Madam Chairman. I am not taking a dime from anybody. But my people have paid taxes all these years. Where is the help from Washington for my people? Is it special purpose? Damn right. It is special. Stone cold special. And I want your vote. I did not plan to call for a recorded vote, but evidently the gentleman from Massachusetts is. I want your vote. I want you to stand up for my people, my people who have been solidly Democrat all these years. But by God their Congressman is going to do what he has to do to help his people. And you are the last appeal I have.

Now, when you built that tunnel up there in Boston and Tip O'Neill built that tunnel, I did not open my mouth. When that great Tom Bigby was built, everybody stepped aside. I am not taking a dime from anybody. This does not cut formula money. And by God I know I may not get the full $35 million, but I want it all this year, too. I want it appropriated. I did not come out with no game, no smoke-filled business and try and sneak it in the bill. I gave the gentleman from Massachusetts his shot and everybody their shot. By God, I want your vote.

HENRY, I want your vote, I want it early. Chairman LAZIO, thank you. I want your vote, I want it early. Chairman LEACH, I want your vote. Mr. GEPHARDT, I want your vote. And I want it early. STEPHANIE, I want your vote, from Cleveland, and I want it early. CARRIE, I want you to change your position, vote against the gentleman from Massachusetts and vote with me, and I want you to do it early.

I yield back a decimated city that is looking for help for its last point of appeal.

Mr. FRANK of Massachusetts. Madam Chairman, I yield myself the balance of my time.

Madam Chairman, I want very much to help this city and others. I do not want to single out one city because of a particular political situation and provide large funds there when they inevitably come at the expense of others, because we are in a zero-sum situation. We have budget caps. We have a limited budget. And money spent on one program inevitably takes away from other programs.

I wish that we could expand all of the programs. I would be willing to do it. I understand that the gentleman wants people's vote. I understand that there are others who want the gentleman's vote. But that is not what governs. What ought to govern here is public policy. It is not good public policy in disregard of the basic economic considerations of CDBG to take a large chunk, and understand the total amount most recently appropriated for special purposes was $60 million.

This adds to the special purpose. It adds an amount that is more than half of what had previously existed in that account. It is disproportionate. It is not that we do not think we should do some of these things in the much smaller amounts in which we have done them, but $35 million for one community when we have many needy communities is a mistake.

The CHAIRMAN pro tempore (Mrs. EMERSON). The question is on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. TRAFICANT. Madam Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to House Resolution 460, further proceedings on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT) will be postponed.

The point of no quorum is considered withdrawn.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 11 printed in House Report 106–592.

AMENDMENT OFFERED BY MR. SOUDER

Mr. SOUDER. Madam Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. SOUDER:

Page 121, after line 11, insert the following new section:

SEC. 609. GRANT ELIGIBILITY OF COMMUNITY ORGANIZATIONS.

(a) ELIGIBILITY.—For any program administered by the Secretary of Housing and Urban Development under which financial assistance is provided by the Secretary to nongovernmental organizations or to a State or local government for provision to nongovernmental organizations, religious organizations shall be eligible, on the same basis as other nongovernmental organizations, to receive the financial assistance under the program from the Secretary or such State and local governments, as the case may be, as long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution. Neither the Secretary nor a State or local government to which such financial assistance is provided shall discriminate against an organization that receives financial assistance, or applies to receive assistance, under a program administered by the Secretary, on the basis that the organization has a religious character.

(b) RELIGIOUS CHARACTER AND INDEPENDENCE.—

(1) IN GENERAL.—A religious organization that receives assistance under a program described in subsection (a) shall retain its religious character and control over the definition, development, practice, and expression of its religious beliefs.

(2) AADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State or local government shall require a religious organization—

(A) to alter its form of internal governance; or

(B) to remove religious art, icons, scripture, or other symbols;

in order to be eligible to provide assistance under a program described in subsection (a).

(3) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a).

(c) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided directly to a religious organization to provide assistance under any program described in subsection (a) shall be expended for sectarian worship, instruction, or proselytization.

(d) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization providing assistance under any program described in subsection (a) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

(2) LIMITED AUDIT.—Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

(e) TREATMENT OF ELIGIBLE ENTITIES AND OTHER INTERMEDIATE ORGANIZATIONS.—If an eligible entity or other organization (referred to in this subsection as an ''intermediate organization''), acting under a contract, or grant or other agreement, with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (a), the intermediate organization shall have the same duties under this section as the government.

(f) DEFINITIONS.—For purposes of this section:

(1) FINANCIAL ASSISTANCE.—The term ''financial assistance'' means any grant, loan, subsidy, guarantee, or other financial assistance, except that such term does not include any mortgage insurance provided under a program administered by the Secretary.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

The CHAIRMAN pro tempore. Pursuant to House Resolution 460, the gentleman from Indiana (Mr. SOUDER) and the gentleman from Massachusetts (Mr. FRANK) each will control 10 minutes.

The Chair recognizes the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Madam Chairman, I yield myself 4 minutes.

First I want to again thank the distinguished gentleman from New York (Mr. LAZIO) for his leadership in the housing bill. Once again he is reaching out to those who are hurting in this country trying to expand the base in a creative market-based way, and he has been a tremendous leader in the housing issue.

Madam Chairman, I rise today to offer this amendment to codify what HUD is already doing, encouraging faith-based organizations to have a place at the table in receiving Federal funds to provide social services. This amendment will simply codify the practice that religious organizations can compete on the same basis as other grantees for HUD grants.

In reality, charitable choice started in HUD under Jack Kemp, and that is really where the first charitable choice efforts came because many people simply did not care enough to work with the homeless. We both at the Federal level and the State level were not providing enough funds for the homeless. Without the charitable-based groups, many of these people would not have had a place to stay. Thus, we started charitable choice really inside HUD. It has enjoyed bipartisan support from this branch.

The House has endorsed charitable choice on five different occasions as a means of making social programs more effective. I offered an amendment to give faith-based organizations a role in anti-crime efforts in the Consequences for Juvenile Offenders Act in 1999. The House passed that amendment 346–83.

The Fathers Count Act included a charitable choice provision to allow faith-based organizations to apply for grants through the fatherhood program. An amendment on the House floor that would have removed the charitable choice language failed by a vote of 184–238. A form of charitable choice was also included in the Welfare and Medicaid Reform Act of 1996 and the Human Services Authorization Act of 1998, both of which have been signed into law. Finally, the charitable choice language was most recently included in the Even Start literacy program passed by the Committee on Education and the Workforce.

It is also noteworthy that the likely nominees of both presidential parties support charitable choice. Governor George W. Bush has been a leader in the effort to include religious groups in social programs as governor of Texas. Vice President Gore has endorsed this practice in speeches and on his Web site. In fact, the two candidates have been competing to see who is most for charitable choice and arguing over who is the most pro-charitable choice.

Charitable choice makes it clear that religious organizations receiving Federal funds to provide services may not discriminate against those who would receive those services. It makes it clear that they will not be forced to change their identity or the characteristics which make them unique and effective. These protections include their religious character, independence and employment practices.

The goal here is to allow faith-based organizations to compete without handicapping them by eliminating the characteristics which make them effective in improving lives and restoring communities. I also want to make it clear that it is supported by the current Secretary of HUD as it was by Secretary Kemp and as it was by Secretary Cisneros who was a leader when he was mayor of San Antonio in involving faith-based organizations.

On HUD's current home site, they talk about the importance of community and faith-based organizations. In 1997, HUD Secretary Cuomo initiated a new Center for Community and Interfaith Partnerships directed by Father Joseph Hacala. In this year's budget, HUD has requested $20 million for the interfaith housing initiative. Between the fall of 1999 and the summer of 2000, HUD's Center for Community and Interfaith Partnerships will host 10 regional conferences, quote, targeted to the needs of community and faith-based organizations which Secretary Cuomo has recognized are, quote, the voice of conscience in the struggle for economic rights.

In reference to those conferences, Secretary Cuomo stated:

''Our challenge is to engage partners in a new way to spurt the critical housing and community development efforts of community and faith-based organizations. Government cannot do this alone. Community and faith-based organizations cannot do this alone. But together, by combining our strategies, resources and commitment, we can build communities into law.''

Finally, charitable choice is something that is already being done. We need to codify it here. I commend Vice President Gore, Governor Bush, Secretary Cuomo and the previous housing secretaries before him to realize we cannot solve the housing problems in this country without charitable organizations.

Mr. FRANK of Massachusetts. Madam Chairman, I yield myself such time as I may consume. I may not be in opposition. I was hoping to clarify this. I certainly agree that we should enlist the valuable help of faith-based organizations in dealing with social problems.

When we first confronted this during my congressional tenure in the context of child care, I supported full inclusion of churches but I did have one question and I hope I can engage the gentleman about it.

His amendment, very correctly I believe, says these funds can only be given if they are in accordance with the establishment clause of the first amendment. My concern was the omission of the free exercise clause. Maybe it was unintentional. And I do not necessarily mean to make a lot out of it, but I have this concern. What about a citizen who happens to live in the area where the service is being provided to a religious organization who wishes to avail himself or herself of the federally funded service who is not religious and does not wish to be?

□ 1415

Is there a first amendment free exercise protection so that the citizen who wishes to partake of the program can do so without being required as a condition of that to undergo certain religious activities?

Mr. SOUDER. Madam Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Indiana.

Mr. SOUDER. Madam Chairman, we had this debate in the Even Start debate in the Committee on Education and the Workforce. My understanding of this, and there are only a couple of exceptions which we could get into if we wanted to, but in this grant, there would not be an exception, and that is that one cannot discriminate on who one covers, nor can one force them to participate in a religious activity. This would allow a Catholic priest to have his collar on if it is at a Catholic facility. It would not require them to remove icons, and it would not require them to hire people who do not share their faith. But if one is in the neighborhood and one is not a Catholic, they cannot require one to go to a biblical study, to show up at church, because there cannot be discrimination against applicants.

Mr. FRANK of Massachusetts. Madam Chairman, I thank the gentleman. It is nice to have one more affirmation of the fact that wearing a Catholic collar is not an obstacle to one's performance, whether it is here as the Chaplain or elsewhere.

I would then ask the gentleman, we do not need to do it now, but as this bill proceeds and we get to conference, would there be a problem, and would I ask him to look at adding where he has the establishment clause, also the free exercise clause. I do not ask him to agree to that now, but is that something that we could work together on?

Mr. SOUDER. Madam Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Indiana.

Mr. SOUDER. Madam Chairman, working with the gentleman from New York (Mr. LAZIO), the chairman of the subcommittee, I would be happy to consider that.

Mr. FRANK of Massachusetts. Madam Chairman, reclaiming my time, the reason I say this, lawyers can be very picky; and if we mention one thing and do not mention another, the inference can arise that it was meant to be excluded. So if it had just said first amendment, it would be different; but where it says the establishment clause, lest be there an inference that we did not mean the free exercise clause, I would like to include that. If we could do that, I would be largely satisfied.

Madam Chairman, how much time do I have remaining?

The CHAIRMAN pro tempore (Mrs. EMERSON). The gentleman from Massachusetts (Mr. FRANK) has 7 minutes remaining.

Mr. FRANK of Massachusetts. Madam Chairman, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Madam Chairman, if the gentleman from Indiana would not mind, because this is a terribly significant issue, possibly dealing with protections of the first amendment of the Constitution, I would like to be sure I know what we are voting on.

Would funding under the gentleman's amendment be allowed to go to pervasively sectarian organizations?

Mr. SOUDER. Madam Chairman, will the gentleman yield?

Mr. EDWARDS. I yield to the gentleman from Indiana.

Mr. SOUDER. Yes.

Mr. EDWARDS. Madam Chairman, is the gentleman aware that in 1988 the Supreme Court made a specific ruling that that is unconstitutional under the first 16 words of the Bill of Rights? It says, having direct Federal funding of churches and synagogues and houses of worship is an infringement upon the first amendment. Is the gentleman aware of that?

Mr. SOUDER. Madam Chairman, will the gentleman yield?

Mr. EDWARDS. I yield to the gentleman from Indiana.

Mr. SOUDER. Madam Chairman, the gentleman is aware, as we debated a number of times, that there are multiple rulings if it is used to teach primarily sectarian doctrine. In other words, if you teach religious doctrine, the courts clearly ruled. However, if one is pervasively sectarian, but not teaching religious views, the court has ruled in other cases. That is why we said consistent with the establishment clause, because it could be challenged.

The fact is, HUD currently gives and has given hundreds of these grants around the country to pervasively sectarian organizations.

Mr. EDWARDS. Madam Chairman, reclaiming my time, not necessarily to the First Baptist Church of Waco or to the First Methodist Church of New York City.

I think Members need to be aware of this. I think it is a shame that we are given just a handful of minutes to discuss an issue that Mr. Madison and Mr. Jefferson debated for 10 years in the Virginia legislature that provided the foundation for the first 16 words of the Bill of Rights.

Let me ask the gentleman another question. Let us say that it is the gentleman's intent that dollars go directly

to churches and houses of worship under this amendment, which eases my concern, because the Supreme Court would rule that that is unconstitutional. But let us just say that is the gentleman's intent. If money goes to a church associated with Bob Jones University next year under the gentleman's amendment, can that church, can that religious organization put out a sign saying, using your tax dollars, no Catholics need apply for a job here?

Mr. SOUDER. Madam Chairman, will the gentleman yield?

Mr. EDWARDS. I yield to the gentleman from Indiana.

Mr. SOUDER. Madam Chair, an orthodox Jewish synagogue could also do that. The gentleman is trying to demagogue the question.

Mr. EDWARDS. Madam Chairman, reclaiming my time, I am trying to ask the gentleman a very significant question under the gentleman's amendment, and let me repeat it.

Next year, would a church associated with Bob Jones University be able to put out a sign saying, using your tax dollars, no Catholics need apply here for a job?

Mr. SOUDER. Madam Chairman, if the gentleman will continue to yield, if Secretary Cuomo or the Secretary of Housing and Urban Development chose to give it to a place that would discriminate on that basis, which could include Jewish, Catholic, evangelical, then that could happen.

Mr. EDWARDS. Madam Chair, reclaiming my time, I would hope Members who have not paid attention to this amendment that is added at the end of an otherwise excellent bill will understand that what the gentleman is saying is that contrary to 200 years of history in this country, the gentleman wants the American taxpayers' dollars to be used, would allow them to be used, regardless of intent, to discriminate against people because of their religious views. I would urge Members to pay attention to that.

Madam Chairman, I appreciate the gentleman answering that question honestly. Let me ask the gentleman another question.

Mr. LAZIO. Madam Chairman, will the gentleman yield?

Mr. EDWARDS. Madam Chairman, no, I will not yield at this point. I would like to ask the gentleman a question, the author of the amendment, if I could. If we had more time, I would be glad to have a discussion. I wish we had several hours, if not days of debate on this church-state issue.

Madam Chairman, let me ask the question. Under the gentleman's amendment, would the Wiccans be able to apply for Federal tax funding?

Mr. SOUDER. Madam Chairman, will the gentleman yield?

Mr. EDWARDS. I yield to the gentleman from Indiana.

Mr. SOUDER. Madam Chairman, it is unlikely under President Bush that the witches would get funding.

Mr. EDWARDS. Madam Chairman, reclaiming my time, does the gentleman understand that the Supreme Court of the United States has given tax-free status to the Wiccans; and, therefore, they would be protected, as would the Methodist church, the Baptist church, and the Jewish synagogue. So would the gentleman admit to the fact that under his amendment, our Federal tax dollars could go to the Wiccan church to run a housing program. Is that correct?

Mr. SOUDER. Madam Chairman, if the gentleman will continue to yield, nonprofit organizations are already covered under the Tax Code, because under religious freedom in the United States, one is allowed to exercise freedom of religion. What this does would leave the discretion to the Department of HUD, as they do currently, to give grants to faith-based organizations, including African American church units which currently get the funding in the inter-faith initiative under Secretary Cuomo.

Mr. EDWARDS. Madam Chairman, reclaiming my time, that is my point, I say to the Members.

Mr. SOUDER. Madam Chairman, they can get it now under the Democratic administration.

The CHAIRMAN pro tempore. The time of the gentleman from Texas (Mr. EDWARDS) has expired.

Mr. FRANK of Massachusetts. Madam Chairman, I yield 30 seconds to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Madam Chairman, in 30 seconds, let me debate the first amendment to the Constitution.

The gentleman has made my point better than I could make it. He is saying that under ''the Bush administration,'' they would pick out which religious organization qualifies for Federal tax dollars and which ones would not. That is exactly what Mr. Madison and Mr. Jefferson did not want when they founded the basis of the Bill of Rights. They did not want politicians and government officials deciding which religious organization receives official government approval and which ones do not. I would suggest that providing direct Federal tax dollars to let group discrimination based on religion is a reason to oppose this amendment.

Mr. SOUDER. Madam Chairman, first I yield myself 30 seconds.

What the gentlemen said was witches were not likely to be funded; but that is not my decision, and we do not know. But what is true is that the current administration already makes these decisions in HUD; they have an entire division that makes these decisions in HUD. They go through it, it is public review. It has worked tremendously well. It is one of the only ways to reach poor people, and I am disappointed that a few people in this House separate themselves from the leadership of both parties in arguing for charitable choice.

Madam Chairman, I yield 3 minutes to the distinguished gentleman from Kansas (Mr. TIAHRT).

Mr. TIAHRT. Madam Chair, I thank the gentleman for yielding me this time.

I just want to say that I think this is a way to provide a wonderful opportunity to people who do not have a chance to get into homeownership. There are many avenues that we have available; sometimes we just focus on the Government providing all of these services. We have to go through housing and urban development, and we want to cut off the opportunity for nonprofit organizations and religious organizations to get involved. But there is a long history in States like Kansas.

For example, in adoption, we had trouble with adoption through the State agencies, and they opened it up to a Lutheran organization, the amount of adoptions increased dramatically, because their heart was in it. They were able to do more things quicker. That was very beneficial.

If we look back at Wichita, there is a group called Mennonite Housing. That is a faith-based organization. But if they had access to these grants, they would do in a larger scale what they are doing today, and that is taking properties that are less than acceptable today, that are in poor condition, dilapidated, and through this organization and through block grants could create opportunity for people who would not be able to purchase housing. Single mothers, minority mothers, poor families, people without work that are just working maybe just a minimum-level job while they are getting some education or training.

So Mennonite Housing, a faith-based organization, would be, under the Souder amendment, able to capture some money, take these dilapidated properties, and then get them into a position or an order for people to move in. Put new roofs on, new siding, whatever it takes to bring them up to code, make them livable. It would be a very exciting opportunity for the people who are too poor right now to be able to afford this housing on their own.

Now, it is not pushing any faith; there is not going to be any sermons given here. Mennonite Housing does not do that. They simply meet the needs of the poor. They let their faith be their actions, and their actions are taking poor houses in bad condition, and they refurbish them; and they give them through low-interest loans to people at a payment that they can make, and they have hope. They have their own home. They have a wonderful opportunity.

The Souder amendment is going to allow that to expand. It will not be just limited to private donations; it is going to be an opportunity for them to apply for these block grants, take large sections and not just in Wichita, Kansas. It could be in any city across America, large areas of unclaimed city that has gone to crime, it has gone to drugs. If it was just brought up to code, new paint, new shingles, new lawn, other

families would want to move in there and improve the property and refurbish these cities.

How do we do it? We give faith-based organizations the opportunity to get block grants to make these houses liveable. So I would ask my colleagues to support the Souder amendment and let us see if we cannot do something for the poor.

Mr. FRANK of Massachusetts. Madam Chairman, I yield myself such time as I may consume.

I would like to have a colloquy with the gentleman from New York or the gentleman from Indiana. I would just ask, I guess I can mention this, whether we include language that protected free exercise, i.e., no one would be coerced into a religion, whether or not that would affect the employment issue, and my answer clearly is no.

There are two separate issues that we raised. My colleague from Texas has raised the employment issue. I may agree with him on that, but it is a separate one from the free exercise. The free exercise goes to the question of the citizens not employed by the program, but who would be participants in it? I am assuming if we did free exercise, that would cover them. That would then leave unresolved the issue of employment, but the two would not be affected.

Mr. SOUDER. Madam Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Indiana.

Mr. SOUDER. Madam Chairman, I would agree to such an amendment and believe it is consistent with what we have been doing all the way along and consistent with court decisions that we cannot discriminate among recipients.

Mr. FRANK of Massachusetts. Madam Chairman, I would give unanimous consent, if we were asking for a modification that added the free exercise clause, with the understanding that that left unresolved and untouched to be further debated the employment issue raised by the gentleman from Texas. The free exercise goes to the beneficiaries; employment goes to the other section.

Mr. LAZIO. Madam Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO. Madam Chairman, I would like to make a unanimous consent request, if it is appropriate, to modify the amendment of the gentleman from Indiana, so that on page 1, line 13, after the reference to the establishment clause, we also add the free exercise clause.

The CHAIRMAN pro tempore. The Chair requests that the gentleman from Indiana (Mr. SOUDER) propound such a unanimous consent.

Mr. FRANK of Massachusetts. Would the gentleman repeat the unanimous consent request?

Mr. LAZIO. The proposed unanimous consent request, which I believe now the gentleman from Indiana will make, would be that the amendment would be modified so that language would be inserted on page 1, line 13, after the phrase ''establishment clause'' to include ''and the free exercise clause.''

Mr. FRANK of Massachusetts. Madam Chairman, I have no objection.

Mr. SOUDER. Madam Chairman, I would request that that be done.

Mr. FRANK of Massachusetts. Madam Chair, how much time remains?

The CHAIRMAN pro tempore. The gentleman from Massachusetts (Mr. FRANK) has no remaining time.

□ 1430

MODIFICATION TO AMENDMENT NO. 11 OFFERED BY MR. SOUDER

Mr. SOUDER. Madam Chairman, I ask unanimous consent to modify my amendment.

The CHAIRMAN pro tempore (Mrs. EMERSON). The Clerk will report the modification to the amendment.

The Clerk read as follows:

Modification to Amendment No. 11 offered by Mr. SOUDER:

Page 1, line 13 of the amendment after ''Establishment Clause'' insert ''and The Free Exercise Clause''.

The CHAIRMAN pro tempore. Is there objection to the modification?

Mr. EDWARDS. Madam Chairman, I reserve the right to object.

The CHAIRMAN pro tempore. The gentleman from Texas (Mr. EDWARDS) is recognized.

Mr. EDWARDS. Madam Chairman, I would like to ask the question, has the gentleman dealt with the issue in this amendment or other intended amendment of using Federal tax dollars to discriminate against people based on their religious faith, or is he just dealing with an addition to the question of the establishment and the free exercise clauses?

Mr. SOUDER. Madam Chairman, will the gentleman yield?

Mr. EDWARDS. I yield to the gentleman from Indiana.

Mr. SOUDER. I accepted an amendment that in my opinion was already covered by the bill under the establishment clause, but this clarified that.

Obviously the gentleman's concern is the guts of my bill, which would allow faith-based organizations to apply for government grants without giving up the faith part of their organization.

Mr. EDWARDS. Madam Chairman, let me just clarify a couple of points, then, under my reservation of objection.

First of all, Madam Chairman, it is meaningless to add to any bill that ''this bill cannot be inconsistent with the Constitution.'' That is already implied in the writing of the Constitution. We have no power to pass a bill that is unconstitutional, so let us not be deluded to think that somehow that is adding a protection to this bill.

Secondly, I would still point out to all Members who have not been aware of this that this particular amendment, as I now understand it, still would allow someone to take Federal tax dollars and put up a sign saying ''no Catholics need apply here for a job, federally-funded job; no Jews need apply here for a federally-funded job.''

Is that correct, the gentleman's amendment that we are talking about does not address the employment discrimination using tax dollars? Or does the gentleman have a separate amendment that I can see a copy of?

Mr. LAFALCE. Madam Chairman, would the gentleman yield?

Mr. EDWARDS. I yield to the gentleman from New York.

Mr. LAFALCE. Madam Chairman, I do not think there is a difficulty with the gentleman's amendment now that it has been amended. We have 202 programs, we have Section 8 programs. They go to Jewish organizations, they go to Catholic organizations, they go to Protestant organizations right now. They cannot discriminate. They cannot discriminate and say, you must be a Catholic, you must be Jewish, you must be a Muslim, you must be a Protestant in order to become a tenant in this organization.

They do not discriminate, they cannot discriminate, under these laws with respect to hiring practices, too. I do not think this gentleman's amendment accomplishes that much, but I do not think it changes anything. It does not hurt that much, either. I think we are making a big argument out of a relatively small matter.

Mr. EDWARDS. If I could reclaim my time, then, the difference, and perhaps the gentleman from New York did not hear the answer of the gentleman, he said it was his intent with his language——

Mr. SOUDER. Madam Chairman, if the gentleman will yield further, I do not believe this is relevant to the particular objection. I think he has raised a separate issue.

Mr. EDWARDS. Madam Chairman, what we are trying to do is clarify what is in the amendment.

The CHAIRMAN pro tempore. Under the gentleman's reservation of objection, he has a right to object.

Mr. SOUDER. He is not discussing the particular item under the objection, Madam Chairman.

Mr. EDWARDS. I am trying to, because there was a discussion between the gentleman from Massachusetts (Mr. FRANK) and the gentleman about another amendment being accepted on a unanimous basis, and then the gentleman mentioned this amendment, resolve this. Frankly, this Member is a bit uncertain as to what amendment we are including here.

I guess, to clarify, this does not have any language dealing with job discrimination.

To the gentleman from New York (Mr. LAFALCE), let me just point out, in response to his comments on this amendment, the gentleman previously said it is his intent with this amendment that these Federal dollars go to pervasively sectarian organizations. That is something that the Supreme Court ruled in 1998 is unconstitutional.

I have no problem with faith-based organizations, Catholic Charities, getting Federal money. I have a huge problem with the Federal government directly funding the First Catholic Church, the First Methodist Church, the First Synagogue, or the First Wiccans with direct Federal money. That has huge implications.

Because the gentleman said ''pervasively sectarian organizations'' get the money, those pervasively sectarian organizations have special protections under the law where they can discriminate based on someone's religious faith.

So based on the gentleman's answer, under this bill, even including this amendment, they could take Federal tax dollars and put up a sign and say, no Jews, no Catholics, no Christians, no Hindus need apply here. I think that is incredibly significant.

My problem is that what otherwise is an outstanding bipartisan bill is complicated now by an issue that frankly we should spend days, not just moments, debating. I would urge my colleagues to look at what they are about to vote on. I would urge its rejection.

Madam Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The CHAIRMAN pro tempore. The modification is accepted.

The gentleman from Indiana (Mr. SOUDER) is recognized for the balance of his time, 2½ minutes.

Mr. SOUDER. Madam Chairman, I will not use the full time.

I merely want to reiterate that for all the hullaballoo here, this is the same language we had in the juvenile justice bill that passed 346 to 83 with the same language; the same in the Fathers Count, in the welfare bill, the human services bill. It is what is in the Even Start bill. It is supported by the current administration, by the previous HUD Secretaries before this.

It is supported by African-American, Hispanic, Orthodox Jewish, Catholic, Protestant organizations all over the country that are trying to deal with the terrible problems of homelessness, of inadequate housing for the poor.

Without extending Federal dollars, it is going to be very difficult. Quite frankly, faith-based organizations are not willing to give up their faith in order to become part of a charitable system. They will just choose not to participate, as they did for years prior to the current Secretary of HUD and other Secretaries reaching out to them.

So I think this merely codfies what is already being done. We have done it in other bills. Quite frankly, it is going to be coming in more bills, because it is one of the most important things we can do to extend Federal dollars and involve people whose hearts say they want to help those who are hurting, and this enables them to do so.

Mr. POMEROY. Madam Chairman, I rise to express my opposition to the Souder Amendment.

The Souder amendment would allow religious and faith-based organizations to compete for all federal housing, homeless and community development programs under the Department of Housing and Urban Development (HUD). Madam Chairman, I strongly believe that religious organizations can play a key role in addressing housing needs throughout our communities and rural areas. However, the legislation would allow the funding to be funneled directly to the religious organizations as opposed to going through a private foundation. I believe it is more appropriate for religious organizations wanting to administer programs to assist the poor and elderly to establish private foundations and apply for federal funding. In fact, many religious organizations have established private foundations like the Catholic Charities and receive funding through various HUD programs to administer to the poor and elderly. I believe it is in the best interest of religious organizations to operate completely independently of the federal government. This independence provides religious organizations with certain protections under federal law, and helps insulate them from government intervention.

Madam Chairman, I believe that the Souder amendment needlessly tampers with our nation's strong tradition of the protection of religious institutions from government interference, and I would urge my colleagues to oppose this amendment.

Ms. PELOSI. Madam Chairman, I rise today to oppose Representative SOUDER's amendment. This amendment will violate the constitutional separation of church and state; weaken important anti-discrimination civil rights protections; and entangle religious institutions in the reach of government.

Representative SOUDER's amendment is damaging because his charitable choice provision is unconstitutional. It attacks existing constitutional protections separating church and state. It diverts taxpayer and government funding to sectarian religious groups who could then use these funds to facilitate overtly religious activities and practices. The Constitution does not allow the government to fund overtly religious or ''pervasively sectarian'' religious organizations. This is an inappropriate use of government funds.

Representative SOUDER's amendment is unneeded because the Constitution does permit the government to fund religious organizations that are ''nonsectarian'' to pursue non-religious activities and currently the government funds many of these groups. These groups are often called religious affiliates. For example, local Catholic Charities and Jewish Social Services groups that receive federal funding are non-sectarian groups.

The differences between non-sectarian religious organizations and pervasively sectarian religious organizations are very important and we must continue to respect these differences. Sectarian groups may proselytize, discriminate by religion, and advance religious beliefs. For these reasons, the government can not provide funds directly to a sectarian church or synagogue. We would not want employers which receive government funds to refuse to hire Jewish or Catholic employees on the basis of their religion. This would be wrong. We would not want organizations that receive government funds to proselytize the Mormon faith to non-Mormons who seek social services. We do not want government funded organizations to discriminate in their social service delivery against gays and lesbians; unmarried couples living together; or to practice other discriminatory practices.

Both non-sectarian and sectarian religious groups do good work, and this work deserves our support. Nonetheless, taxpayer and government funds should not subsidize sectarian religious activities nor violate the separation of church and state. Let us remember, that under current law, pervasively sectarian religious groups are permitted to form an affiliate organization and this affiliate is eligible to apply for federal funding. I urge my colleagues to vote for the Constitution and oppose the Souder amendment.

Mr. SOUDER. Mr. Chairman, many of the Constitutional issues relevant to the Charitable Choice debate were discussed in an excellent article by Carl Esbeck in the Emory Law Review, which follows:

A CONSTITUTIONAL CASE FOR GOVERNMENTAL COOPERATION WITH FAITH-BASED SOCIAL SERVICE PROVIDERS[d]

It is often said that America's founding was an experiment in government. Certainly few features of the American constitutional settlement left more to future change—and were more of a break with existing European patterns—than the Establishment Clause set out in the First Amendment. The new Republic sought to rely on transcendent principles to justify its unpre-cedented advancements in human liberty.[1] Concurrently, the Founders rejected any official or fixed formulation of these principles, for no public credo was to be established by law. So it is more than just a little ironic that the nation's most cherished human rights depend upon the continued private faith of innumerable Americans in creeds and confessions that themselves cannot be officially adopted by the Republic, lest the adoption run afoul of the prohibition on laws respecting an establishment of religion. Yet, coming full circle, it is this ''no-establishment principle'' that allows voluntary religion to flourish, which in turn nurtures belief in God-endowed rights.[2] The resulting juggling act is what Dr. Os Guinness aptly describes as the still ''undecided experiment in freedom, a gravity-defying gamble that stands or falls on the dynamism and endurance of (the Republic's) unofficial faiths.''[3]

This ongoing experiment in human liberty, because of its indeterminacy, has had the unforeseen effect of concentrating intense pressure on a single constitutional restraint on governmental power, namely the Establishment Clause. To the uninitiated, having the cause of this pressure pinpointed goes far toward explaining why the no-establishment principle has become one of the chief battle sites over who exercises cultural authority in this nation.[4] Quite simply, the Establishment Clause has become where Americans litigate over the meaning of America.[5] Thus, it is to the Establishment Clause that we rightly devote so much of our attention and energy.

The United States Supreme Court's modern jurisprudence concerning church/state relations is commonly dated from its 1947 decision in Everson v. Board of Education,[6] which embraced a separationist interpretation of the Establishment Clause. Since Everson, the Court begins with separatistic assumptions when addressing novel question that invokes the no-establishment principle. The separationism theory has become so dominant that today, fifty years after

Footnotes appear at the end of article.

Everson, courts assume a need to justify holdings that reach results not easily fitting into Jefferson's influential metaphor (''a wall of separation'') as allowable departures from the rule first laid down in Everson.

This article will refer to separationism as based on ''older assumptions.'' The Court's presuppositions concerning the nature and contemporary value of religion and the proper role of modern government underlie what will be referred to as a ''traditional analysis'' of the case law. Part I is a partial overview of the Supreme Court's cases since Everson, and has the goal of making the strongest arguments—within the framework of separationism—for the constitutionality of governmental welfare programs that permit participation by faith-based social service providers.

Part II is about separationism's major competitor, a theory centered on the unleashing of personal liberty to the end that, with minimal governmental interference, individuals make their own religious choices. The theory has come to be called the neutrality principle.[7] Neutrality theory surfaced most obviously in 1981 when the Supreme Court handed down its decision in the free speech and religion case of Widmar v. Vincent.[8] Religious neutrality as a model for interpreting the Establishment Clause is based on what will be termed ''new assumptions.'' The aim of the new assumptions is to minimize the effects of governmental action on individual or group choices[9] concerning religious belief and practice. When the dispute is over a welfare program in which faith-based social service providers desire to participate, the neutrality principle requires government to follow a rule of minimizing the impact of its actions on religion, to wit: all service providers may participate in a welfare program without regard to religion and free of eligibility criteria that require the abandonment of a provider's religious expression or character. Thus, Part II consists of a realignment of the Supreme Court's cases along a new axis, with the goal of making the strongest arguments—within the framework of these new assumptions—for the constitutionality of governmental programs of aid which permit full and equal participation by faith-based social service providers.

Before turning to the case law, it should be stated candidly and up front that there is no truly neutral position concerning these matters, for all models of church/state relations embody substantive choices. The decisions the Supreme Court handed down in both Everson and Widmar are not otherwise. Separationism is a value-laden judgment that certain areas of the human condition best lie within the province of religion, while other areas of life are properly under the authority of civil government. Separationism, this most dominant of theories, is in no sense the inevitable product of objective reason unadulterated by an ideological commitment to some higher point of reference. Separationism cannot stand outside of the political and religious milieu from which it emerged and honestly claim to be neutral concerning the nature and contemporary value of religion or the purposes of modern government. The same must be said for its primary competitor, the neutrality theory.[10] Indeed, to demand that any theory of church/state relations transcend its pedigree or its presuppositions and be substantively neutral is to ask the impossible.[11]

I. OLDER ASSUMPTIONS: SEPARATIONISM AND A TRADITIONAL ANALYSIS OF THE CASE LAW

The Supreme Court distinguishes between the direct[12] and the indirect[13] receipt of a government's welfare assistance by social service providers. ''Indirect'' welfare assistance means that a personal choice by the ultimate beneficiary—rather than by the government—determines which social service provider eventually receives the assistance. Indirect forms of assistance will be discussed first because the current state of the case law is more easily sorted out.

The Court has consistently held that government may design a welfare program that places benefits in the hands of individuals, who in turn have freedom in the choice of service provider to which they take their benefits and ''spend'' them. It makes no difference whether the chosen provider is governmental or independent, secular or religious. Any aid to religion as a consequence of such a program only indirectly reaches—and thereby only indirectly advances—the religion of a faith-based provider. In situations of indirect assistance, the equal treatment of religion—no separationism—is the Court's operative rule for interpreting the Establishment Clause. As will be shown below, this rule of equality is instrumental to neutrality theory.[14]

The leading cases are Mueller v. Allen,[15] Witters v. Washington Department of Services for the Blind,[16] and most recently Zobrest v. Catalina Foothills School District.[17] Even the more liberal Justices on the Court have acceded to the direct/indirect distinction.[18]

The rationale for this distinction is twofold. First, the constitutionally salient cause of any indirect aid to religion is entirely in the control of independent actors, not in the hands of the government. So long as individuals may freely choose or not choose religion, merely enabling private decisions logically cannot be a governmental establishment of religion. The government is essentially passive as to the relevant decision, and hence not the agent of any resulting religious use. Second, the indirect nature of the aid, channelled as it is through countless individual beneficiaries, reduces church/state interaction and any resulting regulatory oversight. This enhances the nonentanglement that is so desirable from the perspective of the Establishment Clause.

There are a number of familiar programs that illustrate this rule: individual income tax deductions for contributions to charitable organizations, including those that are religious;[19] and G.I. Bill[20] and other federal aid to students attending the college or university of their choice, including those affiliated with a church;[21] federal child care certificates for low-income parents of preschool-age children;[22] and state-issued vouchers permitted under the Temporary Assistance for Needy Families program.[23] Pursuant to this rule of law, vouchers given to welfare beneficiaries that are redeemable by any eligible provider, whether governmental or independent, secular or religious, would be constitutional.[24]

It bears emphasizing that the programs of aid upheld in Mueller, Witters, and Zobrest were adopted as a matter of legislative discretion or prudence. These cases do not hold that there is a constitutional right to equal treatment between governmental and independent sector providers. Government may decide that these indirect benefits are redeemable at its welfare agencies alone,[25] thereby excluding all similarly situated independent sector providers. Should a state decide to provide assistance only through government-operated agencies, it can do so without violating the First Amendment. The caveat is that a state cannot adopt a program of aid that involves all providers of welfare services, governmental and independent sectors, but specifically disqualified participation by religious providers. The Free Exercise Clause prohibits any such intentional discrimination against religion.[26]

Unlike indirect forms of assistance, when it comes to direct assistance—that is, a government's general program of assistance flows directly to all organizations, including faith-based providers of services—then separationism is the Court's beginning frame of reference. Separationism makes three assumptions. First, it assumes that a sacred/secular dichotomy accurately describes the world of religion and the work of faith-based providers called to minister among the poor and needy. That is to say, the activities of faith-based providers can be separated into the temporal and the spiritual. This assumption, of course, is vigorously challenged by neutrality theorists.[27] Second, separatists assume that religion is private and that it should not involve itself with public matters, with ''public'' often equated to ''political'' or ''governmental'' affairs. The neutrality principle rejects this private/public dichotomy as well, insisting that personal faith has public consequences and that the practice of religious faith can lead to cooperation with the government in achieving laudable public purposes.[28] Third, separatists assume that a government's welfare assistance equates to aid for the service provider. Neutrality theories contest this characterization as well, describing the situation as one of cooperation between government and independent sector providers, with the joint aim being society's betterment through the delivery of aid to the ultimate beneficiaries.[29]

As a general proposition, the Supreme Court has said that direct forms of reimbursement can be provided for the ''secular'' services offered by a religious organization but not for those services comprising the group's ''religious'' practices. Thus, if an organization's secular and religious functions are reliably separable, direct assistance can be provided for the secular function alone. But if they are not separable, then the Court disallows the assistance altogether, with the explanation that the Establishment Clause will not allow the risk[30] of governmental aid furthering the transmission of religious beliefs or practices.

The juridical category the Court utilizes to determine whether a general program of direct assistance risks advancing religion is whether the provider is ''pervasively sectarian.''[31] Should the provider fit the profile of a pervasively sectarian organization, then separationist theory prohibits any direct aid to the provider. The one small exception is aid that, due to its form or nature, cannot be converted to a religious use. For example, the Court has allowed independent religious schools to receive government-provided secular textbooks and bus transportation between a student's home and school.[32]

All the Supreme Court's cases striking down direct programs of aid have involved primary and secondary faith-based schools.[33] Contrariwise, in each of the three instances that have come before the Court involving direct aid to colleges and universities, including those which are faith-related, the Court has upheld the financial aid.[34] The Court received considerable criticism—even ridicule—for the close distinctions it has made in religious school cases between the types of permissible and impermissible aid. However, for present purposes these distinctions are best seen as fact-finding quibbles over whether the Court rightly determined if the nature of a particular direct benefit can be converted to a religious and, therefore, forbidden use.

On the two occasions the Court has considered the constitutionality of social service direct aid programs, it has sustained both programs. In a turn of the century case, Bradfield v. Roberts,[35] the Court upheld a

capital improvement grant for a church-affiliated hospital.[36] At present, however, Bowen v. Kendrick[37] is the modern and hence more pertinent case. By the narrow margin of five to four, the Court in Kendrick upheld ''on its face'' federal grants for teenage sexuality counseling, including counseling offered by faith-related centers. However, the Court remanded for a case-by-case or ''as applied'' review in order that teenage counseling centers found to be pervasively sectarian would have their grants discontinued.[38]

Under the Adolescent Family Life Act (AFLA),[39] the Secretary of Health and Human Services authorizes direct cash grants to both governmental and independent sector nonprofit organizations doing research or providing services in the areas of teenage pregnancy and counseling for adolescents concerning premarital sexual relations. Accordingly, the societal problems addressed by AFLA are a blend of health, economic, and moral issues surrounding teenage sexuality and out-of-wedlock pregnancy. The statute defines an eligible grant recipient as a ''public or non-profit private organization or agency,'' apparently permitting otherwise qualified religious organizations to receive the grants on the same terms as nonreligious agencies.[40] Moreover, language in the Act expressly invites participation by religious organizations and requires certain secular grantees to take into account involvement by religious organizations, along with family and community volunteer groups, in addressing the problem of adolescent sexuality.[41] These provisions were written into the law to ensure that religious groups would be treated in a nondiscriminatory manner when compared with other similarly situated eligible grant recipients. No statutory language specifically barred the use of grant monies for worship, prayer, or other intrinsically religious activities. Finally, other than routine fiscal accountability to ensure that federal funds were not misappropriated, no monitoring or other oversight was made part of the resulting relationship between the Department of Health and Human Services and the participating religious organizations.[42]

After describing the broad outlines of AFLA, the majority spoke in sweeping terms of the Establishment Clause and governmental aid as permitting an equality-based rule. It said that ''religious institutions need not be quarantined from public benefits that are neutrally available to all,''[43] and that ''this Court has never held that religious institutions are disabled by the First Amendment from participating in publicly sponsored social welfare programs.''[44] The Court then went on to utilize the three-prong Lemon test for its analysis.[45]

Concerning Lemon's first prong, requiring that legislation have a secular purpose, the contending parties in Kendrick agreed ''that, on the whole, religious concerns were not the sole motivation behind the Act.''[46] As usual, the Court's application of the purpose test was highly deferential to the legislature.

Lemon's second prong requires that the principal or primary effect of a law not advance religion. There was nothing ''inherently religious'' or ''specifically religious,'' pointed out the Court, about the activities or social services provided by the grantees to adolescents with premarital sexuality questions and problems.[47] Moreover, simply because AFLA expressly required religious organizations to be considered among the available grantees and demanded that the role of religion be taken into account by secular grantees, that did not have the effect of endorsing a religious view of how to solve the problem.[48] As to grantee eligibility, the Court interpreted AFLA as ''religion-blind'' when Congress required that all organizations, secular and religious, be considered on an equal footing. Further, the legislation did not violate the Establishment Clause merely because religious beliefs and the moral values urged by AFLA overlap.[49] Critical to the result was that the majority refused to hold that faith-based teenage counseling centers were necessarily pervasively sectarian.[50] Although the form of the assistance was a direct cash grant, the First Amendment was not offended as long as the grantee was not pervasively sectarian.[51] The fact that the ultimate beneficiaries were impressionable adolescents did not, without more, present an unacceptable risk that the no-establishment principle was violated.[52] Although AFLA did not expressly bar the use of federal funds for worship, prayer, or other inherently religious activities, the Court said no explicit bar was required. The Court added, however, that ''(c)learly, if there were such a provision in this statute, it would be easier to conclude that the statute on its face'' was constitutional.[53]

Under the third prong of Lemon, the Court considers whether the statute in question fosters an excessive administrative entanglement between religious officials and the offices of government. Monitoring of AFLA grantees by the Department of Health and Human Services is necessary only to ensure that federal money is not misappropriated. There is no requirement that faith-based grantees follow any federal guidelines concerning the content of the advice given to teenagers or otherwise modify their programs. There are no nondiscrimination requirements as to the beneficiaries served. Because religious grantees are not necessarily pervasively sectarian, the majority concluded that this limited oversight by the federal agency could not be deemed excessively entangling.[54]

Dividing the analysis between ''facial'' and ''as applied'' components places a considerable burden on separationists, like the legal activists behind the Kendrick litigation, who rove the country filing suits claiming Establishment Clause transgressions. The aim of these activists is to halt the government aid, not on a piecemeal or case-by-case basis, but by enjoining the entire Act insofar as it allows any participation by faith-based providers. This was possible when the Court was willing to overturn legislation on the mere ''risk'' that the second of third prongs of Lemon were violated.[55] After Kendrick, a violation of the Establishment Clause must be proved in each case by palpable evidence that confessional religion is being advanced. The only exception occurs when the entire class of religious service providers is pervasively sectarian. Because not all faith-based social service providers are pervasively sectarian, a facial attack will fail.

In a short concurring opinion, Justice O'Connor drew a helpful distinction. She noted that the object of congressional funding under AFLA, namely the moral issue of teenage sexuality, was ''inevitably more difficult than in other projects, such as ministering to the poor and the sick.''[56] Far easier cases, she opined, would be welfare programs funding faith-based soup kitchens or hospitals.[57] Accordingly, where the object of the governmental aid is clearly addressed to temporal needs (e.g., food, clothing, shelter, health), in Justice O'Connor's view, a social service program that includes religious providers is facially constitutional.[58]

For the Court to require officials to distinguish between ''pervasively'' and ''non-pervasively'' sectarian organizations creates a fundamental inconsistency within its own doctrine. The Court had earlier held in Larson v. Valente[59] that the Establishment Clause requires that government not intentionally discriminate among types of religions,[60] nor should government utilize classifications based on denominational or sectarian affiliation.[61] Moreover, in order to distinguish between ''pervasively'' and ''non-pervasively sectarian'' organizations, as Kendrick requires, courts will become deeply entangled in the religious character of these faith-based providers of social services.[62] The Supreme Court, however, has said that whenever possible officials should avoid making detailed inquiries into religious practices, or probing into the significance of religious words and events.[63]

Justice Kennedy, sensing analytical difficulty with Establishment Clause doctrine whose application requires the Court to discriminate among religious groups, wrote a brief concurring opinion.[64] Stating that he doubted whether ''the term 'pervasively sectarian' is a well-founded juridical category,''[65] Justice Kennedy went on to adopt a neutrality-based rule. A social assistance program would be facially constitutional, Kennedy said, as long as its purpose was neutral as to religion and a diverse array of organizations were eligible to participate.[66] Upon remand of the case, for Justice Kennedy the ''question in an as-applied challenge is not whether the entity is of a religious character, but how it spends its grant.''[67] As long as the grant is actually used for the designated public purpose—rather than to advance inherently religious beliefs or practices—there is no violation of the Establishment Clause.[68] This proposal has the virtue of not violating the rule set down in Larson.

In laying down its rules concerning programs of direct assistance, the Supreme Court has adopted a funds-tracing analysis rather than a freed-funds analysis. That is, the Court interprets the Establishment Clause as forbidding the direct flow of taxpayer funds, as such, to pay for inherently religious activities. The Court does not concern itself when governmental funding of a faith-based provider's secular activities thereby frees private dollars to spend on religious activities. In a pervasively sectarian organization, however, in which the mixing of religious and secular activities is complete, the tracing of taxpayer funds will always determine that religious activities are advanced in tandem with the secular. Hence, in a pervasively sectarian organization even a funds-tracing analysis causes the Court to hold that no taxpayer funds can go directly to such organizations.

The harm that separationists fear is not that privately raised dollars are freed as a consequence of the government's program so that they may be reallocated to a religious use. Rather, the feared harm is that governmental monies (collected as taxes, user fees, fines, sale of government property, etc.),[69] may be used to pay for such inherently religious activities as worship, prayer, proselytizing, doctrinal teaching, and devotional scriptural reading. Indeed, separationists on the Court have been most insistent that the Establishment Clause ''absolutely prohibit(s) government-financed or government-sponsored indoctrination into the beliefs of a particular religious faith.''[70]

Although it will scandalize separationists, the rest of us are led to probe below the bluff and bluster and ask the following: ''Is the harm resulting from government-collected monies going to religion so self-evident and severe?'' As citizens we are taxed to support all manner of policies and programs with which we disagree. Tax dollars pay for weapons of mass destruction that some believe are evil. Taxes pay for abortions and the execution of capital offenders, that some believe are acts of murder. Taxes pay the salaries of public officials whose policies we despise and oppose at every opportunity. Why is religion

different? If the answer is that we are protecting a religiously informed conscientious right not to have one's taxes go toward the support of religion, the Supreme court has already rejected such a claim.[71] It makes no difference to the Court that a taxpayer avers that he or she is ''coerced'' or otherwise ''offended'' when general tax revenues are used in a program that involves faith-based social service providers.[72] Accordingly, with reference to the Court's interpretation of the Establishment Clause, it must again be asked, ''Is the harm that separationists would have us avoid at all cost so self-evident and severe?

Although a thorough treatment of this question is beyond the scope of this Article, the answer separationists give is that there are two such harms which the Establishment Clause is designed to safeguard against, and history demonstrates that they can be quite severe: first, divisiveness within the body politic along sectarian lines;[73] and, second, the damage to religion itself by the undermining of religious voluntarism and the weakening of church autonomy.[74] Separationism has yet to give a convincing argument that these two harms will befall the nation as a result of the equal involvement of faith-based providers in social service programs. The harm of sectarian divisiveness within the body politic is not altogether different in kind or more threatening than tax funding for other ideologies and programs that citizens find disagreeable.[75] And the harm to religion itself when too closely allied with government, while real and threatening, can be adequately protected by writing into the welfare legislation safeguards for protecting the religious character and expression of faith-based providers.[76]

II. NEW ASSUMPTIONS: A PARADIGM SHIFT TO GOVERNMENTAL NEUTRALITY

Neutrality theory approaches the debate over the Establishment Clause from an altogether different point of entry. According to this theory, when government provides benefits to enable activities that serve the public good, such as education, health care, or social services, there should be neither discrimination in eligibility based on religion, nor exclusionary criteria requiring these charities to engage in self-censorship or otherwise water down their religious identity as a condition for program participation.[77] The neutrality model allows individuals and religious groups to participate fully and equally with their fellow citizens in America's public life, without being forced either to shed or disguise their religious convictions or character. The theory is not a call for preferential treatment for religion in the administration of publicly funded programs.[78] Rather, when it comes to participation in programs of aid, neutrality merely lays claim to the same access to benefits, without regard to religion, enjoyed by others.[79] Finally, as noted above,[80] the neutrality principle rejects the three assumptions made by separationist theory: that the activities of faith-based charities are severable into ''sacred'' and ''secular'' aspects, that religion is ''private'' whereas government monopolizes ''public'' matters, and that governmental assistance paid to service providers is aid to the providers as well as aid to the ultimate beneficiaries.

Should separationism eventually be dislodged from its place as the controlling paradigm, it will be said that this change began in 1981 with the Supreme Court's decision in Widmar v. Vincent.[81] In Widmar, a state university permitted student organizations to hold their meetings in campus buildings when the facilities were not being used for other purposes. However, student religious organizations were specifically denied such access. The university maintained that the denial was required because it could not support religion by providing meeting space for worship, prayer, and Bible study, consistent with a no-aid interpretation of the Establishment Clause. A group of students brought suit, first pointing out that the university had voluntarily created a limited public forum generally open to student expression. Having dedicated the forum, the students argued that expression of religious content could not be singled out for discrimination. A near-unanimous Supreme Court agreed. Most significantly, the Court held that the Establishment Clause did not override the Free Speech Clause as long as the creation of the forum had a secular purpose. Religious groups were just one of many student organizations permitted into the forum. As long as the circumstances were such that the university did not appear to be placing its power or prestige behind the religious message, the Establishment Clause was not a problem.[82]

The Widmar approach was soon dubbed ''equal access,'' and in 1984 Congress extended the same equality-based right to students enrolled in governmental secondary schools.[83] Following recent free speech victories in Lamb's Chapel v. Center Moriches Union Free School District,[84] Capitol Square Review and Advisory Board v. Pinette,[85] and Rosenbergr v. Rector and Visitors of the University of Virginia,[86] equal treatment has indeed become the normative rule of law concerning private speech of religious content or viewpoint.[87] As discussed below, this equality-based rule is instrumental to neutrality theory.[88]

Notwithstanding this unbroken line of victories for the equal treatment of religion, it must be emphasized that in each case from Widmar to Rosenberger, it was the Free Speech Clause that required nondiscrimination, thereby supplying the victory. It remains to be explored below whether the neutrality principle can make the transition from an equality right in free speech to a right of equal participation in direct financial aid programs.[89]

Before continuing with the argument for neutrality theory based on the most recent Supreme Court cases, a digression is necessary to address the rationale for grounding the major competitor to separationism in the juridical concept of governmental neutrality rather than equality. As it turns out, a rule of equality works quite well when the church/state dispute is over access to benefits.[90] However, when the Establishment Clause challenge is to legislation that exempts religious organizations from regulatory burdens,[91] the normative rule of law continues to follow a separationist model. Accordingly, when the issue is relief from government-imposed burdens, religious groups want to be viewed not as equal to others, but as separate and unique.

As a juridical concept, neutrality integrates into a single coherent theory both (1) allowing religious providers equal access to benefits, and (2) allowing them separate relief from regulatory burdens. The rationale entails distinguishing between burdens and benefits.

The Supreme Court has repeatedly held that the Establishment Clause is not violated when government refrains from imposing a burden on religion, even though that same burden is imposed on the nonreligious who are otherwise similarly situated. Corporation of Presiding Bishop v. Amos[92] is the leading case. Amos upheld an exemption for religious organizations in federal civil rights legislation. The exemption permitted religious organizations to discriminate on a religious basis in matters concerning employment. Finding that the exemption did not violate the Establishment Clause, the Court explained that ''it is a permissible legislative purpose to alleviate significant governmental interference with the ability of religious organizations to define and carry out their missions.''[93] When the Court permits a legislature to exempt religion from regulatory burdens, it enables private religious choice.

The Court's rationale is twofold. First, to establish a religion connotes that a government must take some affirmative step to achieve the prohibited result. Conversely, for government to passively ''leave religion where it found it'' logically cannot be an act establishing a religion.[94] Referencing the First Amendment's text, the words ''shall make no law''[95] imply the performance of some affirmative act by government, not maintenance of the status quo. Stating the practical sense of the matter, Professor Laycock observed that ''(t)he state does not support or establish religion by leaving it alone.''[96] Second, unlike benefit programs, religious exemptions reduce civil/religious tensions and minimize church/state interactions, both matters that enhance the nonentanglement so desired by the Establishment Clause.[97]

Should the Court in the future permit a legislature to design welfare programs that confer direct assistance without regard to religion, it would be following a rule of equal treatment as to religion. However, exemptions from burdens and equal treatment as to benefits have a common thread that ties the two together. In following an equality-based rule as to benefits, equality is not an end in itself but a means to a higher goal. That goal is the minimization of the government's influence over personal choices concerning religious beliefs and practices. The goal is realized when government is neutral as to the religious choices of its citizens. Thus, whether pondering the constitutionality of exemptions from regulatory burdens or of equal treatment as to benefit programs, in both situations the integrating principle is neutralizing the impact of governmental action on personal religious choices.[98] From that common axis, it makes sense to agree with the Court's holding, in cases such as Amos, that religious exemptions from legislative burdens are consistent with the Establishment Clause, and, on the other hand, to insist that the Establishment Clause permits the equal treatment of religion when it comes to financial benefits.[99]

It would be rhetorical, but still a fair comment, to say that in neutrality theory religion gets the best of both worlds: religion is free of burdens borne by others but shares equally in the benefits.[100] However, this observation is not an argument against the neutrality principle but a commendation of it. No one need apologize for a model of church/state relations that maximizes religious liberty (subject, of course, to the reasonable demands of organized society) and limits the power of the modern regulatory state. This combination of liberty and limits is what the First Amendment is about. It was the First Amendment, after all, that expressly singled out religion as an attribute of human nature that called for special treatment.

Previously mentioned were two cases handed down by the Court in late June of 1995: Capitol Square Review and Advisory Board v. Pinette,[101] and Rosenberger v. Rector and Visitors of the University of Virginia.[102] They represent the Court's most recent pronouncements on the Establishment Clause. Notably, the two newest appointees to the Court, Justices Ginsburg and Breyer, were members of the Court by then and heard both cases.

The prima facie claim in both of these cases was that private religious speech was

denied equal access to a public forum, in violation of the Free Speech Clause. The Court agreed. Further, in both cases the government sought to justify its discriminatory treatment of religious speech as being compelled by the Establishment Clause. A majority of the Justices rejected this defense. Hence, the result in both cases is more consistent with a theory of neutrality than of separationism.

In Pinette, the Ohio Ku Klux Klan sought a permit to place a display consisting of a Latin cross in Capitol Square, a public area surrounding the statehouse. The square was otherwise open for private displays sponsored by a variety of citizen groups. The State denied the permit, claiming that the cross would be viewed as an endorsement of religion in violation of church/state separation.[103]

By a vote of seven to two the Court sided with the Klan. All of the Justices in the majority believed that placement of the cross by a private group was not barred by the Establishment Clause. However, these seven Justices generated four opinions, none of which commanded a five-vote majority concerning the application of the Establishment Clause to these facts.

Justice Scalia, joined by Chief Justice Rehnquist and Justices Kennedy and Thomas, believed that the exclusion of a private religious symbol from a public forum could never be justified by the Establishment Clause. Long-standing free speech doctrine required that there be no discrimination as to content, and religious speech was not to be singled out for special scrutiny. The mere fact that onlookers might view a religious display and mistake it for the message of the state was no reason to suppress private speech. Rather, the solution to the problem of the mistaken observer is not to suppress the speech, but to correct the erroneous conclusion concerning the source of the message. So long as the government treats all speakers equally and does nothing to intentionally foster the onlooker's mistake, the government has done all that the establishment Clause requires.[104]

Justice O'Connor wrote separately about the mistaken observer.[105] Applying an endorsement test, Justice O'Connor said that in some instances the Establishment Clause imposed a duty on the state to take steps to disclaim sponsorship of a private religious message.[106] In her view, a government's formal equality toward religion may not always be enough. In circumstances in which, for example, private religious messages ''so dominate a public forum that a formal policy of equal access is transformed into a demonstration of approval'' in the eyes of an objective observer, the Establishment Clause requires the state to take affirmative measures to see to it that religion is not advanced.[107]

Justice Souter, joined by Justices O'Connor and Breyer, write separately about the inadequacy of facial equality. Justice Souter agreed that equal treatment of religion should narrowly prevail on these facts. However, this was because his concern for the appearance of state endorsement of religion could be remedied by requiring the affixing of a sign to the cross disclaiming official sponsorship. Such a disclaimer, of course, would be required only when the content of the speech is religious. Hence, the appropriate response, in Justice Souter's opinion, is not a facially neutral policy. Rather, the law ought to respond to private religious speech as a ''handle with care'' item. In Justice Souter's view, an access rule that is nondiscriminatory in purpose is required of the state, but by itself is insufficient. ''Effects matter to the Establishment Clause.''[108] The tone and content of Justice Souter's opinion left little doubt that in his view church/state separation, rather than even-handed treatment, is the dominant concern of the First Amendment.

Justices Stevens and Ginsburg dissented in separate opinions. Justice Stevens believed that the Establishment Clause created ''a strong presumption against the installation of unattended religious symbols on public property.''[109] Thus, in his view separationism subordinates the Free Speech Clause and its rule of equal treatment.

Justice Ginsburg was even more extreme, articulating not a presumption but an absolute rule of religious expulsion. She was of the opinion that ''(i)f the aim of the Establishment Clause is genuinely to uncouple government from church,'' then ''a State may not permit, and a court may not order, a display of this character.''[110] As authority for this absolutist separationism, Justice Ginsburg cited a law review article. The article is openly hostile to the contributions of traditional religion and urges that it be driven out of the public square.[111] It is deeply disturbing that Justice Ginsburg, in her first opinion concerning religion as a Supreme Court Justice, would cite with approval this article with its brutish regard for religion and religious expression.

In Rosenberger,[112] decided the same day as Pinette, a university-recognized student organization published a newspaper known as Wide Awake. The newspaper ran a number of stories on contemporary matters of interest to students such as racism, homosexuality, eating disorders, and music reviews, all from an unabashedly Christian perspective.[113] The university provided student newspapers work space and paid the expenses of printing these publications. The printing costs were paid from a fund generated by a student activity fee.[114] The university refused to reimburse the cost of printing Wide Awake. The refusal was pursuant to a policy disqualifying printing costs for groups promoting ''a particular belief in or about a deity or ultimate reality.''[115] The student sued, claiming this was yet another instance of discrimination against private religious speech in violation of the Free Speech Clause. The university sought to justify its discriminatory treatment as required by a no-aid interpretation of the Establishment Clause.[116]

By a vote of five to four, the Court ruled in favor of the students and directed the university to treat Wide Awake the same as other student publications, without regard to the newspaper's religious perspective. Justice Kennedy wrote the majority opinion, and was joined by Chief Justice Rehnquist and Justices O'Connor, Scalia, and Thomas. Justice Kennedy determined that the university had created a limited public forum for student expression on a wide array of topics.[117] Further, the denial of student activity funds to pay for the cost of printing Wide Awake was discrimination on the basis of the newspaper's Christian viewpoint concerning topics otherwise permitted in the forum.[118] The university's policy denied funding not because Wide Awake was a religious organization, but because of its religious perspective.[119] Justice Kennedy also rejected the argument that providing student groups with a scarce resource such as money differed from providing abundant resources such as classroom meeting space. Whether abundant or in limited supply, the university could not dispense its resources on a basis that was viewpoint-discriminatory.[120]

Justice Kennedy went on to reject the university's argument that providing direct funding for a newspaper with a religious perspective was prohibited by the Establishment Clause. In so doing, Justice Kennedy stated a rule of law consistent with neutrality theory, although he added that compliance with a neutrality rule was a significant factor—but not itself sufficient—in finding that the Establishment Clause was not violated:

A central lesson of our decisions is that a significant factor in upholding governmental programs in the face of Establishment Clause attack is their neutrality towards religion. . . . (I)n enforcing the prohibition against laws respecting establishment of religion, we must be sure that we do not inadvertently prohibit the government from extending its general state law benefits to all its citizens without regard to their religious belief. . . . We have held that the guarantee of neutrality is respected, not offended, when the government, following neutral criteria and evenhanded policies, extends benefits to recipients whose ideologies and viewpoints, including religious ones, are broad and diverse.[121]

Continuing, Justice Kennedy assessed both the purpose and ''practical details'' of the university's program. The university's purpose was clearly not the advancement of religion. The student activity fee was to promote a wide variety of speech of interest to students. Hence, the fee was unlike an earmarked tax for the support of religion.[122] As to the ''practical details'' that augured in favor of constitutionality, Justice Kennedy noted that state funds did not flow directly into the coffers of Wide Awake; rather, the newspaper's outside printer was paid by the university upon submission of an invoice.[123] Further, Justice Kennedy noted that Wide Awake was a student publication, ''not a religious institution, at least in the usual sense of that term as used in our case law, and it is not a religious organization as used in the University's own regulations.''[124]

Although she joined the majority opinion, Justice O'Connor had greater difficulty concluding that the Establishment Clause was not transgressed on these facts. As between separatistic and neutrality models, she declared that Rosenberger did not elevate neutrality as the new paradigm:

The Court's decision today therefore neither trumpets the supremacy of the neutrality principle nor signals the demise of the funding prohibition in Establishment Clause jurisprudence.[125]

Accordingly, separationism appears to be Justice O'Connor's starting point in cases involving direct funding of religious organizations. However, she found several mitigating details which on balance satisfied her that providing assistance in this case did not carry the danger of governmental funds' endorsing a religious message. First, university policies made it clear that the ideas expressed by student organizations, including religious groups, were not those of the university. Second, the funds were disbursed in a manner that ensured monies would be used only for the university's purpose of maintaining a robust marketplace of ideas. Finally, Justice O'Connor noted the possibility that students who objected to their fees going toward ideas they opposed might not be compelled to pay the entire fee.[126]

In addition to joining the majority opinion, Justice Thomas wrote separately to criticize the historical account in Justice Souter's dissent. Justice Thomas agreed with Justice Souter that history indicated that the Founders intended the Establishment Clause to prevent earmarking a tax for the support of religion.[127] However, the equal participation of religious and nonreligious groups in a direct-aid program funded out of general tax revenues was never an issue faced by the founding generation.[128] Hence, in Justice Thomas's view, it is not prohibited by the Establishment Clause.

Justice Souter dissented, joined by Justices Stevens, Ginsburg, and Breyer. Concerning a direct-aid program funded by public monies, Justice Souter stated that any

such program was unconstitutional if it used public monies to support religion.[129] Hence, the four dissenting Justices followed a separatistic model.

Justice Souter severely criticized Justice Kennedy's opinion insofar as it made distinctions based on certain factual peculiarities of the case: The funds going directly to the printer, not to the publication; the funds originating from student fees, not taxes; and the newspaper not being a religious organization, although it espoused overtly religious beliefs.[130] The ''practical details'' section of Justice Kennedy's opinion does appear to focus on minutiae. These are indeed chimerical distinctions on which the Establishment Clause is seemingly made to turn. In fairness to Justice Kennedy, however, he may have been forced into these rationalizations in order to keep Justice O'Connor with the majority. She supplied the crucial fifth vote. But if keeping Justice O'Connor from separately concurring explains Justice Kennedy's attention to ''practical details,'' it came at a high price: Officials and judges who do not like the result in Rosenberger have plenty of fine distinctions to manipulate so as to confine the case's holding narrowly to its facts.

In summary, concerning the constitutionality of general programs of direct aid, from Pinette and Rosenberger we learn that presently four Justices are prepared to allow a rule of neutrality, four Justices remain entrenched in separationism as their theory, and Justice O'Connor is the swing vote. Although it is clear that facial neutrality alone is insufficient, Justice O'Connor was unwilling to commit to any broader statement of general legal principles. It must be conceded that her instinct in these cases is not to begin with neutrality theory, but to follow a weak version of separationism.[131] She starts with a presumption of no aid, but then advises weighing the totality of the circumstances. If the legislation is facially neutral as to religion, if the program is administered so that there is no appearance of official endorsement of religion, and if there are sufficient safeguards against the welfare program's functioning as a subterfuge for channeling tax monies to support religion, then she will allow a rule of neutrality.[132]

In Rosenberger, as in Widmar, Lamb's Chapel, and Pinette, it was the Free Speech Clause that compelled the equal treatment of religion.[133] In the absence of the free speech claim, there was no indication the Court would have required—as a matter of constitutional right—that religion be treated equally in welfare programs. It is uncertain whether the Court will do so.[134] All that can be said with assurance is that should a legislature choose to treat religion in a nondiscriminatory manner when designing a program of aid, then a slim majority of the present Court will uphold the aid. Accordingly, religious social service providers have no certainty of equal treatment, but it is permitted.[135]

As we look at the progression from Widmar to Rosenberger in terms of the Court's attitude toward enabling personal religious choice, there is a logical continuum. The Court has moved toward neutralizing government's impact on religious belief and practice. In Widmar, the Establishment Clause was not violated when the government provided a direct benefit in the form of reserved meeting space (classrooms, heat, and light) because of the larger public purpose at issue—enriching the marketplace of ideas. In Rosenberger, the Establishment Clause was not violated when the government provided a direct benefit in the form of funding (paid printing costs) for the same reason as in Widmar—the larger public purpose of enriching the marketplace of ideas. Both the classroom space and payment of printing costs were valuable benefits to which a sum certain could be assigned. Free access to other forms of valuable direct benefits easily come to mind: Bulletin boards, photocopy machines, computers for word processing and e-mail, facsimile machines, organizational mailboxes, organizational office space, and even something as common as use of a telephone. All of these direct benefits when provided to a wide variety of student organizations, including organizations that are either religious or have religious viewpoints, would be permitted by the Widmar/Rosenberger interpretation of the Establishment Clause.

Indeed, there is no logical stopping place as the circumstance evolves from funding private expression without regard to religion to funding a social program without regard to religion. The essential requisite, as far as the Establishment Clause is concerned, is that in the case of expression, the creation of the public forum have a public purposes. In the case of a social service program, its enactment must have a public purpose as well.

The general principle of law that emerges is that the Establishment Clause is not violated when, for a public purpose, a program of direct aid is made available to an array of providers selected without regard to religion. In recently enacting the Church Arson Prevention Act,[136] Congress made use of this principle. Section 4(a) of the Act enables nonprofit organizations exempt under S 501(c)(3) of the Internal Revenue Code, which are victims of arson or terrorism as a result of racial or religious animus, to obtain federally guaranteed loans through private lending institutions.[137] This of course means churches can obtain the necessary credit to repair or rebuild their houses of worship at reduced rates. This Act, quite sensibly, treats churches the same as all similarly situated exempt nonprofit organizations. The public purpose is to assist the victims of crime. The federal guarantee represents a form of direct aid to religion, but because the aid is neutrally available to all 501(c)(3) organizations, it does not violate the Establishment Clause.

In the context of welfare legislation, the public purpose is for government and the independent sector to engage in a cooperative program that addresses the temporal needs of the ultimate beneficiaries,[138] and to do so in a manner that enhances the quality or quantity of the services to those beneficiaries. If some of the providers happen (indeed, are known) to be religious, and in the course of administering their programs they integrate therein religious beliefs and practices, that is of no concern to the government. As long as the beneficiaries have a choice as to where they can obtain services, thereby preventing any religious coercion of beneficiaries, and as long as the public purpose of the program is met,[139] the government's interest is at an end.[140]

For a welfare program to have a public purpose, more is required than that the program merely be facially neutral as to religion.[141] The legislation must have as its genuine object the pursuit of the good of civil society. Permissible public purposes encompass health (including freedom from addictions), safety, morals, or meeting temporal needs, such as shelter, food, clothing, and employment.

Unlike separationism, in neutrality theory it makes no difference whether a provider is ''pervasively sectarian'' or whether the nature of the direct aid is such that it can be diverted to a religious use.[142] Most importantly, the courts no longer need to ensure that governmental funds are used exclusively for ''secular, neutral, and nonideological purposes''[143] as opposed to worship or religious instruction. Neutrality theory eliminates the need for the judiciary to engage in such alchemy.

For faith-based providers to retain their religious character, programs of aid must be written to specially exempt them from regulatory burdens that would frustrate or compromise their religious character. Not only is this essential to attracting their participation, but it is in the government's interest for these providers to retain the spiritual character so central to their success in rehabilitating the poor and needy.[144] The line of cases typified by the holding in Amos gives assurance that the adoption of such exemptions do not violate the Establishment Clause.[145]

In neutrality theory it might be asked, ''Just what is left of the Establishment Clause?'' The answer is, ''Quite a lot!'' In addition to the several applications noted elsewhere in this Article,[146] the Establishment Clause continues to prohibit the government from adopting or administering a welfare program out of a purpose that is inherently religious.[147] For example, the no-establishment principle does not permit as the object of legislation the pursuit of worship, religious teaching, prayer, proselytizing, or devotional Bible reading.[148] Characterizing the purpose of a program of aid as ''nonsectarian'' or ''secular'' should be avoided, for that just clouds the issue. Mere overlap between a statutory purpose and religious belief or practice does not, without more, make the legislation unconstitutional.[149] Finally, although the Establishment Clause does require a public purpose, the neutrality principle is not concerned with unintended effects among religions. Accordingly, the Establishment Clause is not offended should a general program of aid affect, for good or ill, some religious providers more than others,[150] as long as any disparate effect is unintentional.[151]

State constitutions also address the matter of church/state relations, sometimes in terms that are more separatistic than the Supreme Court's interpretation of the Establishment Clause.[152] A program of aid that successfully navigates the First Amendment can nonetheless go aground on claims based on state constitutional law. However, if the welfare program is federal or federal revenues are shared with the states, then these state constitutions can be preempted by Congress.

CONCLUSION

As one facet of the nation's overall effort to reform welfare, it is imperative to increase the involvement of the independent sector in the delivery of government-assisted social services. A significant part of the voluntary sector presently engaged in social work consists of faith-based nonprofit organizations. Indeed, these religious charities are some of the most efficient social service providers, as well as among the most successful, measured in terms of lives permanently changed for the better.[153] Although some faith-based providers have been willing to participate in government-assisted programs, many are wary about involvement with the government because they rightly fear the debasing of their religious characters and expression.[154] Consequently, what is needed is legislation that invites the equal participation of faith-based organizations as social service providers, while safeguarding their religious character, which is the very source of their genius and success.

Achieving this goal will require change in how Americans conceive of the role of modern government, which fortunately is already underway. For starters, the activity of government must not be thought of as monopolizing the ''public.'' Rather, civil society

is comprised of many intermediate institutions and communities that also serve public purposes, including the independent sector of nonprofit faith-based providers.

Further, independent sector providers that opt to participate in a government welfare program are not in any primary sense to be regarded as ''beneficiaries'' of the government's assistance. Rather, it is those who are the ultimate object of the social service program—the hungry, the homeless, the alcoholic, the teenage mother—who are the beneficiaries of taxpayer funds. As they deliver services to those in need with such remarkable efficiency and effectiveness, faith-based providers, along with others in the voluntary sector, give far more in value, measured in societal betterment, than they could possibly receive as an incident of their expanded responsibilities. This is not a case of tax dollars funding religion.

Rightly interpreted, the Establishment Clause does not require that faith-based providers censor their religious expression and secularize their identity as conditions of participation in a governmental program. So long as the welfare program has as its object the public purpose of society's betterment—that is, help for the poor and needy—and so long as the program is equally open to all providers, religious and secular, then the First Amendment requirement that the law be neutral as to religion is fully satisfied.

Neutrality theory has the additional virtue of eliminating existing ''conflict'' among the clauses of the First Amendment. By not discriminating between ''pervasively'' and ''non-pervasively sectarian'' organizations, the Court's interpretation of the Establishment Clause is brought into line with the rule of Larson v. Valente[155] prohibiting intentional discrimination among religious groups, and avoids as well excessive inquiry into the character of religious organizations.[156] By not discriminating in favor of secular organizations over religious organizations through the funding of only the former, the Court's interpretation of the Establishment Clause is brought into line with the rule of Church of the Lukumi Babalu Aye, Inc. v. City Hialeah[157] prohibiting intentional discrimination against religion. And by not discriminating against private religious speech in either content or viewpoint, the Court's interpretation of the Establishment Clause is in line with longstanding free speech doctrine as adhered to in Rosenberger. The separationist view that when in ''conflict,'' the Establishment Clause subordinates the Free Exercise and Free Speech Clauses has heightened religious tensions over political matters. Contrariwise, the neutrality principle promises to reduce political factionalism along religious lines.

As First Amendment law evolves away from separationism and in the direction of neutrality theory, it is inevitable that there will be setbacks. But the neutrality principle has about it the march of an idea, one that is compelling because it unleashes liberty, limits government, and reinvigorates citizen involvement at the neighborhood level. For the sake of America's poor and needy, we can only hope that the Supreme Court's full embrace of neutrality will come soon.

[d] This Article was first presented at a workshop on the Constitutionality of Governmental Cooperation with Religious Social Ministries on August 2–3, 1996, at Washington, D.C., sponsored by the Religious Social-Sector Project of the Center for Public Justice.

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[1] The Declaration of Independence, for example, refers to these transcending principles as ''self-evident truths,'' ''Creator-endowed inalienable rights,'' and ''the laws of nature and of nature's God.'' These higher law principles did not necessarily rest upon a common confession of revealed truth. For some among the Founders, the principles were derived from a faith in reason. But the reliance on transcendent principles, whether extrapolated from reason or revelation, did mean agreement at the level of the moral basis for political action. See, e.g., John G. West, Jr., The Politics of Revelation & Reason: Religion & Civic Life In The New Nation (1996):

The Founders eliminated the problem of dual allegiance to God and government by removing God from the authority of the government. . . .

This solution to the theological-political problem in theory, however, required a major corollary to work in practice: a belief that church and state would agree on the moral basis of political action. . . . Only if church and state can agree on the moral standard for political action can (subjugation of religion to state or vice versa) be avoided. In other words, reason (the operating principle of civil government) and revelation (the ultimate standard for religion) must concur on the moral law for the Founders' solution to work.

The Founders, of course, agreed with this proposition. . . . This conceit that reason and revelation agreed on the moral law so permeated the Founding era that the modern reader may miss it because authors of the period more often assumed this proposition than demonstrated it. When citing authority for fundamental propositions, writers of the Founding era appealed to both reason and revelation as a matter of course. Id. at 74–75.

[2] See, for example, James Madison's letter wherein he observes how the Virginia churches had greatly expanded in number and reputation since disestablishment. Letter to Edward Livingston (July 10, 1822), in 3 Letters and Other Writings of James Madison, Fourth President of the United States 273, 276 (1865) (''(in) Virginia. . . . religion prevails with more zeal and a more exemplary priesthood than it ever did when established. . . . Religion flourishes in greater purity without, than with the aid of Government'').

That keenest of observers, Alexis de Tocqueville, sketched this delicate balance in operation during his visits to the America of the 1830s:

Religion, which never intervenes directly in the government of American society, should . . . be considered as the first of their political institutions. . . .

I do not know if all Americans have faith in their religion—for who can read the secrets of the heart?—but I am sure that they think it necessary to the maintenance of republican institutions. That is not the view of one class or party among the citizens, but of the whole nation; it is found in all ranks.

For the Americans the ideals of Christianity and liberty are so completely mingled that it is almost impossible to get them to conceive of the one without the other. . . .

The religious atmosphere of the country was the first thing that struck me on arrival in the United States. The longer I stayed in the country, the more conscious I became of the important political consequences resulting from this novel situation.

In France I had seen the spirits of religion and of freedom almost always marching in opposite directions. In America I found them intimately linked together in joint reign over the same land. My longing to understand the reason for this phenomenon increased daily. To find this out, I questioned the faithful of all communions. . . . I found that (American Catholic priests) all . . . thought that the main reason for the quiet sway of religion over their country was the complete separation of church and state. I have no hesitation in stating that throughout my stay in America I met nobody, lay or cleric, who did not agree about that. Alexis de Tocqueville, Democracy In America 269–72 (J.P. Mayer & Max Lerner, eds., Harper & Row 1966).

[3] Os Guinness, The American Hour: A Time of Reckoning and the Once and Future Role of Faith 18–19 (1993).

[4] See Stephen L. Carter, The Culture of Disbelief: How American Law and Politics Trivialize Religious Devotion (1993); James Davison Hunter, Culture Wars: The Struggle to Define America (1991).

[5] Some have puzzled as to why broad coalitions, like that behind the Religious Freedom Restoration Act of 1993, 42 U.S.C. §§ 2000bb to 2000bb–4 (1994), can come together over the meaning of the Free Exercise Clause but not the Establishment Clause. The Free Exercise Clause is about protecting religiously informed conscience, especially freedom for religious minorities to continue practices that are out of step with the general culture. Most everyone who cares about religion agrees on the desirability of protecting these matters. This is not the case, however, with the Establishment Clause. Where the stakes are high, as in the culture wars, there can be little coalition building between social liberals and social conservatives or between theological liberals and theological conservatives.

[6] 330 U.S. 1 (1947). While narrowly upholding a state law permitting local authorities to reimburse parents for the cost of transporting children to school, including church-related institutions, the rhetoric and historical method adopted by the Court in Everson were separatistic.

[7] See e.g., Rosenberger v. Rector & Visitors of the Univ. of Va., 115 S. Ct. 2510, 2528 (1995) (O'Connor, J., concurring) (contrasting the ''neutrality principle'' with the ''funding prohibition'' view of the Establishment Clause); Kiryas Joel Village Sch. Dist. v. Grumet, 512 U.S. 687, 704 (1994) (''(The (neutrality) principle is well grounded in our case law, as we have frequently relied explicitly on the general availability of any benefit provided religious groups or individuals in turning aside Establishment Clause challenges.'') Bowen v. Kendrick, 487 U.S. 589, 624 (1988) (Kennedy, J., concurring) (characterizing a social service program open to a diverse array of organizations neutral as to religious and nonreligious applicants).

[8] 454 U.S. 263 (1981). Widmar held that the Free Speech Clause, with its requirement that there be no content-based discrimination, is not overridden by the Establishment Clause. Id. at 271–75. Accordingly, a state university was prohibited from denying a student religious organization the same access to facilities provided to other student organizations, thereby permitting the students to meet, pray, sing, and worship on campus.

[9] Religious choices by an individual believer or by a religious group are not differentiated in this Article. Individual rights are akin to the group rights of a church or religious denomination as long as the organization can show injury-in-fact to the purposes or activities of the group itself, or when the organization has third-party standing to assert a rights claim on behalf of its members pursuant to the three-part test set out in Hunt v. Washington State Apple Advertising Commission, 432 U.S. 333, 343 (1977).

[10] The term ''neutrality'' can mislead readers into believing that the theory claims to be substantively neutral. It is not. The theory is neutral only in the sense that government minimizes its role in influencing the

religious choices of its citizens, thereby leaving persons free to make these choices for themselves, Government does so, for example, by structuring its social welfare programs to give citizens wide choices, with religious choices being among the available selections.

To further confuse matters, courts and commentators sometimes use ''equal'' as a substitute for ''neutral,'' See, e.g., Stephen V. Monsma & J. Christopher Soper, eds., Equal Treatment of Religion in a Pluralist Society (forthcoming 1997). In this context, ''neutrality'' and ''equality'' are intended to convey the same meaning. Whether termed the ''neutrality principle'' or ''equal-treatment review,'' the theory stakes out substantiative positions as to the nature and contemporary value of religion and the purposes of modern government. The theory places a great deal of importance on the religious impulse in human nature. And the theory assigns to government a minimal role in directing religion, seeking to limit government to addressing the reasonable regulatory needs for the protection of organized society.

[11] One of the conceits of modernism is that humankind acting alone, through reason and scientific observation, can determine universal truths, the Jewish and Christian traditions will test any such ''universals'' against the special revelation of Scripture. Postmodernists, like observant Jews and traditional Christians, dismiss the professed objectivity or claimed neutrality of modernists as arrogant pretensions. Without embracing the rest of their philosophy, religionists can agree with postmodernists that human reason—and hence one of its products, the positive law—is contingent on time, place, perception, and culture. See generally Stanley J. Grenz, A Primer on Postmodernism (1966); Gene Edward Veith, Jr., Postmodern Times: A Christian Guide to Contemporary Thought and Culture (1994). Thus, when engaging the church/state debate, observant Jews and traditional Christians may be disarmingly candid and lose nothing in the bargain by conceding that there is no neutral theory concerning the proper interpretation of the Establishment Clause. Rather, the question for Jews and Christians is to determine which theory of church/state relations most nearly comports with the biblical image of life's purpose, as well as the proper role of the political community.

[12] Direct forms of assistance come not just as payments on specified-use grants or purchase-of-service contracts, but in a variety of other forms as well; high-risk loans, low-interest loans, and government-guaranteed loans; tax-exempt low-interest bonds for capital improvements; insurance at favorable premiums; in-kind donations of goods such as used furniture or surplus food; free use of government property, facilities, or equipment; free assistance by government personnel to perform certain tasks; free instruction, consultation, or training by government personnel; and reduced postal rates. Office of Management and Budget, Executive Office of the President, Catalog of Fed. Domestic Assistance xv–svi (29th ed. 1995). The catalog lists and defines 15 types of federal assistance. As classified by the General Services Administration, federal benefits and services are provided through seven categories of financial assistance (grants, insurance, donated property, etc.) and eight categories of nonfinancial assistance (training, counseling, supplying technical literature, investigation of complaints, etc.). Id. See also Douglas J. Besharov, Bottom-up Funding, in To Empower People: From State to Civil Society 124 (Michael Novak ed., 2d ed. 1996) (comparing the strengths and weaknesses that arise when funding comes directly and indirectly from government).

[13] Indirect forms of assistance include: individual income tax credits and deductions; student scholarships, fellowships, and guaranteed loans; and educational vouchers and federal child care certificates. Indirect assistance can be further divided. Vouchers and scholarships, for example, are types of indirect aid where the immediate source of the benefit is the government. On the other hand, indirect benefits such as tax credits and deductions are examples of so called ''bottom-up'' aid, in which the immediate source of aid is private. The government's role in connection with this second type of indirect assistance is to facilitate the flow of aid by rewarding the private source after the fact. The distinction between these two types of indirect assistance may enter into certain policy debates and decisions made by legislators. However, the Supreme Court has not made use of this distinction for purposes of interpreting the Establishment Clause.

[14] See infra notes 90–100 and accompanying text.

[15] 463 U.S. 388 (1983) (upholding a state income tax deduction conferred on school parents to assist in their children's tuition and other educational expenses).

[16] 474 U.S. 481 (1986) (upholding a state vocational grant program to finance a blind individual's training at a sectarian school to obtain a degree to enter a religious vocation).

[17] 509 U.S. 1 (1993) (providing an interpreter to a deaf student attending a parochial high school does not violate the Establishment Clause). Even Everson v. Board of Educ., 330 U.S. 1 (1947), which upheld a state law allowing local governments to provide reimbursement to parents for the expense of transporting their children by bus to school, including to parochial schools, can also be characterized as having subscribed to this direct/indirect distinction.

[18] See Rosenberger v. Rector & Visitors of the Univ. of Va., 115 S. Ct. 2510, 2541 (1995) (Souter, J., dissenting, writing for himself and Justices Stevens, Ginsburg, and Breyer) (acknowledging the rule applied in Mueller, Witters, and Zobrest.

[19] See 26 U.S.C. §§170, 501(c)(3)(1994).

[20] 38 U.S.C. §§3201–3243 (1994).

[21] See, e.g., Federal Pell Grants, 20 U.S.C. §1070a (1994); 34 C.F.R. §690.78. An eligible student for a Pell grant is defined in 20 U.S.C. §1091 (1994). Students may utilize their grant at an institution of higher education (§1088) or other eligible institution (§1094). Church-affilated colleges and universities are not excluded.

[22] The Child Care and Development Block Grant Act of 1990, 42 U.S.C. §§9858–9858q (Supp. 1996). The Act allows parents receiving child care certificates from the government to obtain child care at a center operated by a church or other religious organization, including a pervasively sectarian center. Id. at §§9858n(2), 9858k(a), 9859c(c)(2)(A)(i)(I).

[23] See §104(j) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. §604a (1996 Supp.). Section 104 is known by the popular name of ''Charitable Choice.'' Charitable Choice permits states to involve faith-based providers in the delivery of welfare services funded by the federal government though block grants to the states. Where the form of the assistance is indirect, such as by means of certificates or vouchers, the faith-based providers are not restricted as to their religious activities.

[24] To be sure, care must be exercised in the design of the welfare program. If only voluntary sector providers are eligible and if most of these providers are faith-based, then the case law may support overturning the program as having a primary religious effect. See Committee for Pub. Educ. v. Nyquist, 413 U.S. 756 (1973) (striking down a state educational program that was designed to aid only nonpublic schools); Similar to Nyquist is Sloan v. Lemon, 413 U.S. 825, 833–35 (1973) (holding unconstitutional a state tuition reimbursement plan available only to parents of nonpublic school students).

Because the plan in Nyquist excluded government schools, Nyquist is distinguishable from Mueller, Witters, and Zobrest. See Durham v. McLeod, 192 S.E.2d 202 (S.C. 1972), dismissed for want of a substantial federal question, 413 U.S. 902 (1973) (decided on the same day the Court decided Nyquist). In Durham, the state court had upheld a student loan program wherein students could attend the college of their choice, religious or nonreligious. The Supreme Court apparently approved. Likewise, the Court in Nyquist said that educational assistance provisions such as the G.I. Bill do not violate the Establishment Clause even when some GIs choose to attend church-affiliated colleges. 413 U.S. at 782 n.38 (leaving open the option of ''some form of public assistance (e.g., scholarships) made available generally without regard to the sectarian/nonsectarian, or public/nonpublic nature of the institution benefited'').

[25] See Norwood v. Harrison, 413 U.S. 455, 462 (1973); Everson v. Board of Educ., 330 U.S. 1, 16 (1947) (dictum); Brusca v. State Bd. of Educ., 332 F. Supp. 275 (E.D. Mo. 1971), aff'd mem., 405 U.S. 1050 (1972).

[26] Church of the Lukumi Babalu Aye, Inc. v. City of Hialeah, 508 U.S. 520 (1993); McDaniel v. Paty, 435 U.S. 618 (1978).

Should such case ever arise, separationists will argue that there is a compelling interest in overriding the Free Exercise Clause, namely the ''no aid'' interpretation of the Establishment Clause. There are no Supreme Court cases on this precise point. However, the recent case of Rosenberger v. Rector & Visitors of the Univ. of Va., 115 S. Ct. 2510 (1995), did uphold direct aid to a publication with an overtly religious viewpoint. The Establishment Clause was found not to prohibit the direct funding. Hence, compliance with the Clause was not a compelling governmental interest. See infra notes 112–30 and accompanying text.

A recent case in the Sixth Circuit, citing Church of the Lukumi, held that the U.S. Army violated the Free Exercise Clause when it excluded religious but not secular child care providers from operating on its bases and receiving various direct benefits. Hartman v. Stone, 68 F.3d 973 (6th Cir. 1995). The appeals court went on to hold that the governmental assistance did not advance or endorse religion in violation of the Establishment Clause. In all respects, Hartman appears to have correctly applied Supreme Court precedent.

[27] The Court has constructed a society in which faith-based providers deliver their welfare services within discrete and clearly defined boundaries easily segregated from the provider's religious beliefs and practices. For a thorough debunking of the Court's sacred/secular dichotomy, see Laura Underkuffler-Freund, The Separation of the Religious and the Secular: A Foundation challenge to First Amendment Theory, 36 Wm. & Mary L. Rev. 837 (1995).

[28] In neutrality theory, the activities of ''government'' do not monopolize the ''public.'' At present—as well as historically—faith-based charities comprise a large number of the available voluntary sector social service providers, and they operate many of the most efficient and successful programs. As long as the government's welfare program furthers the public purpose of society's betterment—that is, helping the poor and the

needy—it is neutral as to religion if the program involves faith-based providers on an equal basis with all others.

[29] In neutrality theory, the independent sector providers of social services who opt to participate in a government's welfare program are not in any primary sense ''beneficiaries'' of the government's assistance. Because they deliver services to those in need, faith-based providers give far more in valve measured by societal betterment than they could possibly receive as an incident of their expanded responsibilities.

[30] The Court has not always required proof of actual advancement of religion. In certain instances, the mere presence of such a risk or hazard has been sufficient to strike down the aid program. See Grand Rapids Sch. Dist. v. Ball, 473 U.S. 373, 385, 387 (1985); Wolman v. Walter, 433 U.S. 229, 254 (1977); Meek v. Pittenger, 421 U.S. 349, 370, 372 (1975); Levitt v. Committee for Pub. Educ., 413 U.S. 474, 480 (1973); cf. Bowen v. Kendrick, 487 U.S. 589, 610–12 (1988).

[31] The meaning of the term ''pervasively sectarian'' can be gleaned from the cases. In Roemer v. Board of Public Works, 426 U.S. 736, 758 (1976) (plurality opinion), the Court turned back a challenge to a state program awarding noncategorical grants to colleges, including sectarian institutions that offered more than just seminarian degrees. In discussion focused on the fostering of religion, the Court said: (T)he primariy-effect question is the substantive one of what private educational activities, by whatever procedure, may be supported by state funds. Hunt (v. McNair, 413 U.S. 734 (1973)) requires (1) that no state aid at all go to institutions that are so ''pervasively sectarian'' that secular activities cannot be separated from sectarian ones, and (2) that if secular activities can be separated out, they alone may be funded. 426 U.S. at 755. The Roman Catholic colleagues in Roemer were held not be previously sectarian. The record supported findings that the institutions employed chaplains who held worship services on campus, taught mandatory religious classes, and started some classes with prayer. However, there was a high degree of autonomy from the Roman Catholic Church, the faculty was not hired on a religious basis and had complete academic freedom except in religion classes, and students were chosen without regard to their religion.

A comparison of the colleges in Roemer with the elementary and secondary schools in Committee for Public Education v. Nyquist, 413 U.S. 756, 767–68 (1973), clarifies the term ''pervasively sectarian.'' The schools in Nyquist that were found to be pervasively sectarian placed religious restrictions on student admissions and faculty appointments, enforced obedience to religious dogma, required attendance at religious services, required religious or doctrinal study, were an integral part of the mission of the sponsoring church, had religious indoctrination as a primary purpose, and imposed religious restrictions on how and what the faculty could teach.

Although the definition of a pervasively sectarian institution has been stated in the foregoing general terms, only church-affiliated primary and secondary schools have ever been found by the Supreme Court to fit the profile. Presumably a church, synagogue, or mosque would also be regarded as pervasively sectarian insofar as it performs sacerdotal functions.

[32] See, e.g., Committee for Pub. Educ. & Religious Liberty v. Regan, 444 U.S. 646 (1980) (subsidy for state-prepared testing and recordkeeping required by law); Wolman v. Walter, 433 U.S. 229 (1977) (upholding use of public personnel to provide guidance, remedial, and therapeutic speech and hearing services at a neutral site; upholding provision of diagnostic services in the nonpublic school; upholding provision of standardized tests and state scoring); Meek, 421 U.S. 349 (loan of secular textbooks); Board of Educ. v. Allen, 392 U.S. 236 (1968) (secular textbooks).

[33] See Aguilar v. Felton, 473 U.S. 402 (1985); Grand Rapids Sch. Dist., 473 U.S. 373; New York v. Cathedral Academy, 434 U.S. 125 (1977); Wolman, 433 U.S. 229; Meek, 421 U.S. 349; Nyquist, 413 U.S. 756; Levitt, 413 U.S. 472; Lemon v. Kurtzman, 403 U.S. 602 (1971).

[34] See Roemer, 426 U.S. 736; Hunt, 413 U.S. 734; Tilton v. Richardson, 403 U.S. 672 (1971).

[35] 175 U.S. 291 (1899).

[36] In Bradfield, a corporation located in the District of Columbia known as Providence Hospital was chartered in 1864 by act of Congress. The enabling act was facially neutral in that it made no mention of religion, nor was the hospital ostensibly controlled by or associated with a church. Nevertheless, all the directors of the hospital and their successors were ''members of a monastic order or sisterhood of the Roman Catholic Church,'' and title to the real estate on which the hospital buildings were constructed was ''vested in the Sisters of Charity of Emmitsburg, Maryland.'' Id. at 297. Federal taxpayers challenged as violative of the Establishment Clause an 1897 appropriation to build on the hospital grounds ''an isolating building or ward for the treatment of minor contagious diseases,'' that when completed was to be turned over to Providence Hospital. Id. at 293. This arrangement, alleged plaintiffs, was an instance in which ''public funds are being used and pledged for the advancement and support of a private and sectarian corporation.'' Id. For consideration of the question before it, the Court assumed, arguendo, that a capital appropriation to a religious corporation would violate the Establishment Clause. The Court said plaintiffs' allegations nonetheless failed to show that Providence Hospital was a religious or sectarian body. Merely because the board of directors was composed entirely of members of the same religion did not make the hospital religious. Without additional evidence, the Court was unwilling to assume that Providence Hospital would act otherwise than in accord with its legal charter, in which its powers by all appearances were secular, having to do with the care of the injured and infirm. Although plaintiffs alleged that the hospital's business was ''conducted under the auspices of the Roman Catholic Church,'' there was no evidence that management of the business was limited to members of that faith or that patients had to be Catholic. Id. at 298–99. Bradfield turned on the inadequacies of plaintiffs' pleading and evidence. The Court also had a formalistic view of the importance of separate incorporation by means of a facially neutral charter, notwithstanding that the corporation had a de facto interlocking directorate with a religious order. Accordingly, although the bottom-line result in Bradfield was counter to a no-aid view of the Establishment Clause, the Court utilized a separatistic framework for its analysis.

[37] 487 U.S. 589 (1994).

[38] Id. at 600–02, 622.

[39] 42 U.S.C. SS 300z to 300z–10 (1994).

[40] Kendrick, 487 U.S. at 593, 608–09.

[41] Id. at 595–96, 605–07.

[42] Id. at 614–15.

[43] Id. at 608 (quoting Roemer v. Maryland Pub. Works Bd., 426 U.S. 736, 746 (1976)).

[44] Id. at 609.

[45] Lemon v. Kurtzman, 403 U.S. 602, 612–13 (1971).

[46] Kendrick, 487 U.S. at 602–03.

[47] Id. at 604–05, 613.

[48] Id. at 605–06.

[49] Id. at 606–07.

[50] Id. at 610–11.

[51] Id. at 606, 608.

[52] Id. at 611–12.

[53] Id. at 614.

[54] Id. at 615–17.

[55] See supra note 30 and accompanying text.

[56] Kendrick, 487 U.S. at 623 (O'Connor, J., concurring).

[57] Id. Justice O'Connor went on to warn that evidence of a pattern or practice at HHS of disregarding the concerns of the Establishment Clause on an as-applied basis would, in her view, warrant overturning the entire AFLA. Id. at 623–24 (O'Connor, J., concurring).

[58] In making this distinction, Justice O'Connor utilized the sacred/secular dichotomy. See supra note 27. But the dichotomy results in AFLA's constitutionality. In fact, the presumption leads to the facial approval of all welfare programs that permit equal participation by faith-based providers.

[59] 456 U.S. 228 (1982).

[60] Id. at 244, 246. See also Fowler v. Rhode Island, 345 U.S. 67 (1953); Neimotko v. Maryland, 340 U.S. 268 (1951). Religious organizations most willing to conform to contemporary culture are less sectarian. Conversely, those organizations more conservative in theology and that have resisted acculturation will inevitably appear to civil judges as more sectarian. ''To exclude from funding those groups that are more ''sectarian'' is to punish those religions which are countercultural while rewarding those groups willing to secularize. A sociologist has identified the ''pervasively sectarian'' groups as ''orthodox,'' and the ''nonsectarians'' as religious ''progressives.'' Hunter, supra note 4, at 42–46. Hunter says the religious ''orthodox'' are devoted ''to an external, definable, and transcendent authority,'' whereas ''progressives'' ''resymbolize historic faiths according to the prevailing assumptions of contemporary life.'' Id. From the standpoint of wanting to minimize governmental influence on private religious choices, it is hard to imagine a more detrimental rule than for the Supreme Court to penalize the orthodox while rewarding the progressives.

[61] Kiyas Joel Village Sch. Dist. v. Grumet, 512 U.S. 687, 702–07 (1994); see Larson V. Valenta, 456 U.S. 228, 246 n. 23 (1982). The rationale, in part, is that the Court wants to avoid making affiliation with a particular denomination or type of religious group more attractive. If this were not the law, then merely affiliating with a particular religious group could result in a civil advantage or disadvantage.

[62] One problem with the requirement of distinguished between ''pervasively'' and ''nonpervasively'' sectarian organizations is that the level of religiousness of faith-based social service providers is a matter of degree, and there are multiple ways to measure religiousness. Carl H. Esbeck, The Religious of Religious Organizations as Recipients of Governmental Assistance 8-9 (1996). Most providers are neither fully sectarian nor fully secularized. Any multifactor test the courts devise will end up favoring some religious and prejudicing others. Sorting through the array of social service providers would be a veritable briar patch and cause the judiciary to violate its own admonitions concerning entanglement.

[63] See, e.g., Rosenberger v. Rector & Visitors of the Univ. of Va., 115 S. Ct. 2510, 2524 (1995) (university should avoid distinguishing between evangelism, on the one hand, and the expression of ideas merely approved by a given religion on the other); Corporation of the Presiding Bishop v. Amos, 483 U.S. 327, 336 (1987), and id. at 344–45 (Brennan, J., concurring) (recognizing a problem when the

government attempts to divine which jobs are sufficiently related to the core of a religious organization as to merit exemption from statutory duties); Bob Jones Univ. v. United States, 461 U.S. 574, 604 n.30 (1983) (avoiding potentially entangling inquiry into religious practice is desirable); Widmar v. Vincent, 454 U.S. 263, 269–70 n.6, 272 n.11 (1981) (holding that inquiries into significance of religious words or events are to be avoided); Walz v. Tax Comm'n, 397 U.S. 664, 674 (1970) (avoiding entanglement that would follow should tax authorities evaluate the temporal worth of religious social welfare programs is desirable). Likewise, in Jimmy Swaggart Ministries v. California Bd. of Equalization, 493 U.S. 378, 396–98 (1990), and Texas Monthly, Inc. v. Bullock, 489 U.S. 1, 20 (1989) (plurality opinion), the Court cautioned against unnecessarily making distinctions between core religious practices (e.g., workship, doctrinal teaching, distributing sacred literature) and those activities of religious organizations that are more ancillary (e.g, operating a soup kitchen or hospital). For similar reasons, courts are to avoid making a determination concerning the centrality of the belief or practice in question to an overall religious system. See Lyng v. Northwest Indian Cemetery Ass'n, 485 U.S. 439, 451 (1988) (rejecting free exercise test that ''depend(s) on measuring the effects of a governmental action on a religious objector's spiritual development''); United States v. Lee, 455 U.S. 252, 257 (1982) (rejecting government's argument that free exercise claim does not lie unless ''payment of social security taxes will . . . threaten the integrity of the Amish religious belief or observance''); Thomas v. Review Bd., 450 U.S. 707, 715–16 (1981) (holding that it is not within the judicial function or competence to resolve religious differences); see also Employment Div. v. Smith, 494 U.S. 872, 886–87 (1990).

[64] Kendrick, 487 U.S. at 624–25 (Kennedy J., concurring). Justice Kennedy's opinion was joined by Justice Scalia.

[65] Id. at 624 (Kennedy, J., concurring).

[66] Id. (Kennedy, J., concurring).

[67] Id. at 624–25 (Kennedy, J., concurring).

[68] Justice Kennedy's opinion is closest to the view of neutrality theorists. But he too falls short. Justice Kennedy would trace the government's funds and disallow any use for the advancement of religion. The neutrality principle, as will be discussed below, infra notes 138–43 and accompanying text, requires only that the Court examine the outcome of the welfare program with an eye to determining whether the public purpose is being served by the social service provider. If so, then the judicial inquiry is at an end, for the government has received full ''secular'' value in exchange for taxpayer funds.

[69] There is no dispute between separationists and neutrality theorists over whether the Establishment Clause prohibits a tax or user fee earmarked for a religious purpose. It clearly does. See infra note 127 and accompanying text. What is disputed is whether monies collected by general taxation and appropriated to support a welfare program that does not discriminate against the participation of faith-based social service providers is constitutional. See infra notes 131–45 and accompanying text.

[70] Grand Rapids Sch. Dist. v. Ball, 473 U.S. 373, 385 (1985).

[71] Tilton v. Richardson, 403 U.S. 672, 689 (1971) (rejecting claim by taxpayers challenging use of revenues for funding of a state program to assist institutions of higher education, including church-affiliated colleges); cf. United States v. Lee, 455 U.S. 252, 257 (1982) (requiring Amish employer to pay Social Security tax in violation of his religious beliefs); United States v. American Friends Serv. Comm., 419 U.S. 7 (1974) (per curiam) (holding that Quakers facing federal income tax liability did not have free exercise rights that overrode provision in anti-injunction act barring claimants from suing to enjoin government from collecting tax). The Court has never recognized a free exercise right to object when revenues raised by general taxation are used to assist the poor or needy by involving faith-based providers in the delivery of welfare services

[72] The Court has recognized a strong protection of religious conscience found in the Free Speech Clause. See Wooley v. Maynard, 430 U.S. 705, 714–15 (1977) (sustaining claim by Jehovah's Witness challenging state requirement that motor vehicle license plate bear the motto ''Live Free or Die'' was violative of freedom of thought, which includes the ''right to refrain from speaking at all''); West Virginia v. Barnette, 319 U.S. 624, 642 (1943) (public school compulsory flag salute and pledge of allegiance ''invades the sphere of intellect and spirit''); see also United States v. Ballard, 322 U.S. 78, 86 (1944) (''Freedom of thought, which includes freedom of religious belief, is basic in a society of free men.''). But such protection does not extend to taxpayers objecting to the monies being paid to faith-based organizations.

[73] See, e.g., John H. Garvey, An Anti-Liberal Argument for Religious Freedom, 7 J. Contempt. Legal Issues 275, 280–82 (1996) (identifying liberal arguments for church/state separation as, inter alia, the protection of society from political strife); Douglas Laycock, Religious Liberty as Liberty, 7 J. Comtemp. Legal Issues 313, 317 (1996) (one reason for no-establishment principle is to minimize the societal conflict that attends use of governmental force to suppress religion); Ira C. Lupu, To Control Faction and Protect Liberty: A General Theory of the Religion Clauses, 7 J. Contemp. Legal Issues 357, 360–62 (1996) (no-establishment principle arose in response to the grave risk of political disharmony resulting from uncontrolled religious factionalism).

Typically the concern with religion dividing the body politic is buttressed by reference to European religious wars, which were known to the founding generation, as well as by warnings that point to modern-day Northern Ireland, Bosnia, or Lebanon. These are indeed events worthy of avoidance. But separationists omit an obvious distinction between these instances of sectarian strife and the goal of neutrality theory. The sectarian wars of medieval Europe were wars for religious monopoly. Each side sought to defeat the other so as to establish its own religious hegemony. Neutrality theory has no such goal. Indeed, its goal is just the opposite, If the neutrality principle were to be followed, then government's influence over religion would be minimized and each individual's religious choices would be more fully enabled. See infra note 98 and accompanying text.

In their concern for preventing sectarian strife, an additional point overlooked by separationists is that the Establishment Clause (indeed, the entire Bill of Rights) is a check on government—not a check on religion. Thus, the no-establishment principle guards against government's using its power inappropriately taking sides on behalf of a religion. Simply put, the Clause protects people from government. It does not protect people from other people. It does not protect a minority religion from a majority religion. And it does not protect the nonreligious from the religious. Separationists are prone to assume that religious ideologies are more intolerant and absolutist than secular ideologies; thus, they believe that the Establishment Clause is there specifically to hold in check the excesses of religion. But it is only the excesses of government that the Clause can check. See Douglas Laycock, Continuity and Change in the Threat to Religious Liberty: The Reformation Era and the Late Twentieth Century, 80 Minn. L. Rev. 1047, 1048, 1089–95, 1102 (1996). In the twentieth century, secular ideologies have proven every bit as violent as the sectarianisms of the Middle Ages.

[74] The most compelling argument for a continued strict separation of church and state is the harm that can befall religion itself when faith-based ministries become unduly involved with governmental programs and benefits. Preserving the autonomy of religious providers is beyond the scope of this Article. This author has touched briefly on the matter elsewhere. See Esbeck, supra note 62, at 47–51; Carl H. Esbeck, Religion and a Neutral State: Imperative or Impossibility? 15 Comberland L. Rev. 67, 80–83 (1984–85). Others have also published on the topic. See, e.g., Besharov, supra note 12; Marvin Olasky, The Corruption of Religious Charities, in To Empower People: From State to Civil Society ch. 8 (Michael Novak, ed., 2d ed. 1996); Joe Loconte, The 7 Deadly Sins of Government Funding for Private Charities, Policy Rev., Mar./Apr. 1997; Amy L. Sherman, Cross Purposes: Will Conservative Welfare Reform Corrupt Religious Charities? Policy Rev., Fall 1995, at 58–63; David Walsh, Irreducible, Inexplicable: The Effort to Carve Out a Utilitarian, Public-Policy Role for Religion Strikes at the Core of Faith, Wash. Post, Mar. 1, 1996, at A17. Nonetheless, the available materials are few and anecdotal, and religious autonomy as an important topic warrants more attention by scholars and judges alike.

[75] There was a time when the Supreme Court, in its interpretation of the Establishment Clause, sought out political divisiveness along religious lines as a violation of the Clause. However, such evidence as a separate element of Establishment Clause doctrine is now repudiated. Corporation of Presiding Bishop v. Amos, 483 U.S. 327, 339 n.17 (1987); Lynch v. Donnelly, 465 U.S. 668 684–85 (1984); Mueller v. Allen, 463 U.S. 388, 403–04 n.11 (1983). The foregoing cases essentially rejected broad language in earlier cases. See Wolman v. Walter, 433 U.S. 229, 256 (1977) (Brennan, J., concurring and dissenting); id. at 258–59 (Marshall, J., concurring and dissenting); Meek v. Pittenger, 421 U.S. 349, 374–77 (1975) (Brennan, J., concurring and dissenting); Lemon v. Kurtzman, 403 U.S. 602, 622–23 (1971). Political divisiveness analysis was heavily criticized because it ran counter to the Court's recognition elsewhere that religious persons and groups have full rights of free speech and political participation. See Edward M. Gaffney, Political Divisiveness Along Religious Lines: The Entanglement of the Court in Sloppy History and Bad Public Policy, 24 St. Louis U. L.J. 205 (1980).

[76] An example of this is found in §104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. §604a (1996 Supp.). Section 104, known by the popular name ''Charitable Choice,'' permits the involvement of faith-based providers in the delivery of welfare services funded by the federal government through block grants to the states. For those faith-based providers that choose to participate, §104(b), (d), and (f) set forth several rights of provider autonomy from excessive governmental regulation.

[77] To these three requisites (a public purpose of social betterment, nondiscrimination, and religious autonomy), neutrality theory adds the right of the ultimate beneficiaries to obtain their services from a nonreligious provider if they have a sincere objection to a particular faith-based provider. See infra note 138 and accompanying text.

[78] Some argue that the Establishment Clause, while prohibiting the establishment

of a single national religion, was nevertheless intended to allow Congress to support all religious denominations on a nonpreferential basis. This is unlikely. When drafting the First Amendment the First Congress was almost entirely negative concerning the Amendment's intent, i.e., the new central government was to have no authority concerning religion. Hence, the Establishment Clause detailed what the new central government could not to rather than what it could do. Thomas J. Curry, The First Freedoms: Church and State in America to the Passage of the First Amendment 198–222 (1986). The Supreme Court rejected nonpreferentialism in Wallace v. Jaffree, 472 U.S. 38, 68 (1985) (O'Connor J., concurring); id. at 113 (Rehnquist, J., dissenting). See also Lee v. Weisman, 505 U.S. 577, 612–18 (1992) (Souter, J., concurring); Douglas Laycock, ''Nonpreferential'' Aid to Religion: A False Claim About Original Intent, 27 Wm. & Mary L., Rev. 875 (1986). For arguments in support of nonpreferentialism, see Wallace, 472 U.S. at 98 (Rehnquist, J., dissenting); Robert Cord, Separation of Church and State: Historical Fact and Current Fiction (1988); Michael Malbin, Religion and Politics: The Intentions of the Authors of the First Amendment (1978); Rodney K. Smith, Nonpreferentialism in Establishment Clause Analysis: A Response to Professor Laycock, 65 St. John's L. Rev. 245 (1991).

For present purposes it is important that the neutrality principle not be confused with nonpreferentialism. The distinction is clearly drawn in Justice Thomas's concurring opinion in Rosenberger v. Rector & Visitors of the Univ. of Va., 115 S. Ct. 2510, 2528–30 (1995) (Thomas J., concurring).

[79] Although the Supreme Court has never had before it a situation involving a direct program of aid for religious organizations alone, obiter dicta in various cases suggest that any such program would be unconstitutional. See Kiryas Joel Village Sch. Dist. v. Grumet, 512 U.S. 687, 702–07 (1994) (legislation favoring one religious sect is unconstitutional); Committee for Pub. Educ. v. Nyquist, 413 U.S. 756 (1973) (striking down state aid to private education the benefits of which went almost entirely to religious schools); cf. Mueller v. Allen, 463 U.S. at 394, 396 n.6, 398–99 (explaining and distinguishing Nyquist).

[80] See supra text accompanying notes 27–29.

[81] 454 U.S. 263 (1981).

[82] Id. at 271–74.

[83] Equal Access act, 20 U.S.C. §§ 4071–4074 (1994). The constitutionality of the Act was upheld in the face of an Establishment Clause challenge in Board of Education v. Mergens, 496 U.S. 226 (1990).

[84] 508 U.S. 384 (1993) (disallowing viewpoint discrimination against a church that had sought to show a film about family life in a forum otherwise open to that subject).

[85] 115 S. Ct. 2440 (1995) (finding content-based discrimination in the refusal to permit a controversial group to sponsor a religious display in a civic park). Because Pinette is illustrative of the current divisions within the Court over separationism, the case is further discussed infra notes 101–11 and accompanying text.

[86] 115 S. Ct. 2510 (1995) (finding viewpoint discrimination in a public university's denial of printing costs for a student publication postulating religious perspectives on current issues). Because Rosenberger involved the Court in requiring a state university to finance a student publication that printed religious views—not just the provision of space in a public forum—the case is further discussed infra notes 112–30 and accompanying text.

[87] When the expression is not private speech but speech by government, then the controlling norm remains a separationist model. This seems entirely proper. Government may neither confess inherently religious beliefs not advocate that individuals profess such beliefs or observe such practices. Several cases illustrate this point. See Lee v. Weisman 505 U.S. 577 (1992) (striking down prayer in conjunction with commencement ceremonies at a public junior high); County of Allegheny v. ACLU, 492 U.S. 573 (1989) (disallowing display of nativity scene inside courthouse, but upholding display of menorah outside public building as part of larger holiday scene); Stone v. Graham, 449 U.S. 39 (1980) (per curiam) (striking down state law requiring posting of Ten Commandments in public school classrooms); Epperson v. Arkansas, 393 U.S. 97 (1969) (striking down state law prohibiting teaching theory of evolution in public schools); School Dist. v. Schempp, 374 U.S. 203 (1963) (disallowing devotional reading of Bible and recitation of Lord's Prayer in public schools); Engel v. Vitale, 370 U.S. 421 (1962) (disallowing state requirement of daily classroom prayer in public schools); and McCollum v. Board of Educ., 333 U.S. 203 (1948) (disallowing program in which local volunteers came to public school campus to teach religion).

Lynch v. Donnelly, 465 U.S. 668 (1984), and Marsh v. Chambers, 463 U.S. 783 (1983), are two aberrations. But Lynch and Marsh, while antiseparationist to be sure, are not based on equality either. Rather, in their rationales, Lynch and Marsh are driven by a desire to cling to historical practices dating from a time when America was less religiously plural.

[88] See infra notes 90–100 and accompanying text.

[89] See infra notes 133–35 and accompanying text.

[90] A ''benefit'' means direct or indirect financial assistance for a public purpose. The benefit may be in the form of a subsidy, grant, entitlement, loan, or insurance, as well as a tax credit or deduction. A tax exemption, such as that upheld in Walz v. Tax Commission, 397 U.S. 664, 676 (1970), is to be distinguished from tax credits and deductions. Credits and deductions are government benefits. A tax exemption, however, is the government's election to ''leave religion where it found it,'' rather than the conferring of a benefit. For First Amendment purposes a tax credit or deduction should all be regarded alike as ''tax expenditures,'' while useful in other areas of fiscal policy, does not make sense in dealing with issues that arise under the Establishment Clause. See Dean M. Kelley, Why Churches Should Not Pay Taxes 11–13, 47–57 (1977); Boris I. Bittker, Churches, Taxes and the Constitution, 78 Yale L.J. 1285 (1969); Boris I. Bittker & George K. Rahdert, The Exemption of Nonprofit Organizations from Federal Income Taxation, 85 Yale L.J. 299, 345 (1976).

[91] A ''burden'' means a regulation, a tax, or a criminal prohibition.

[92] 483 U.S. 327 (1987).

[93] Id. at 335. See also Trans World Airlines v. Hardison, 432 U.S. 63, 90 (1977) (Marshall, J., dissenting) (stating that constitutionality of labor law not placed in doubt simply because it requires religion exemption); Gillette v. United States, 401 U.S. 437 (1971) (religious exemption from military draft for those who oppose all war does not violate Establishment Clause); Walz, 397 U.S. 664 (upholding property tax exemptions for religious organizations); Zorach v. Clauson, 343 U.S. 306 (1952) (upholding release time program for students to attend religious exercises off public school grounds); Selective Draft Law Cases, 245 U.S. 366 (1918) (upholding, inter alia, military service exemptions for clergy and theology students).

Estate of Thorton v. Caldor, Inc., 472 U.S. 703 (1985), is not to the contrary. In Thorton, the Court struck down a state law favoring Sabbath observance. However, as explained in Hobbie v. Unemployment Appeals Commission, 480 U.S. 136, 145 n.11 (1987), the Sabbath law was struck down because the state cannot utilize classifications that single out a specific religious practices, thereby favoring that particular practice, as opposed to language inclusive of a general category of religious observances. For example, if Saturday as a day of rest is legislatively required to be accommodated by employers, all religious practices to be excused (including all religious days of rest) must be required to be accommodated. If a kosher diet is required to be accommodated by commercial airlines, then all religious practices (including all religious dietary requirements) must be accommodated. If a student absence from school is excused for Good Friday, then all absences for all religious holy days must be accommodated. Id.

The special needs of national defense maker Gillette distinguishable from Thorton. In Gillette, Congress was permitted to accommodate ''all war'' pacifists but not ''just war'' inductees because to broaden the exemption would invite increased church/state entanglements and would render almost impossible the fair and uniform administration of the Selective Service System. Gillette, 401 U.S. at 450. The only decision that does appear to be at odds with the principle followed in Amos and these other cases is Texas Monthly, Inc. v. Bullock, 489 U.S. 1 (1989) (plurality opinion) (disallowing sales tax exemption for purchases of religious literature).

[94] The Court was most explicit in making the salient distinction between benefits and burdens in Amos. Pointing out that it had previously upheld laws that helped religious groups advance their purposes, the Court explained:

A law is not unconstitutional simply because it allows churches to advance religion, which is their very purpose. * * * (I)t must be fair to say that the government itself has advanced religion through its own activities and influence. * * *

(T)he Court * * * has never indicated that statutes that give special consideration to religious groups are per se invalid.

483 U.S. at 337, 338.

[95] U.S. Const. amend. I. The Establishment Clause, in its entirety, provides: Congress shall make no law respecting an establishment of religion . . . . U.S. Const. amend. I.

[96] Douglas Laycock, Towards a General Theory of the Religion Clauses, 81 Colum. L. Rev. 1773, 1416 (1981).

[97] Walz, 397 U.S. at 676 (It is desirable when government refrains from imposing a burden on religion so as ''to complement and reinforce the desired separation insulating each from the other.'')

[98] Unleashing personal religious choice as the core value of the Establishment Clause is not being elevated here as good theology, just good jurisprudence. It is good jurisprudence because religious choice as a core value allows each religion to flourish or die in accord with its own appeal. Choice as the controlling legal standard maximizes liberty of both the individual and the religious community, while neutralizing the impact of governmental action on religious life. In these respects it is biased toward a Western conception of human rights and a limited state. This bias, however, is cause for neither surprise nor apology. It is the Founders' legacy, and they were decidedly Western.

Good theology is another matter; for observant Jews and Christians, religious liberty consists not in doing what we choose, but in the freedom to do what we ought. In Jewish and Christian orthodoxy, belief and practice are understood in terms of truth,

not choice. The point here is that it should not be troubling that religious choice is the core value when interpreting the Establishment Clause. There is no reason that law and theology must converge on this point. It is sufficient that law maximizes the individual's freedom to pursue a direction indicated by his or her theology.

[99] In Dodge v. Salvation Army, 48 Empl. Prac. Dec. (CCH) ae 38,619 (S.D. Miss. 1989), a strange case with an unfortunate holding, a religious social service ministry dismissed an employee when it was discovered she was a member of the Wiccan religion and was making unauthorized use of the office photocopy machine to reproduce cultic materials. When the employee sued, claiming religious discrimination, the Salvation Army invoked the ''religious organization'' exemption in Title VII, 42 U.S.C. §2000e–1 (1994). The employee countered that the Title VII exemption should not apply because her salary was substantially funded by a federal grant. The trial court agreed with the employee, holding that the Title VII exemption for religious discrimination by a religious organization was unconstitutional on these facts. The trial court thought the exemption advanced religion in a manner violative of the Establishment Clause when applied to government-subsidized jobs. 48 Empl. Prac. Dec., at 55,409.

The holding in Dodge was a mistake. The trial court failed to observe the burden/benefit distinction when it ran together the separate issues of benefits and burdens. The question of whether the Salvation Army may receive a direct benefit consonant with the Establishment Clause is controlled by Bowen v. Kendrick, 487 U.S. 589 (1988). The answer to that question, whether ''yes'' or ''no,'' is entirely independent of the question of whether the Salvation Army may claim the Title VII exemption from the regulatory burden of compliance with the civil rights law. The Court's decision in Amos holding that the Title VII exemption did not violate the Establishment Clause had already answered the second question in the affirmative. Amos, 483 U.S. 327.

A better reasoned result, one contrary to Dodge, was reached by the federal court in Young v. Shawnee Mission Medical Center, No. CIV.A. 88–2321–3, 1988 LEXIS 12248 (D. Kan. Oct. 21, 1988) (rejecting argument that Seventh-day Adventist Hospital lost its title VII exemption because it received federal Medicare funding).

[100] Shifting the analysis from benefits to burdens does not mean moving the baseline from which the neutrality of the government's action is measured. The baseline is not rooted in history or time, but in the principle of minimizing government's impact on personal religious choice. As previously conceded, this choice of baseline is not genuinely neutral. See supra notes 10–11. Thus, whether assessing the constitutionality of a benefit or a burden, the location of the baseline is consistent, albeit not neutral.

This combination of receiving equal access to governmental benefits but being specially relieved of burdens carried by others occurred in Hsu v. Roslyn Union Free School District, 85 F.3d 839 (2d Cir.), cert. denied, 117 S. Ct. 608 (1996). In Hsu, a student religious club claimed the right to meet on the campus of a public high school on the same basis as other noncurricular student organizations. The religious club had a right to this benefit under a federal statutory law and the Free Speech Clause. However, when it came to its selection of leaders, the school prohibited the club from selecting only Christians. The appeals court held that as to officers with spiritual functions the club had a right to be relieved of the school's nondiscrimination requirement. Election of leaders sharing the same faith was essential to the club's self-definition, as well as the maintenance of its associational character and continued expression as a Christian club. Id. at 856–62. Logically, the same result would be reached under the Free Exercise Clause.

[101] 115 S. Ct. 2440 (1995).

[102] 115 S. Ct. 2510 (1995).

[103] Pinette, 115 S. Ct. at 2445.

[104] Id. at 2447–50. Justice Thomas wrote separately stating his view that the content of the Klan's message was political rather than religious. Id. at 2450–51 (Thomas, J., concurring).

[105] Id. at 2455 (O'Connor, J., concurring). Justice O'Connor's opinion was joined by Justices Souter and Breyer.

[106] Id. at 2452–53 (O'Connor, J., concurring).

[107] Id. at 2454 (O'Connor, J., concurring).

[108] Id. at 2458–59 (Souter, J., concurring).

[109] Id. at 2464 (Stevens, J., dissenting).

[110] Id. at 2475 (Ginsburg, J., dissenting).

[111] See Kathleen M. Sullivan, Religion and Liberal Democracy, 59 U. Chi. L. Rev. 195, 197–214, 222 (1992) (the First Amendment's negative bar against an establishment of religion implies an affirmative establishment of a secular public order). To be sure, the Establishment Clause prohibits the establishment of a national church, which of course was no more likely in 1789–91 than it is today. But the Clause does not thereby establish a new religion of Secularism. Rather, no credo is by law established, setting at liberty the hearts of all to embrace any faith or none, as each is persuaded concerning such matters.

[112] 115 S. Ct. 2510 (1995).

[113] Id. at 2515.

[114] Id. at 2514–15.

[115] Id. at 2513.

[116] Id. at 2520–21.

[117] Id. at 2516.

[118] Id. at 2516–18.

[119] Id. at 2515.

[120] Id. at 2519–20.

[121] Id. at 2521 (citations and internal quotations omitted).

[122] Id. at 2522.

[123] Id. at 2523–24.

[124] Id. at 2524.

[125] Id. at 2528 (O'Connor, J., concurring).

[126] Id. at 2526–27 (O'Connor, J., concurring).

[127] Id. at 2528 and n.1 (Thomas, J., concurring).

[128] Id. at 2528–30 (Thomas, J., concurring). Cf. id. at 2536 n.* (Souter, J., dissenting). The Supreme Court has already rejected an argument by federal taxpayers that the Free Exercise Clause is violated should they as contributors to the nation's general tax revenues have to ''pay for'' benefits provided to religious organizations. See supra note 71.

[129] Rosenberger, 115 S. Ct. at 2535–39 (Souter, J., dissenting).

[130] Id. at 2544–47 (Souter, J., dissenting).

[131] Justice O'Connor's ''no endorsement test,'' was first advanced in the Christmas nativity scene case of Lynch v. Donnelly, 465 U.S. 668, 687 (1984) (O'Connor, J., concurring).

[132] In a departure from the separationist view, Justice O'Connor's no endorsement test is not a funds-tracing analysis. Rather, her reliance on the objective observer is an appearance-of-impropriety analysis. Instead of focusing on whether religion is advanced by direct funding, as separationists do, Justice O'Connor is concerned with the civic alienation felt by her observer as she looks at welfare legislation aiding social service providers, including those that are faith-based. Accordingly, the issue for Justice O'Connor is not whether the aid has the effect of advancing religion, but whether it appears to single out religion for favoritism.

[133] See also Church on the Rock v. City of Albuquerque, 84 F.3d 1273 (10th Cir.), cert. denied, 117 S. Ct. 360 (1996). Following Rosenberger and Pinette, the appeals court in Church on the Rock struck down a congressional prohibition on private religious speech, thereby permitting access to senior citizen centers funded in part by the federal government. The Free Speech Clause was again the source of the right to equal treatment.

[134] The Free Exercise Clause prevents a legislature from adopting a welfare program in which a broad array of providers, governmental and independent, are eligible, but expressly excluding faith-based providers because they are religious. Thus, equal treatment is commanded by the Free Exercise as well as the Free Speech Clause. See supra note 26 and accompanying text.

While admitting to a prima facie violation of the Free Exercise Clause, separationists argue that stopping all funding to religious organizations serves the ''compelling interest'' of compliance with the Establishment Clause. But this argument was rejected as to the Free Speech Clause in Rosenberger, 115 S. Ct. at 2520–25. Moreover, there is nothing in the wording of the First Amendment that suggests that when clauses ostensibly ''conflict,'' the Establishment Clause overrides the Free Exercise and Free Speech Clauses. One could just as easily presume that the Free Exercise and Free Speech Clauses supersede the Establishment Clause. Of course, there is no conflict between these Clauses when the neutrality principle is followed. See infra notes 155–57 and accompanying text.

[135] It might be asked whether the Court majority would still have found the Establishment Clause defense unsuccessful in Widmar, Lamb's Chapel, Pinette, and Rosenberger, in the absence of the claimants' successful free speech claim. The answer is ''yes.'' In each case the free speech and no-establishment questions were considered independently of the other. Never did the Court suggest that the Free Speech Clause overrode the Establishment Clause. In each case the government voluntarily opened a limited public forum, and it was clear the government retained the authority to close the forum to all speakers. Free speech did not add the margin of victory over the no-aid-to-religion defense. What is required of government is that it have a secular purpose for its benefit program. That purpose may be the provision of a forum for a diverse array of speech, but the purpose may also be meeting the welfare needs of the poor.

[136] Pub. L. 104–155, 104th Cong., (1996), signed into law by the President on July 3, 1996.

[137] Id. at §4(a)(1).

[138] See §104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. §604a (1996 Supp.). Known by the popular name of ''Charitable Choice,'' §104 permits states to involve faith-based providers in the delivery of welfare services funded by the federal government through block grants to the states. Subsection 104(e) provides that if a beneficiary has a religious objection to receiving social services from a faith-based provider, he or she has a right to obtain services from a different provider.

[139] This can be accomplished by fiscal audits of monies from governmental sources, as well as by end-result evaluations during performance reviews undertaken to ensure that the needs of the beneficiaries targeted by the legislation are being served. Such intrusions are a tolerable level of interaction between religion and government.

[140] An example of this model is found in the regulations to the federal Child Care Block Grant Act of 1990, providing, inter alia, certificates to low-income parents who may then ''spend'' the benefit at the child care

provider they select for their child. The regulations state that the monies from such certificates: (3) May be used for child care services provided by a sectarian organization or agency, including those that engage in religious activities, if those services are chosen by the parent; (and) (4) May be expended by providers for any sectarian purpose or activity, including sectarian worship or instruction. * * *

42 C.F.R. §98.30(c).

[141] Inquiry into ''purpose'' may go beyond the mere text or ''face'' of a statute. Church of the Lukumi Babalu Aye, Inc. v. City of Hialeah, 508 U.S. 520, 533–35 (1993); see Kiryas Joel Village Sch. Dist. v. Grumet, 512 U.S. 687, 699 (1994).

Legislative purpose, however, should not be confused with legislative motive. A judicial inquiry may not go into the subjective motive of each legislator supporting a legislative bill. A motive analysis would not only have implications for the denial of religious freedom (McDaniel v. Paty, 435 U.S. 616, 641 (1978) (Brennan, J., concurring in the judgment), but also for violating the separation of powers (United States v. O'Brien, 391 U.S. 367, 383 (1968)). See Board of Educ. v. Mergens, 496 U.S. 226, 249 (1990) (plurality opinion) (''Even if some legislators were motivated by a conviction that religious speech in particular was valuable and worthy of protection, that alone would not invalidate the Act, because what is relevant is the legislative purpose of the statute, not the possibly religious motives of the legislators who enacted the law.'').

[142] To require states to distinguish between ''pervasively'' and ''non-pervasively'' sectarian organizations would seem to violate one of the venerable rules of the Establishment Clause, to the effect that government is not to intentionally discriminate among religious groups. Larson v. Valente, 456 U.S. 228 (1982), See also supra notes 59–63, and accompanying text. Under neutrality theory this inconsistency is avoided.

[143] Committee for Pub. Educ. v. Nyquist, 413 U.S. 756, 780 (1973).

[144] See Henry G. Cisneros, U.S. Dep't of Hous. and Urban Dev., Higher Ground; Faith Communities and Community Building 6–12 (1996) (citing studies and examples of the success of faith-based community development activities); National Inst. on Drug Abuse, U.S. Dep't of Health, Educ. and Welfare, An Evaluation of the Teen Challenge Treatment Program (1977) (showing a materially higher success rate for faith-based over secular drug treatment programs for youth); Religious Institutions as Partners in Community Based Development, in Progressions: A Lilly Endowment Occasional Report (Feb. 1995) (noting success with community-based development that came only after involving the local church).

[145] See supra notes 92–97 and accompanying text.

[146] See supra notes 59–63, 78–79, 87, 93, infra notes 149–51 and accompaning texts.

[147] ''Inherent religious'' means those intrinsic and exclusively religious activities of worship and the propagation or inculcation of the sort of matters that comprise confessional statements or creeds. In addition, the term includes the supernatural claims of churches, mosques, synagogues, temples, and other houses of worship, using those words not to identify buildings, but to describe the confessional community around which a religion identifies and defines itself, conducts its worship, teaches doctrine, and propagates the faith to children and adult converts.

Although a view of religion and life as an integrated whole is desirable, for purposes of the Establishment Clause it becomes necessary to recognize that some core beliefs and practices are ''inherently religious.'' The necessity of a fixed boundary in church/state relations requires a uniform legal standard in drawing the line of church/state separation. The line of separation cannot be drawn differently for each religious organization based on its own unique definition of religion. That would amount to governmental discrimination among religions (a violation of the rule stated in Larson, 456 U.S. 228 (1982)).

This is not to say that the Supreme Court has resolved all the definitional problems by confining Establishment Clause analysis to matters ''inherently religious.'' The Court's determination as to what is ''inherently religious'' inevitble will favor the philosophy of modern rationalism (its underlying tenets will appear arguably nonreligious) while disfavoring familiar theistic religions such as Christianity, Judasim, and Islam (their tenets and practices appearing inherently religious). See Phillip E. Johnson, Concepts and Compromise in First Amendment Religious Doctrine, 72 Cal. L. Rev. 817, 834–35 (1984). But as stated above, this is a consequence of the impossibility of the Establishment Clause's being ''neutral'' as to all world views. See supra notes 10–11 and accompanying text.

[148] The Supreme Court has found that prayer, devotional Bible reading, veneration of the Ten Commandments, classes in confessional religion, and the biblical story of creation are all inherently religious. See Lee v. Weisman, 505 U.S. 577 (1991) (prayer); Edwards v. Aguillard, 482 U.S. 578 (1987) (creationism); Wallace v. Jaffree, 472 U.S. 38 (1985) (prayer); Stone v. Graham, 449 U.S. 39 (1980) (per curiam) (Ten Commandants); Epperson v. Arkansas, 393 U.S. 97 (1968) (creationism); School Dist. v. Schempp, 374 U.S. 203 (1963) (prayer and Bible reading); Engle v. Vitate, 370 U.S. 421 (1962) (prayer); McCollum v. Board of Educ., 333 U.S. 203 (1948) (teaching religion).

On the other hand, legislation restricting abortion, Sunday closing laws, rule prohibiting interracial marriage, and teenage sexuality counseling are not inherently religious. See Bowen v. Kendrick, 487 U.S. 589 (1988) (teenage counseling; Bob Jones Univ. v. United States, 461 U.S. 574, 604 n.30 (1983) (interracial marriage); Harris v. McRae, 448 U.S. 297 (1980) (abortion restrictions); McGowan v. Maryland, 366 U.S. 420 (1961) (Sunday closing law); Two Guys from Harrison-Allentown, Inc. v. McGinley, 366 U.S. 582 (1961) (Sunday closing law).

[149] The Establishment Clause is not violated when a governmental social program merely reflects a moral judgment, shared by some religions, about conduct through beneficial (or harmful) to society. Kendrick, 487 U.S. at 604 n.8, 613; Harris, 448 U.S. at 319–20; McGowan, 366 U.S. at 442; Hennington v. Georgia, 163 U.S. 299, 306–07 (1896); see Bob Jones Univ., 461 U.S. at 604 n.30. Thus, overlap between a law's purpose and the moral teaching of some religions does not, without more, render the law one ''respecting an establishment of religion.

[150] The Supreme Court has held that when a law of general public purpose has a disparate effect on various religious organizations, the Establishment Clause is not violated. Hernandez v. Commissioner, 490 U.S. 680, 696 (1989); Bob Jones Univ., 461 U.S. at 604 n. 30; Larson, 456 U.S. at 246 n. 23.

[151] The Supreme Court has held that the Establishment Clause prohibits government from purposefully discriminating among religious groups. Larson, 456 U.S. 228; Fowler v. Rhode Island, 345 U.S. 67 (1953); Niemotko v. Maryland, 340 U.S. 268 (1951).

[152] See F. William O'Brien, The Blaine Amendment 1875–1876, 41 U. Det. L.J. 137 (1963); Note, Beyond the Establishment Clause; Enforcing Separation of Church and State Through State Constitutional Provisions, 71 Va. L. Rev. 625 (1985). Although dated, a useful work in the area of religion and state constitutions is Chester James Antieau et al., Religion Under the State Constitutions (1965).

[153] See supra note 144.

[154] See Esbeck, supra note 62; Stephen V. Monsma, When Sacred and Secular Mix; Religious Nonprofit Organizations and Public Money (1996).

[155] 456 U.S. 228. See supra notes 59–60 and accompany text.

[156] See supra notes 61–63 and accompanying text.

[157] 508 U.S. 520 (1993). See supra notes 26 and 134.

Madam Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment, as modified, offered by the gentleman from Indiana (Mr. SOUDER).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. EDWARDS. Madam Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to House Resolution 460, further proceedings on the amendment, as modified, offered by the gentleman from Indiana (Mr. SOUDER) will be postponed.

The point of no quorum is considered withdrawn.

Mr. LAZIO. Madam Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. LAZIO. Madam Chairman, I yield to my friend, the gentleman from New York (Mr. WALSH), who was also the very able chairman of the Subcommittee on VA, HUD, and Independent Agencies of the Committe on Appropriations having jurisdiction over the vast majority of housing programs and all the housing programs through HUD concerning the process and prohibition against set-asides.

Mr. WALSH. Madam Chairman, I thank my good friend and colleague, the gentleman from New York (Mr. LAZIO), chairman of the Subcommittee on Housing and Community Opportunity. I thank the gentleman for the important work he is doing today. Homeownership is the American dream, and this legislation will help to make that American dream possible for many, many more.

Just one issue that I would like to discuss briefly. That is Section 402 of this important bill. Because the language of the appropriations bill funds several programs as set-asides within the CDBG account, the language could be construed to prohibit funds for authorized programs such as Youth Build, Habitat for Humanity, and so on.

I know that is not the gentleman's intent, but it is my understanding that

the authorizing committee does not intend this as a result. I would just like to ask if my understanding of that is correct.

Mr. LAZIO. Reclaiming my time, Madam Chairman, I want to say to my friend, the gentleman from New York, that it is not the intention nor do we think it is the operation of the bill to prohibit the set-asides that have been authorized for programs like Youth Build or the NCDI, National Community Development Initiative, or self-help housing that helps so many Americans through Habitat for Humanity and other self-help programs.

It is not the intention nor do we think it is the operation of this bill to do that, but I would be happy to work with the gentleman to ensure that that intent is clearly reflected in the bill as signed by the President.

Mr. WALSH. I thank the gentleman for his very constructive response. I look forward to working with him as we go down the path towards the conference to make sure that our committee's responsibilities are not hamstrung. I thank the gentleman from New York.

Mr. LAZIO. I want to thank the gentleman also.

I want to take this opportunity to say that the gentleman from New York (Mr. WALSH) really, in the short time that he has been the chairman of the Subcommittee on VA, HUD, and Independent Agencies on the appropriations side, has just been doing a really remarkable job for America and for this Congress. He has proven to be a very able advocate for housing programs and for many of the programs he just referenced.

I want to take this opportunity to thank him.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 12 printed in House Report 106–562.

AMENDMENT NO. 12 OFFERED BY MR. GARY MILLER OF CALIFORNIA

Mr. GARY MILLER of California. Madam Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment 12 offered by Mr. GARY MILLER of California:

At the end of the bill add the following new title:

TITLE XII—PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION PROGRAM

SEC. 1201. ELIGIBLE PUBLIC HOUSING AGENCIES.

Section 5125 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(B), by inserting ''or (4)'' before the period at the end;

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following new paragraph:

''(4) EFFECTIVE PHA'S.—The class established under this paragraph is the class of public housing agencies that demonstrate, to the satisfaction of the Secretary, that—

''(A) the agency, in cooperation with local law enforcement agencies, has largely eliminated drug and crime problems in the public housing project or projects for which the assistance will be used;

''(B) the agency needs assistance under this chapter to sustain the low incidence of crime and drug problems in and around such public housing; and

''(C) such assistance will be used to expand police services in and around such public housing.''; and

(2) in subsection (c)(1), by inserting before the semicolon the following: ''except that this paragraph shall not apply in the case of agencies eligible for assistance under this chapter pursuant to subsection (b)(4)''.

The CHAIRMAN pro tempore. Pursuant to House Resolution 460, the gentleman from California (Mr. GARY MILLER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California (Mr. GARY MILLER).

MODIFICATION TO AMENDMENT NO. 12 OFFERED BY MR. GARY MILLER

Mr. GARY MILLER of California. Mr. Chairman, I ask unanimous consent to modify the amendment.

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Amendment No. 12, as modified, offered by Mr. GARY MILLER of California:

The amendment as modified is as follows:

At the end of the bill add the following new title:

TITLE XII—PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION PROGRAM

SEC. 1201. ELIGIBLE PUBLIC HOUSING AGENCIES.

Section 5125 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(B), by inserting ''or (4)'' before the period at the end;

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following new paragraph:

''(4) EFFECTIVE PHA'S.—The class established under this paragraph is the class of public housing agencies that demonstrate, to the satisfaction of the Secretary, that—

''(A) the agency received grants under this chapter to carry out eligible activities under this chapter, as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998;

''(B) the agency, in cooperation with local law enforcement agencies, has largely eliminated drug and crime problems in the public housing project or projects for which the assistance will be used;

''(C) the agency needs to maintain or expand police services in and around such public housing to sustain the low incidence of crime and drug problems in and around such public housing; and

''(D) the agency needs, and will use, assistance under this chapter to maintain or expand such police services;

except that such agencies shall be eligible under this paragraph only during the 5-year period beginning upon initial eligibility under this paragraph.''; and

(2) in subsection (c)(1), by inserting before the semicolon the following: ''except that this paragraph shall not apply in the case of agencies eligible for assistance under this chapter pursuant to subsection (b)(4)''.

Mr. GARY MILLER of California (during the reading). Madam Chairman, I ask unanimous consent that the modification to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN pro tempore. Is there objection to the modificaton of the amendment offered by the gentleman from California?

There was no objection.

The CHAIRMAN pro tempore. The amendment is modified.

Mr. GARY MILLER of California. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I have worked with the chairman and the gentleman from New York (Mr. LAZIO), and have worked on a compromise to include my amendment in H.R. 1776. I would like to thank the chairman for his assistance in this.

Low-income housing tenants often become the victims of crime and drug operations. Oftentimes lax management and oversight give way to blight. As drug use and drug-related crimes rose alarmingly in the 1980s, Congress responded by authorizing the Public Housing Drug Elimination Program in 1998.

Historically, local housing authorities applied for these funds when HUD issued a notice of funds availability, and housing authorities competed with one another for the available funding. This is no longer the case. Instead, in 1999, the competitive application process was changed to a formula funding program. This new criteria for Public Housing Drug Elimination Program funds favor those agencies with severe problems in both public housing and in the community.

As a result, housing authorities in communities that run good public housing programs and have established successful drug prevention programs with these program funds are no longer eligible to receive funding under this program. HUD has pulled the rug from beneath the feet of all the programs that are successful.

My amendment will modify the ''eligible local housing authority'' definition for the HUD Drug Elimination Program grants to continue support for projects that are meeting their goals. Local housing authorities that can show evidence through local efforts between the housing authority and the police department that they are eliminating drugs and crime problems in their public housing will remain eligible.

However, instead of encouraging success, we are currently promoting failure. The city of Upland, California, Upland is a perfect example. Upland was one of many housing authorities which faced severe drug and crime problems. However, they chose to take control and started a program, with the full support of the Upland police department in 1980. Today Upland has one of the lowest crime rates in public housing in the country.

In 1997 and 1998, Upland's police department handled 27,000 cases. Of those

cases in those 2 years, only 31 cases occurred in the housing authority. That is a tremendous improvement over what it was prior to their becoming proactive in trying to eliminate the problem.

Now the city is facing financial difficulties, and it is becoming increasingly difficult for the police department to give the program the same level of service it has in the past. Under HUD's definition, they are no longer eligible to compete for the funds they used to receive for the program to fight drugs simply because they have done a great job.

I applaud the city of Upland for this tremendous achievement, but it is not the only success story now that is now on the verge of failure. Every Member of Congress is faced with the same challenge in their district, and we cannot leave them in the cold.

In conclusion, this is a simple case of HUD rewarding housing authorities for doing a bad job, and punishing those who have worked hard to reduce or eliminate the drug problem in their communities. These successful communities should be able to continue their programs using the Public Housing Drug Elimination Program funds.

If they are unable to continue the drug prevention efforts, the problem will return. Would we only allow a doctor to give enough medicine to reduce the illness, or would we give enough medicine to cure the disease?

I would like to thank the chairman, the gentleman from New York (Mr. LAZIO), for his help in working on this bill.

Madam Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. Does any Member claim the time in opposition?

Mr. LAFALCE. Madam Chairman, I rise not in opposition, but ask unanimous consent to comment on the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

□ 1445

Mr. LAFALCE. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I certainly understand the purposes of the amendment and it is a noble purpose. We do not want to penalize any organization that has been successful. On the other hand, we must recognize that the amendment will also raise some significant issues that I hope we can address in a collegial way in conference. In a zero-fund game, this is going to mean that other PHAs with higher crime rates would not be able to get funds. This reverses the direction of the program.

It is nice to have something that is objective. Whenever we start getting subjectivity into it, we make the judgmental process as to who gets funds much more difficult. I hope we can work on this in conference.

Mr. GARY MILLER of California. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would like to respond to that. This does not reverse the direction of the program. The program always did this for years until about May of 1999 when HUD changed the program. What we are saying here is the program worked before. We were working with communities that were being funded. They were eliminating drug and crime problems.

We changed that situation in May of last year. It is wrong. Now we are punishing those programs that are successful. We are saying let us change the program back to cover them for a 5-year period once they have it under control to eliminate this problem.

Madam Chairman, I yield back the balance of my time.

Mr. LAFALCE. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mrs. EMERSON). The question is on the amendment, as modified, by the gentleman from California (Mr. GARY MILLER).

The amendment, as modified, was agreed to.

Mr. LAZIO. Madam Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAZIO. Madam Chairman, I yield to the gentlewoman from New York (Mrs. KELLY), who has a concern which she would like to address.

Mrs. KELLY. Madam Chairman, I rise to enter into a brief colloquy with my friend, the gentleman from New York (Mr. LAZIO). As a strong supporter of the manufactured housing section of this legislation, especially the Manufactured Housing Consensus Committee, I want to clarify the intent of who the members of this committee should be.

To be in line with the guidelines of the American National Standards Institute, there must be a balance of interest represented on the manufactured housing committee. While the revised language of the bill strives to achieve such a balance so that all affected interests have the opportunity for a fair and an equitable participation without the dominance of any single interest, it is unfortunate that examples of such representation, namely industry groups such as home builders, architects, engineers and the like, were removed from the final legislative language.

Madam Chairman, I know it was not the intent of the committee to exclude representation by such groups. I want to make clear my understanding that the committee fully supports and endorses their participation. It is vital that industry groups, such as home builders, who in many cases are actual users of manufactured housing in that they develop sites for the placement of manufactured homes, have a place on the committee. It is vital that industries involved in the purchase, construction or site development of manufactured housing, such as the home building industry, be members of the committee to ensure that the intent of ANSI's requirements for due process are met.

Madam Chairman, I ask my friend, the gentleman from New York (Mr. LAZIO), to confirm what the intent of the committee was on the possible membership of the Manufactured Housing Consensus Committee.

Mr. LAZIO. Madam Chairman, I want to thank the gentlewoman from New York (Mrs. KELLY) and I want to say that I wholeheartedly agree with her understanding of the possible membership of the Manufactured Housing Consensus Committee. It was the intent of our committee that home builders, architects, and engineers would be eligible to participate in the committee.

Mrs. KELLY. Madam Chairman, I thank my friend, the gentleman from New York (Mr. LAZIO), and I urge the passage then of this important legislation.

Mr. LAZIO. Madam Chairman, I again ask unanimous consent to strike the last word.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAZIO. Madam Chairman, I want to say to this House that we have the opportunity here to do what I think America wants to see us do, to come together and to find solutions to difficult problems. They call it the American dream, this idea of homeownership, that Americans have embraced from its earliest years, the sense of a yearning for self-sufficiency and independence; for a place which they could gather their family together.

I would say to this House, as important as it is that we focus on education, and we do that in this bill, as important as it is that we deal with health care or a job, if at the end of the day one does not have a place to go to to have a roof over their head, to organize their life, to bring their family together, to discuss their problems and to talk about their dreams, it is very difficult to walk down that pathway of opportunity.

That is what this bill is about in the end. It is about local flexibility and empowerment. It is about opportunity for more Americans who want to achieve homeownership to move out of that basement apartment and to go to their very first closing to get that key that opens their front door and to have that sense of satisfaction that they can say this is mine; this is the place where my children are going to play in the backyard; where we are going to go over homework at the kitchen table;

this is a place where we are going to dream for the future; it is going to be the main investment that we ever make that we will draw against to send our children to college, to get a better school education than maybe we ever dreamed of, maybe to adopt the dream of starting their own business.

It is the engine of the American dream. It is no mystery why America leads the world in the rate of homeownership. It is not just a fiscal restraint. It is not just the way we treat housing in the Tax Code. It is something very deep inside America.

For many years we have tried to provide assistance to Americans for homeownership and in many ways we have succeeded, but there are still so many, so many Americans that are left behind. So we are trying to embrace these new tools. We are saying to Americans who qualify for Federal rental assistance that they will be able to use that rental assistance to actually own their own home.

We are saying to Americans, who look at the barrier of closing costs or down-payment needs or the points up front, that we are going to create these loan pools that even the private sector can contribute to, that they will be able to draw from so that they can get over the obstacle of closing to own their own home.

It is a wonderful thing that this House can do today, to bring the joy of homeownership to more Americans.

Madam Chairman, I remember one Habitat for Humanity event that I was at where a woman in tears grabbed the dirt in front of this home to be and she held it up in her fist and she said, I cannot believe this is going to be mine.

It is not a give-away. It is a partnership. It is giving a little bit of help to the people most in need so we can make stronger communities, healthier communities, a better life and a better America. So I ask this House, in a bipartisan fashion, the way this bill was put together, to come together and pass this bill overwhelmingly; to send a message to America that we can do very good things that affect the quality of life; that we can overcome challenges; that we can put our political differences aside; that we can choose empowerment and opportunity; that we can choose consumer choice and flexibility and local control; that we can choose healthier communities and a healthier America.

I urge this House to pass this bill with a resounding yes vote.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to House Resolution 460, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 4 offered by the gentleman from Oklahoma (Mr. COBURN), Amendment No. 7 offered by the gentlewoman from California (Ms. WATERS) of California, Amendment No. 10 by the gentleman from Ohio (Mr. TRAFICANT) of Ohio, and Amendment No. 11 offered by the gentleman from Indiana (Mr. SOUDER).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 4 OFFERED BY MR. COBURN

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on Amendment No. 4 offered by the gentleman from Oklahoma (Mr. COBURN) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 72, noes 355, not voting 7, as follows:

[Roll No. 106]

AYES—72

Aderholt
Archer
Armey
Barton
Bliley
Blunt
Boehner
Borski
Brady (TX)
Bryant
Buyer
Callahan
Cannon
Chabot
Chenoweth-Hage
Coburn
Collins
Cooksey
Cunningham
DeLay
DeMint
Doolittle
Dreier
Duncan
Goode
Goodlatte
Gordon
Goss
Graham
Gutknecht
Hastings (WA)
Hayes
Hayworth
Hill (MT)
Hoekstra
Hostettler
Hunter
Jones (NC)
Kasich
Kingston
Largent
Latham
Lewis (KY)
Linder
Manzullo
McIntosh
Miller (FL)
Moran (KS)
Nussle
Pease
Peterson (PA)
Pitts
Pombo
Portman
Radanovich
Riley
Rogan
Rohrabacher
Ryun (KS)
Sanford
Scarborough
Schaffer
Shadegg
Smith (MI)
Stump
Sununu
Tancredo
Thomas
Tiahrt
Toomey
Watts (OK)
Wolf

NOES—355

Abercrombie
Ackerman
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Blumenauer
Boehlert
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Burr
Burton
Calvert
Camp
Canady
Capps
Capuano
Cardin
Carson
Castle
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Combest
Condit
Conyers
Costello
Cox
Coyne
Cramer
Crowley
Cubin
Cummings
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hefley
Herger
Hill (IN)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Petri
Phelps
Pickering
Pickett
Pomeroy
Porter
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Rivers
Roemer
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—7

Campbell
Cook
Crane
Rodriguez
Shuster
Vento
Weldon (FL)

□ 1516

Messrs. HEFLEY, GANSKE, SHAYS, BARR of Georgia, CRAMER and SAM JOHNSON of Texas changed their vote from ''aye'' to ''no.''

Mr. ROGAN and Mr. MORAN of Kansas changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mrs. EMERSON). Pursuant to the House Resolution 460, the Chair announces that she will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 7 OFFERED BY MS. WATERS

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from California (Ms. WATERS) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 60, noes 367, not voting 7, as follows:

[Roll No. 107]

AYES—60

Abercrombie
Bishop
Brady (PA)
Brown (FL)
Carson
Chenoweth-Hage
Clay
Clayton
Clyburn
Coburn
Conyers
Cox
Cummings
Davis (IL)
DeGette
Dixon
Engel
Fattah
Filner
Gephardt
Gutknecht
Hall (TX)
Hastings (FL)
Hastings (WA)
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kasich
Kilpatrick
LaFalce
Lee
Lewis (GA)
McCarthy (MO)
McDermott
McIntosh
McKinney
McNulty
Meek (FL)
Owens
Paul
Payne
Pease
Rangel
Rush
Sanders
Sanford
Scarborough
Shadegg
Slaughter
Stark
Sununu
Thompson (MS)
Thurman
Toomey
Towns
Waters
Watt (NC)

NOES—367

Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (TX)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Capuano
Cardin
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Condit
Cooksey
Costello
Coyne
Cramer
Crowley
Cubin
Cunningham
Davis (FL)
Davis (VA)
Deal
DeFazio
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Hall (OH)
Hansen
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jenkins
John
Johnson (CT)
Jones (NC)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
Meehan
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Regula
Reyes
Reynolds
Riley
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Tierney
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—7

Campbell
Cook
Crane
Danner
Rodriguez
Vento
Weldon (FL)

□ 1527

Mr. HILLIARD and Mr. PALLONE changed their vote from ''aye'' to ''no.''

Mr. STARK, Ms. LEE, Mr. KASICH, Mrs. CHENOWETH-HAGE, and Mr. SCARBOROUGH changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 10 OFFERED BY MR. TRAFICANT

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT) on which further proceedings were postponed and on which the noes prevailed by voice voted.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 225, noes 201, not voting 8, as follows:

[Roll No. 108]

AYES—225

Ackerman
Aderholt
Andrews
Archer
Armey
Baca
Ballenger
Barcia
Bartlett
Bass
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehner
Bonilla
Bonior
Borski
Brady (PA)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Cardin
Chenoweth-Hage
Clement
Clyburn
Coburn
Collins
Cooksey
Costello
Cramer
Crowley
Cubin
Cunningham
Davis (VA)
Deal
DeFazio
Delahunt
DeLay
Deutsch
Diaz-Balart
Dickey
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehrlich
Emerson
Engel
English
Evans
Everett
Ewing
Fattah
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frost
Gallegly
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goodling
Gordon
Granger
Green (TX)
Gutknecht
Hall (OH)
Hall (TX)
Hinojosa
Hobson
Horn
Houghton
Hoyer
Hunter
Hyde
Istook
Jackson-Lee (TX)
Jenkins
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
King (NY)
Kingston
Klink
Knollenberg
Kucinich
Kuykendall
LaFalce
Lampson
Latham
LaTourette
Lazio
Lee
Levin
Lewis (CA)
Lewis (KY)
Lipinski
Lofgren
Lowey
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McIntosh
McKeon
McKinney
McNulty
Menendez
Metcalf
Mica
Millender-McDonald
Miller, Gary
Mink
Moakley
Mollohan
Murtha
Nadler
Napolitano
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Ortiz
Ose
Owens
Packard
Pallone
Pascrell
Pastor
Payne
Pease
Peterson (PA)
Pickering
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Regula

Reyes
Reynolds
Riley
Rogan
Rohrabacher
Ros-Lehtinen
Rothman
Ryan (WI)
Ryun (KS)
Sawyer
Scarborough
Schakowsky
Serrano
Sessions
Shaw
Sherman
Sherwood
Shimkus
Shuster
Sisisky
Skeen
Skelton
Smith (NJ)
Smith (TX)
Souder
Spence
Stabenow
Strickland
Stump
Sweeney
Tauzin
Taylor (MS)
Thomas
Thune
Thurman
Towns
Traficant
Visclosky
Walsh
Wamp
Waters
Watkins
Watts (OK)
Weiner
Weldon (PA)
Weller
Wexler
Wicker
Wilson
Wolf
Wynn
Young (AK)
Young (FL)

NOES—201

Abercrombie
Allen
Bachus
Baird
Baker
Baldacci
Baldwin
Barr
Barrett (NE)
Barrett (WI)
Barton
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Blagojevich
Blumenauer
Boehlert
Bono
Boswell
Boucher
Boyd
Brady (TX)
Capps
Capuano
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Coble
Combest
Condit
Conyers
Cox
Coyne
Cummings
Davis (FL)
Davis (IL)
DeGette
DeLauro
DeMint
Dicks
Dingell
Dixon
Doggett
Dooley
Dunn
Ehlers
Eshoo
Etheridge
Farr
Filner
Frank (MA)
Franks (NJ)
Frelinghuysen
Ganske
Gejdenson
Gekas
Gonzalez
Goode
Goodlatte
Goss
Graham
Green (WI)
Greenwood
Gutierrez
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hoeffel
Hoekstra
Holden
Holt
Hooley
Hostettler
Hulshof
Hutchinson
Inslee
Isakson
Jackson (IL)
Jefferson
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kilpatrick
Kind (WI)
Kleczka
Kolbe
LaHood
Lantos
Largent
Larson
Leach
Lewis (GA)
Linder
LoBiondo
Lucas (KY)
Luther
Matsui
McCarthy (MO)
McDermott
McInnis
McIntyre
Meehan
Meek (FL)
Meeks (NY)
Miller (FL)
Miller, George
Minge
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Northup
Obey
Olver
Oxley
Paul
Pelosi
Peterson (MN)
Petri
Phelps
Pickett
Pitts
Pomeroy
Porter
Price (NC)
Ramstad
Rivers
Roemer
Rogers
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Saxton
Schaffer
Scott
Sensenbrenner
Shadegg
Shays
Shows
Simpson
Slaughter
Smith (MI)
Smith (WA)
Snyder
Spratt
Stark
Stearns
Stenholm
Stupak
Sununu
Talent
Tancredo
Tanner
Tauscher
Taylor (NC)
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tierney
Toomey
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vitter
Walden
Watt (NC)
Waxman
Weygand
Whitfield
Wise
Woolsey
Wu

NOT VOTING—8

Campbell
Cook
Crane
Danner
Pombo
Rodriguez
Vento
Weldon (FL)

☐ 1537

Mr. HOLT and Mr. EHLERS, and Mrs. MALONEY of New York changed their vote from ''aye'' to ''no.''

Messrs. DEFAZIO, KASICH, PALLONE, STRICKLAND, and Mrs. WILSON and Ms. SCHAKOWSKY, changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 11, AS MODIFIED, OFFERED BY MR. SOUDER

The CHAIRMAN pro tempore (Mrs. EMERSON). The pending business is the demand for a recorded vote on Amendment No. 11, as modified, offered by the gentleman from Indiana (Mr. SOUDER) on which further proceedings were postponed on which the ayes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 299, noes 124, not voting 11, as follows:

[Roll No. 109]

AYES—299

Aderholt
Archer
Armey
Baca
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Boyd
Brady (PA)
Brady (TX)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Canady
Cannon
Capps
Castle
Chabot
Chambliss
Clement
Coble
Coburn
Collins
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crowley
Cubin
Cunningham
Davis (VA)
Deal
Delahunt
DeLay
DeMint
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Eshoo
Evans
Everett
Ewing
Fattah
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hinojosa
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kanjorski
Kasich
Kelly
Kildee
King (NY)
Kingston
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meeks (NY)
Metcalf
Mica
Miller (FL)
Miller, Gary
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Ose
Oxley
Packard
Pascrell
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Regula
Reyes
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Rush
Ryan (WI)
Ryun (KS)
Salmon
Sandlin
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thompson (CA)
Thornberry
Thune
Tiahrt
Toomey
Traficant
Turner
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weiner
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)

NOES—124

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barrett (WI)
Bateman
Becerra
Blagojevich
Blumenauer
Bonior
Boswell
Brown (FL)
Brown (OH)
Capuano
Cardin
Carson
Chenoweth-Hage
Clay
Clayton
Clyburn
Conyers
Coyne
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutsch
Dingell
Dixon
Doggett
Edwards
Engel
Etheridge
Farr
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gutierrez
Hansen
Hastings (FL)
Hilliard
Hinchey
Hoeffel
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Johnson, E.B.
Jones (OH)
Kaptur
Kennedy
Kilpatrick
Kind (WI)
Kleczka
Larson
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Matsui
McDermott
McGovern
McKinney
Meek (FL)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Morella
Nadler
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Paul
Payne
Pelosi
Pickett
Pomeroy
Rivers
Rothman
Roybal-Allard
Sabo
Sanchez
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Slaughter
Snyder
Stabenow
Stark
Strickland
Stupak
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Waters
Watt (NC)
Waxman
Wexler
Woolsey
Wu

NOT VOTING—11

Callahan
Campbell
Cook
Crane
Danner
Hobson
Rangel
Rodriguez
Thomas
Vento
Weldon (FL)

☐ 1544

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mrs. EMERSON). The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mrs. EMERSON, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1776) to expand homeownership in the United States, pursuant to House Resolution 460, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

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

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LINDER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 417, noes 8, not voting 9, as follows:

[Roll No. 110]

AYES—417

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crowley
Cubin
Cummings
Cunningham
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—8

Coburn
Hefley
Hostettler
Istook
Paul
Sanford
Sensenbrenner
Shadegg

NOT VOTING—9

Callahan
Campbell
Cook
Crane
Danner
Gilman
Rodriguez
Vento
Weldon (FL)

□ 1602

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 1776, AMERICAN HOMEOWNERSHIP AND ECONOMIC OPPORTUNITY ACT OF 2000

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 1776, just passed, the Clerk be authorized to make technical corrections and conforming changes to the bill.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1776, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I yield to the gentleman from California (Mr. DREIER) for the purposes of inquiring of the schedule for the remainder of the week and for next week.

Mr. DREIER. Mr. Speaker, I thank my very dear friend from Mount Clemens for yielding, the very distinguished minority whip.

I am very pleased to announce to the House that we have completed our legislative business for the week and that the House will not be in session tomorrow. We will meet for legislative business on Monday, April 10 at 12:30 p.m. for morning hour, and at 2 o'clock for legislative business. We will consider a number of bills under suspension of the

rules, a list of which will be distributed to Members' offices tomorrow.

Mr. Speaker, we expect that the other body will be able to complete consideration of the budget tomorrow. That being the case, after suspensions on Monday, we expect to go to conference on the budget resolution. Now, on Monday, no recorded votes are expected before 6 p.m., and that is basically what we are looking for at this point.

Mr. BONIOR. Mr. Speaker, I thank the gentleman from California. I just have a couple of brief questions this afternoon. Are any late nights expected next week?

Mr. DREIER. How many late nights are expected next week.

As the gentleman knows, we are anxiously looking forward to the Easter District Work Period, and we have conference reports coming up. We have a number of measures that we are expecting, and I cannot tell the gentleman right now as to how late we will be in the evening.

Mr. BONIOR. Mr. Speaker, how about next Friday?

Mr. DREIER. Next Friday, we are hoping that we will be able to pass a conference agreement on the budget resolution, and we would very much like to do it before Friday, but there is no guarantee that that will happen.

Mr. BONIOR. Mr. Speaker, I understand, and I thank my colleague for that. So we do not obviously know what day the budget conference will be brought up. When it is finished, I gather.

Mr. DREIER. That is what we are hearing.

Mr. BONIOR. Mr. Speaker, what day will the Taxpayer Bill of Rights be considered, if I might ask my colleague?

Mr. DREIER. Mr. Speaker, we are scheduling that, we hope, for Tuesday of next week.

Mr. BONIOR. Mr. Speaker, what kind of rule will be given?

Mr. DREIER. That is up to the committee on which the gentleman used to sit.

Mr. BONIOR. Mr. Speaker, I think the gentleman who is the chairman of that committee might have some influence on that procedure, and I am hoping that he might share that with us.

Mr. DREIER. Mr. Speaker, as a former member of the committee, he is certainly entitled to provide us with any recommendations that he would like to offer as to how we effectively deal with it. We are planning to bring the measure up, and I am not sure exactly what the structure will be at this juncture.

Mr. BONIOR. Mr. Speaker, how about the Sunset Tax Code? When will that occur?

Mr. DREIER. The Sunset Tax Code, we are hoping to do that on Thursday; and again, we do not know exactly what the structure for consideration of that will be either.

Mr. BONIOR. Mr. Speaker, I thank my colleague.

Mr. DREIER. We would like to allow the Committee on Rules to work its will as we proceed with the deliberative process here, as my friend, a former member of the committee, knows very well.

Mr. BONIOR. Mr. Speaker, I am sure the Committee on Rules will work its will.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding, and I hope he has a wonderful weekend and is able to get back to Mount Clemens.

Mr. BONIOR. Mr. Speaker, I hope the gentleman gets back to California, and if not, enjoy the tulips. Are they not gorgeous? Here on the Capitol grounds, they are fabulous.

Mr. DREIER. Mr. Speaker, they are spectacular this time of year.

ADJOURNMENT TO MONDAY, APRIL 10, 2000

Mr. DREIER. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DREIER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNUAL REPORT OF NATIONAL ENDOWMENT FOR THE ARTS FOR 1998—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and the Workforce:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended (20 U.S.C. 959(d)), I transmit herewith the annual report of the National Endowment for the Arts of 1998.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *April 6, 2000.*

PERMISSION FOR COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE TO FILE REPORTS ON H.R. 809, H.R. 3069, AND H.R. 3171

Mr. LATOURETTE. Mr. Speaker, I ask unanimous consent that the Committee on Transportation and Infrastructure have until midnight tonight to file reports on H.R. 809, as amended; H.R. 3069, as amended; and H.R. 3171, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SHIMKUS). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TRIBUTE TO EDSON INGERSOLL GAYLORD

The SPEAKER pro tempore (Mr. SHIMKUS). Under a previous order of the House, the gentleman from Illinois (Mr. MANZULLO) is recognized for 5 minutes.

Mr. MANZULLO. Mr. Speaker, Rockford, Illinois, lost a giant in industry this past week with the death of Edson Ingersoll Gaylord, leaving his wife, Jane, and children, Charles, Will, Susan, Mary, and John. Edson Gaylord, one of the last of the manufacturing giants; one of the great minds of this century; one of the people who took the innate ability to see things in his spirit, to be able to construct them in his mind and with his hands and the people who surrounded him, was able to manufacture some of the largest machines, actually, in history. Rockford, Illinois, is at a tremendous loss over the death of this man who took a company in 1947 from 400 people to over 4,000.

Edson Gaylord, the free trader; a person whom I met a few years ago when I first ran for Congress. I sat in front of him and looked at him with those very piercing eyes of his and that squared jaw as he examined me on a number of issues, and whenever I agreed with him there was this slight nod, a little bit of a smile, and he said you know, Don, if you would only change your mind or modify your position on a particular point of view that I had with which he disagreed, he said, things would go better for you. I said Edson, I said, that is like me asking you to change your mind on free trade. He looked at me totally without expression, sat back in his chair, the corners of his mouth went up slightly and he said, you have my support to be our next Congressman. At that point I thought that he was almost as steeled as the steel with which he worked at Ingersoll Mill and Machine. I would learn over a period of time of these last several years what a very kind and gentle industry giant this man was.

Let me give my colleagues some of the patents that he and his company innovated: the I-line transfer machines, the Masterhead machining systems, the Mastercenter machining systems, the Nutating spindle units, the

natural path tapelaying systems. These are very complicated terms. What they do, Mr. Speaker, is they make technology in this country. We hear today about the technology revolution and what is going on in high tech, but high tech was nothing to Edson Ingersoll Gaylord, because he, in fact, probably is the inventor of those words, ''high tech.'' Let us take something and let us make it better.

What did his friends say about him? Well, one person who started as a new employee at the company was really impressed when Edson Gaylord took 2 hours, walked him around the entire shop, showed him where the company had been and his vision of the future, because that is what he liked, being on the floor of the shop. His good friend, John Doar, an attorney out of Chicago, said this of Edson Gaylord. He said, ''Edson Gaylord's mind has thrived on machine tool manufacturing technology. For as long as I have known him, this curiosity has energized him. This, plus the years of hard work, makes Edson as informed and as knowledgeable as anyone in the world about the opportunities for further developments in the machine tool industry.''

Fortune Magazine said of Edson Gaylord, ''He is the master builder of mammoth tools. He is the bellwether of the machine tool industry. Quite a man, making machines that are used on airplane lines and automobile lines.''

His good friend, Dan LeBlond from the Institute of Advanced Manufacturing Sciences said of Edson, ''An unrivaled inspirer and shepherder of people to accomplish pioneering and singularly successful innovation of advanced manufacturing and machine tool technology.

□ 1615

''A perceptive and innovative industrialist.''

He was a man that America will miss, a man with numerous awards for technology. We know him as Edson Ingersoll Gaylord. America knows him as the friend of innovation.

KURDISH RIGHTS

The SPEAKER pro tempore (Mr. SHIMKUS). Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I rise to join my esteemed colleague in introducing a resolution calling for democratic, linguistic and cultural rights for all Kurds living in Turkey today.

The lands of Kurdistan are considered by many to be the birthplace of the history of human culture. Some of the earliest settlements as well as the earliest indications of the Neolithic Revolution have been found among the hills and valleys of this beautiful landscape. Yet even as one ponders the cultural advancements made on Kurdish soil thousands of years ago, one cannot help but wonder what lies in store for the Kurds' future.

For Kurds living in the Middle East, recent history has brought far less reason to celebrate. Kurds in Iraq, Iran, Syria, and Turkey have been persecuted by the regimes in power, with the most brutal assault being the poison gas attacks made by Saddam Hussein in 1988 which decimated an entire section of a city and its 5,000 inhabitants.

Although Saddam Hussein's heinous attacks caused unimaginable death and biological destruction, his regime, ironically, has not launched an all-scale offensive on the culture of the Kurds. It is unfortunate that the most comprehensive assault on the Kurdish language and culture has stemmed from our own ally and fellow-NATO member, Turkey.

Mr. Speaker, in 1997 I addressed this body on the cultural oppression of Kurds by the Turkish government and on the existence of democratically-elected Kurdish Parliamentarians unjustly jailed in Turkey. It is with a heavy heart that I stand before you today and recall recent events and happenings in Turkey, all of which suggest that nothing has changed. The Kurdish language and culture is still on Turkey's most wanted list and Kurdish Parliamentarians elected to give voice of their constituents, are still being silenced.

When I addressed this body three years ago, Turkish Kurdistan was under a declared State of Emergency, patrolled by the Gendarmerie. Torture and abuse of the Kurds, the searching of Kurdish homes without a warrant, and the persecution of assemblies and demonstrations were the norm. This situation, in flagrant breech of democracy, continues today. The 1999 U.S. Department of State Human Rights Report for Turkey states that members of the Gendarmerie continue to commit serious human rights abuses including the torture of Kurds, well-aware that the likelihood of their personal conviction is extremely slim.

Such lax prosecution is not the case, however, for Kurds. Six years ago four former members of Parliament, stripped of their official duties, were imprisoned for the crime of representing the will of Kurdish citizens. As I stand here today, Mrs. Leyla Zana, Mr. Hatip Dicle, Mr. Orhan Dogan, and Mr. Selim Sadak are still in jail. Labeled ''Prisoners of Conscience'' by Amnesty International, these four are guilty only of attempting to invigorate a true spirit of democracy in Turkey.

Three years ago 153 Members of Congress expressed their disapproval of the anti-democratic treatment of elected Kurdish representatives in the Turkish Parliament. I humbly stand before you to question whether it was enough. Today these four individuals are still in jail. Even more disturbing, the harassment of democratically-elected officials seems to be expanding from the national level to encompass local levels as well.

In February of this year, in a move that shocked many of us in this room, the Turkish Gendarmerie arrested three Kurdish mayors from cities in Turkish Kurdistan. One, the mayor of Diyarbakir, had just met with the Swedish Foreign Minister the day before his arrest in order to discuss hopes for a lasting and solid peace between Turks and Kurds. Although the mayors have since been released, their trials are pending, and if convicted, they too will face prison sentences. The arrests raise questions, not only about the legitimacy of Turkish democracy, but about the sincerity of Turkey's commitment to forging peace.

When I addressed the body three years ago, the Kurdish language could not be broadcasted or taught, even as a foreign language, in schools. I am saddened to say that this negation of a people's language continues today. But, here I must add that the criminalization of speech and expression is not necessarily limited to Kurdish citizens communicating in their native tongue. High numbers of journalists, human rights workers, doctors, and lawyers who expose injustices committed by the military, police, or state are also subject to prison sentences and illegal torture making the anti-sedition legislation perhaps the most ''equal opportunity'' of all laws in Turkey.

Mr. Speaker, the Kurdish Question, touches upon the very nature of democracy in Turkey and carries serious implications for the whole of Turkish society. Illustrations of how excessive laws mitigating Kurdish culture can spill into the mainstream, ultimately curtailing the freedoms of all citizens, are easy to find. Just last week authorities in Istanbul detained nearly 200 Kurds for illegally celebrating the Kurdish New Year, Newroz. Following their detention, authorities launched investigations of 6 Turkish newspapers that had reported on Newroz activities, for their crimes of spelling the holiday with a Kurdish ''w'' rather than the ''v'' found in the Turkish appellation. (the v is not the only letter charged with criminality—p and k have been banned from text books)

This persecution of a language and a culture, committed with such diligence that even individual letters come under fire, would be lamentable in any region of the world. But, that it occurs in the very Cradle of Civilization which bore witness to the first creative sparks of human culture and innovation instills the situation with a sense of tragedy so compelling that I believe it presents a direct challenge to those of us assembled here today.

Mr. Speaker, this resolution, supported by my esteemed colleagues BOB FILNER, JOHN E. PORTER, FRANK WOLF, and ANNA ESHOO, was written with the hope that the future of the Kurds need not be wrought with even greater persecution and suffering. It was written with the knowledge that democracy, rather than being a simple destination, needs to continually be nurtured. And it was written with the promise that peace and justice may be cultivated. I ask my friends and esteemed colleagues to join in support of this resolution so that language, culture and democracy will be permitted to flourish on the very ground that holds our common humanity's cultural roots.

WE NEED TO BRING AMERICA HOME FROM ITS INTERVENTION IN KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, we have no business in Kosovo. Our policy is a misguided excursion into the danger-laden Balkans. We have no overriding national interest there.

We have heard vaunted allegations of human rights violations leveled against the Serbian government. Once again, we come to find out that an administration determined to mire us in overseas turmoil has greatly exaggerated the situation to win over a skeptical public and stampede the Congress.

We were told several months ago that as many as 100,000 Albanian Kosovars

were brutally murdered. We were being misled. Now we know the figure was much, much smaller.

What of our continual bombing that eventually included not only public transportation but medical facilities, nearly 100 schools, churches, and homes? What of the innocent deaths we inflicted with tax dollars of the citizens of the United States? Bombing is by definition an act of war.

What have we done? What are the objectives of our bombing, our President's most recent adventure, and what are the results?

We were told we went into Kosovo to stop ethnic cleansing. It continues with a vengeance, this time with the acquiescence of our own forces. The KLA not 2 years ago was classified by our own State Department as a heroin-financed terrorist organization. Now they are soon to be vaunted by the Clinton administration as freedom fighters. They roam the countryside brutalizing innocents, not only Serbs but gypsies, Muslim Slavs, and Albanians opposed to their thuggishness.

We were told when we went into Kosovo we wanted to stabilize the Balkans. Initially, the ambiguity of our policy gave the green light to separatist movements around the region. Today in both Bosnia and Kosovo we are committed into the future as far as the eye can see.

Mr. Speaker, I ask, what stability have we achieved in the Balkans? At what price to this Nation? In the Kosovo region, news reports continue to tell us that Kosovar militias still refuse to disarm and are now destabilizing southern Serbia. A new confrontation with Milosevic and a new refugee crisis is feared.

Can anyone share with this Congress a realistic exit strategy from this quagmire? I agree with Senator KAY BAILEY HUTCHISON's assessment of our Balkan interventions, recently published in the Financial Times: ''NATO has to get off of this merry-go-round. It must acknowledge that imposing multicultural democracy at the point of a gun is not working.''

We were told we went into Kosovo to thwart the Serbian ruler, Mr. Milosevic. What have we accomplished? Milosevic is still firmly in place. We were told we went into Kosovo to insure the credibility of NATO. But did we do this by violating the first section of the NATO charter, by launching a war against a sovereign Nation that had committed no aggression against any of its neighbors?

NATO's strength was that it was a shield, not a sword, a shield, not a sword. Some skeptics suggest NATO's actions were ones of justification, considering their original mission was to protect Europe from a Soviet Union that no longer exists.

What are the costs of Kosovo? Displacement of hundreds of thousands of Kosovars, displacement of hundreds of thousands of Serbs, expansion of the conflict into Serbia proper, the potential of instability in Macedonia, and, tragically and needlessly, a new and probably undying hatred for the United States on the part of the Serbians, and, from what we have seen recently, Albanian Kosovars as well, as a result of this foolish and foolhardy intervention.

Mr. Speaker, we need to bring America home.

TIME FOR AN EMERGENCY NATIONAL MORATORIUM ON THE DEATH PENALTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, in the United States of America, the land of the free in this millenium year, we have today some 2 million people in our jails. We are 5 percent of the world's population, and yet 25 percent of the world's incarcerated persons.

In an ominous echo to General Eisenhower's farewell address, we now have a prison industrial complex in our Nation which feeds on some 35 billion public dollars each year to operate prisons, and more than $7 billion on new construction for prisons each year.

The prison industrial complex employs more than 523,000 people, making it the country's biggest employer after General Motors. More than 5 percent of the growth of our rural population is due to the movement of men and women to prisons located in rural America.

Even more ominous is the growing number of men and women put to death by our injustice system. There are now more than 3,600 men and women on death row. Most ominous is the immense and persistent disparity in the impact of the justice system. There is a real and growing perception that there are two sets of rules, two standards of treatment by law enforcement in America, one set for whites and another quite different set for African-Americans, Latinos, and all who might be poor.

In Chicago, we have had the cases of Commander John Burge, of Jeremiah Mearday, and off Ryan Harris and numerous others. This pattern of conduct is unacceptable. The perception of injustice has been substantiated by the stunning sequence of events which has led to 13 death penalty convictions in Illinois being overturned over the past decade or so by hard evidence which demonstrated a miscarriage of justice.

I am particularly concerned about a number of death penalty cases originally investigated by former Chicago police Commander John Burge or officers under his command which were based on so-called confessions, and other evidence which may have been coerced by torture.

The revelations of torture, including electric shock, suffocation, burning, beating, and Russian roulette have been widely reported and independently confirmed, and have roused the indignation of the people of Illinois.

The cases of Aaron Patterson and Darrell Cannon are the first of these cases to reach the final phases of appeal. In 1985, the then Chief Justice Warren Burger said, ''What business enterprise could conceivably succeed with the rate of recall of its products that we see in the 'products' of our prisons?''

The failure of our justice system not only robs individuals of life and liberty, but undermines our communities and our Nation. The failures also are an attack on our legal and social infrastructure, on our Constitution, and on our Nation's economic, social, and cultural progress.

There is extensive historical precedent for Federal intervention in cases where the justice and law enforcement systems fail to provide equal protection under the law in general, and specifically, protection in instances of police misconduct against African-Americans and other minorities.

It is no accident that our Department of Justice was born in 1871, following the Civil War, as a response to the wave of hate crime terror instituted by the Ku Klux Klan and where local law enforcement was unable or unwilling to provide justice and in some cases joined in the terror.

The concerns over these and other cases have rightly led Governor Ryan of Illinois to declare a moratorium on the death penalty in Illinois and to appoint a commission to study the problem.

Now is the time for men and women of principle to stand and demand an end to the cancer eating at our freedom, not tomorrow, but today, this hour, is the time for an immediate emergency national moratorium on the death penalty. I would urge the Nation to follow the suit of the Governor of Illinois and declare that injustice will not continue to be done until we find how to do it and how to do it right.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. NORWOOD) is recognized for 5 minutes.

(Mr. NORWOOD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ON REMARKS BY THE MINORITY LEADER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FOLEY) is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, I rise today in response to an article that appeared in the Roll Call, the newspaper of Capitol Hill, Thursday, April 6, 2000. Let me read from the article written by Susan Crabtree. It is shocking and it is startling:

''With last year's violent protests against the World Trade Organization in Seattle still fresh in the public's mind, leaders are organizing for Act 2,

a massive March on Washington set for Tuesday, designed to pressure Congress into rejecting a permanent normalized trade deal for China.''

Here is the quote that is startling, made by the minority whip, the gentleman from Michigan (Mr. BONIOR): ''Seattle was a great success. We hope we will see a repeat performance.''

Let me read to the Members the performance, for those who may have been napping during Seattle's excitement: ''Unrest even at the top during riots. Madeleine Albright was trapped and angry. Janet Reno was calling.'' ''The State Patrol Leaders Saw Trouble Brewing at Starbuck's. The Secret Service threatened to cancel the President's visit.''

The headlines from the Seattle Times, the success referred to by the gentleman from Michigan (Mr. BONIOR), the minority whip: ''Police Haul Hundreds to Jail. National Guard on Patrol. One Thousand Protestors Enter Restricted zones.''

There were fires, there was looting, there was physical harm, there was destruction of property, interruption of business. ''Seattle bill hits $9 million. Seattle taxpayers will be hit hard in the wallet for hosting the World Trade Organization.''

From CNN, ''Seattle authorities have placed an around-the-clock curfew on the area immediately surrounding the world trade conference.

''President Clinton arrives in a city that has been marred by broken glass, tear gas, and rubber bullets.''

''The PBC found out how security forces are beefing up in anticipation of President Clinton's visit: Police douse crowds with pepper spray.''

Let me re-read for the Members the quote by the minority whip: ''Seattle was a great success. We hope we will see a repeat performance.''

I hope, I pray, that I am misreading the newspaper. I hope and pray that the performance that we are anticipating in the seat of our government, the Nation's capital, is not one designed to bring about disgraceful headlines about riot police, pepper spray, and destruction of personal property. I thought anarchy like that only existed in Third World nations, but if people disagree with a viewpoint on trade, if people disagree on human rights in China, their response is to riot in the streets and destroy property to get their viewpoint heard.

I think it is regrettable when the minority whip would say in glowing terms that anything connected with Seattle was a success.

I have had to endure for the past couple of months a conversation about our presidential candidate attending a university, and a peaceful conversation with students, and somehow he is linked now to a quote made by the founder of the university.

□ 1630

Now we are going to hear for weeks and weeks about a peaceful meeting with students about a democracy and yet we are hearing again from the leader of the other side, or at least the minority whip, that somehow success is articulated by a total disaster.

Seattle has yet to recover from the public embarrassment of that meeting, and I would hope that the leadership will at least look at their statements and amend the record and suggest that we can have a disagreement on trade, and I hope we will have a debate on it. The President of the United States has called for a debate. The President has called for a conversation on trade. The President, I think, has been very willing to discuss some of the problems regarding workers' rights and violation of child labor and things that I think we in Congress can accomplish and can provide as we discuss normalized trade relationships with China, but I also pray that some level-headed conversation occurs to those who would come to our Nation's capital and understand we are a people of law, we are a people of respect for democracy and that violence will not and should not and cannot be tolerated.

So let us make certain that in this Nation that we love we do not repeat Seattle; that nobody refers to Seattle as a success; that if we have a grievance with the WTO that we not destroy our cities in the process and maim and injure people.

Ms. NORTON. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentlewoman from the District of Columbia.

Ms. NORTON. Mr. Speaker, I would certainly like to reinforce what the gentleman is saying about protesters coming here with respect to the WTO. I would hope that in the city of Washington we do not have a repeat of what happened in the State of Washington. The gentleman is perfectly right, the gentleman is entirely right, we can disagree without tearing up our city, especially the Nation's capitol.

Mr. FOLEY. Mr. Speaker, I thank the gentlewoman from the District of Columbia (Ms. NORTON) for joining me in that admonition to those who would come here to be peaceful, respect the rule of law and respect personal property.

BLAME CANADA, BLAME CANADA

The SPEAKER pro tempore (Mr. SHIMKUS). Under a previous order of the House, the gentleman from Maine (Mr. ALLEN) is recognized for 5 minutes.

Mr. ALLEN. Mr. Speaker, Blame Canada, Blame Canada. It is the Oscar-nominated song from the movie South Park, Blame Canada, Blame Canada. It is also the latest defensive ad campaign by the pharmaceutical industry's front group, the so-called Citizens for Better Medicare. Frankly, both belong in the garbage.

In the movie, the mothers of South Park are revolted by the dirty words their children learn at the movies but instead of taking responsibility themselves, they blame Canada.

In the ads, the drug industry tries to divert attention from its discriminatory pricing practices but instead of taking responsibility themselves, they blame Canada.

The pharmaceutical industry ads are running in the northern border States and elsewhere in an effort to convince consumers that the Canadian health care system is bad because prescription drugs are cheaper for Canadian seniors than they are for American seniors.

So let me thank the pharmaceutical industry for making the point that they charge Canadian seniors far less than they charge American seniors for the same drugs from the same manufacturers in the same quantities. It is what we have been saying all along.

Does the innovation of Canadian pharmaceutical companies suffer under the Canadian system? No. Let me read just a few statements.

Here is a statement, and I quote, in the last 10 years the rate of growth in R&D spending by Pharmaceutical Manufacturers Association of Canada, member companies, has almost doubled that of the United States. That is a statement put out on March 2, 1999, a press release from the Pharmaceutical Manufacturers Association of Canada.

In June of 1999, the same organization talked about the massive research efforts taking place across Canada, and in 1998, the Pharmaceutical Manufacturers Association of Canada's innovative pharmaceutical companies funded an estimated $900 million in medical research and development.

Since 1987 R&D spending by the PMAC member companies have grown by almost 700 percent, almost twice the growth rate of the United States in the same period of time. Yet, the pharmaceutical industry is trying to tell people in the United States that R&D will not happen in Canada because they are not earning enough money up there.

Yesterday my office received a call from the Canadian Embassy, and the Canadians are perplexed because they do not understand why U.S. companies are running TV ads trashing the Canadian health care system. Imagine what the Canadians think. The most profitable industry in the country is upset that they are not able to charge as much in Canada for prescription drugs and engage in the same price discrimination in Canada as they do in the United States.

Speaking of profits, I urge every Member to check out the latest Fortune 500 list which shows once again that the pharmaceutical industry is the most profitable industry in the country, number one in return on revenues at 18.6 percent, number one in return on assets at 16.5 percent, and number one in return on equity at 35.8 percent. One cannot do any better than that.

Even with all the attention on their price discrimination against seniors, the pharmaceutical industry continues to be the most profitable industry in the country, charging the highest

prices in the world to people who can least afford it, our seniors who do not have any prescription drug coverage on Medicare.

Studies show that seniors in this country pay 72 percent on average more than Canadians. We pay 102 percent more than Mexicans for the same drugs in the same quantity from the same manufacturer. Why do seniors have to choose between food and medicine?

Industry says, blame Canada.

Why do seniors have to cut their pills in half in order to take them?

The industry says, blame Canada.

Why do seniors have to go across the border to buy affordable prescription drugs?

The industry says, blame Canada.

Democrats in the House have two approaches. We have legislation to establish a Medicare prescription drug benefit to cover all seniors on Medicare. We have legislation which I have introduced which would provide a discount for all Medicare beneficiaries in the costs of their prescription drugs. We have legislation from the gentleman from Vermont (Mr. SANDERS) and the gentleman from Arkansas (Mr. BERRY) to make sure that drugs that are sold in Canada can be brought into this country and sold to American seniors at reduced prices. Our seniors continue to suffer from price discrimination. They demand a Medicare prescription drug benefit that is universal, meaningful and affordable but instead of bringing equality to its pricing structure all the drug industry can come up with is Blame Canada, Blame Canada.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SCARBOROUGH) is recognized for 5 minutes.

(Mr. SCARBOROUGH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ALL CITIZENS OF AMERICA SHOULD HAVE A VOTING REPRESENTATIVE IN THE HOUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, I come to the floor to let the House know that a decision has been handed down in a consolidated case, the Adams case and the Alexander case, challenging the denial of full voting rights in the House and the Senate to the residents of the Nation's Capital and full self-government here. In a 2-to-1 decision, the court ruled that because the District is not a State it does not have the privilege that every other American citizen has of having a voting representative.

Mr. Speaker, this decision is on its way to the Supreme Court. I would like to note for the record the courageous lawyers who are appealing this decision, John Ferren, former corporation counsel who was in the case at that time; Charles Miller and Thomas Williamson of Covington and Burling who handled one of the cases pro bono; professor Jamin Raskin, who is responsible for much of the thinking that went into these cases, professor of the American University School of Law; and George LaRoche, who brought a separate case.

Judge Louis Oberdorfer will be remembered by history for his ruling that, indeed, the District of Columbia residents are entitled to voting representation in this House and that the rights involved are not rights of States but of the people who live in the States, that the reference in the Constitution to the States is a term of convenience not meant to deny any American citizen the right to voting representation on this floor.

In going to the courts, District residents signal that there has been a failure of the political process. I remember a failure of the political process when I was a school child in this town. The political process failed and that is why the District of Columbia was among five jurisdictions that went to the Supreme Court and finally got that court to declare that separate but equal was in violation of the Constitution of the United States.

I trust that the failure of the political process here, the failure of the Congress to grant full voting rights to the residents of the District of Columbia, will produce a similarly favorable decision in the Supreme Court of the United States for the residents of the capital city.

Judge Louis Oberdorfer's wise and scholarly opinion raises our hopes that there will not be five justices of the Supreme Court in the 21st century that are willing to sign their names to an opinion that would deny voting rights in the national legislature to any citizen of the United States. One would think that no citizen on the planet would be so denied today.

At the very least, what this body should prepare itself to do now, pending a favorable decision of the Supreme Court or other action, is to restore the vote I won in 1993 for residents of the District of Columbia on the House floor in the Committee of the Whole. It would appear that at the very least, the residents of the District of Columbia, who pay full Federal income taxes the way the residents of other Members do, would be entitled to that respect.

I know that there are Members on the other side, because they have gone with me through the Committee on Rules, who also believe that the taxpaying residents of the District of Columbia should be recognized on this House floor to the maximum extent possible, and certainly that would mean a vote in the Committee of the Whole.

Meanwhile, there is an organization which has been energized to start energizing the country by these decisions. It is called D.C. Vote, and my hat is off to D.C. Vote which is raising consciousness first in the District of Columbia and then intends to raise the consciousness of our country to what we know would not be condoned by the American people and that is that any people that pay taxes in this country would be left without their full representation in the Congress of the United States.

The ball now comes to the floor of this House. The ball comes to those with a political and a moral conscience, to those who serve in this House to make sure that the residents who pay taxes equal to the taxes their residents pay get from this House, from the people's House, the maximum in representation that the people's House can offer.

SENIORS SHOULD NOT HAVE TO CHOOSE BETWEEN FOOD AND PRESCRIPTION DRUGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. SANDERS) is recognized for 5 minutes.

Mr. SANDERS. Mr. Speaker, I want to say a few words about an issue of enormous consequence in my State of Vermont and for people throughout this country, and that is the outrageously high prices that we are forced to pay for prescription drugs. In Vermont, it is not uncommon for many people, including the elderly, to make the impossible choice about whether they buy the food that they need, whether they heat their homes adequately in the winter or whether they have the money to purchase the prescription drugs that their doctors prescribe.

It is not uncommon in that reality that American citizens are forced to cut their dosages in half or take a dose once every other day rather than what they are supposed to take because they simply cannot afford what they need to ease their pain, and in some cases to keep themselves alive, and this is an outrage. This is unacceptable.

Meanwhile, as the gentleman from Maine (Mr. ALLEN) has just indicated, the pharmaceutical industry remains the most profitable industry in the United States of America. In addition, not only are they raking in the profits, but it is not widely known but true, the pharmaceutical industry receives billions of dollars every year from the taxpayers of this country in order to help them with their research. The pharmaceutical industry receives billions of dollars in tax breaks from the people of this country.

What do we get in return? What we get in return is, by far, not even close, the highest prices for prescription drugs in the entire industrialized world.

Now we have heard a whole lot about Canada, and I will say more about it in a moment, but it is not just that the Canadians are paying substantially less

for the same exact prescription drugs manufactured by American companies. It is every other country on Earth. For every dollar that a senior citizen in this country spends for prescription drugs, the people in Germany pay 71 cents; in Sweden, 68 cents; in the UK, 65 cents; in Canada, 64 cents; in France, 57 cents; and in Italy, for the same exact prescription drugs, 51 cents, half the price.

□ 1645

Mr. Speaker, during the last year, I took my constituents in the State of Vermont on two occasions over the border, we border on Canada, up to Montreal in order to enable some of them to purchase the prescription drugs they desperately need for substantially lower prices. At the end of the day, when those folks came back, many seniors, many women, they had each saved hundreds of dollar on their prescription drug bills.

One of the more outrageous examples of the disparity in prices deals with one particular drug called Tamoxifen. Tamoxifen is a widely prescribed drug to deal with the epidemic of breast cancer that tens of thousands of women throughout this country are fighting, are struggling for their lives.

In Canada, the cost of Tamoxifen is $34. In the United States, it is $241, same product, same dosage. In other words, we are paying roughly 10 times more for a drug that keeps women alive than are the people of Canada. Let us be clear that the pharmaceutical industry is not losing money when they sell their product in Canada or in Mexico and any place else in the world. They are simply ripping off the American people.

Now, Mr. Speaker, it is unfortunate but true that, if one looks at the record, one will find that the vast majority of Members of Congress receive campaign contributions from the pharmaceutical industry. In fact, the pharmaceutical industry spends more money on campaign contributions and lobbying than any other industry in this world.

Well, it seems to me that the time has long passed for the Members of this Congress to give back their campaign contributions to the pharmaceutical industry, to tell the lobbyists, not only here in Washington, but back in the State capitol, to all over America, to go home, to leave us alone.

It is high time that Members of Congress did the right thing, started looking out for the interests of their constituents, their seniors. They are chronically ill, and demand it of the pharmaceutical industry that the people of this country no longer be treated as second-class citizens, that we deserve the same prices as do the Canadians, the Mexicans, and people throughout this world.

Now, in that light, I have introduced legislation. The gentleman from Maine (Mr. ALLEN) has a very good piece in our legislation, which is also introduced by the gentleman from Arkansas (Mr. BERRY) and the gentlewoman from Missouri (Mrs. EMERSON). This is a very simple piece of legislation.

It says that the prescription drug distributors in this country and the pharmacists in this country can purchase the same exact FDA safety-approved product in Canada, in Mexico, at the same prices that the Canadian and Mexican pharmacists pay for their product, and they will be able to resell their product in this country for substantially lower prices.

Let us stand up to the pharmaceutical industry. Let us protect the American consumer, and let us start passing some real legislation to protect our people.

REGROWING RURAL AMERICA

The SPEAKER pro tempore (Mr. SHIMKUS). Under a previous order of the House, the gentleman from South Dakota (Mr. THUNE) is recognized for 5 minutes.

Mr. THUNE. Mr. Speaker, agricultural producers across South Dakota and across this country have been devastated by inclement weather, low prices, lack of competition, and unfair foreign trade. These are all issues which we need to address.

I want to commend the gentleman from Texas (Mr. COMBEST), chairman of the House Committee on Agriculture, for holding a series of hearings across this country to examine the farm economy and to hear from producers what we might be able to do to strengthen farm policy in this country. We have just one of those such hearings scheduled in South Dakota for May 2.

This is a complex problem, and there are no easy answers. There is no silver bullet solution. But our producers, all they are asking for is a fair price for their products. They work hard, they work the land, and many times are subject to circumstances which are beyond their control. We cannot control the Asian economy. We cannot control exchange rates. We obviously cannot control the weather. But there are things that we can control.

This year we are finally passing crop insurance reform. It is in conference right now. Last year we were able to pass mandatory price reporting to assist our livestock producers. We have provided emergency income assistance in each of the 3 years that I have been in the Congress. We have extended the ethanol tax incentive to assist our producers and try and stimulate value-added operations.

There are other things that need to be done as well, Mr. Speaker. We need to open markets. We need to pass trade with China. We need to step up our efforts at conservation, expanding the CRP and WRP programs. We need to eliminate the death tax so that our family farmers and ranchers can pass on their operations to the next generation. We also need relief from repressive regulations, and we need to allow for the deductibility of health insurance premiums for our family farmers and ranchers.

But there is one other issue, Mr. Speaker, that I would like to address today, and that is this whole issue of value added, the need of producers to reach up the agricultural marketing chain and capture the profits that are generated from processing the raw commodities.

Producers have great interest in pulling together to do just that, but there are a couple of important barriers. The first is technical expertise and the second is capital. Most of our producers are currently cash strapped.

Now, in response to the need, producers' need and desire to become engaged in these types of ventures, we are introducing two pieces of legislation. The first is H.R. 3513, the Value-Added Agriculture Development Act, which would grant $50 million to create Agricultural Innovation Centers for 3 years on a demonstration basis. The Ag innovation Centers would provide separately needed technical assistance, expertise in engineering, business, research, legal services, to assist producers in forming producer-owned, value-added endeavors.

The companion bill, the Value-Added Agriculture Tax Credit Act, would create a tax credit program for farmers and ranchers to provide a jump start to value-added agriculture by allowing them to get a tax credit for making an investment in those types of operations. Specifically, the bill would make available a 50 percent tax credit for farmers who invest in a producer-owned value-added enterprise. Producers could apply the tax credit over 20 subsequent years or transfer the tax credit to allow for the cyclical nature of farm incomes.

Mr. Speaker, combined into a single package, these two initiatives will provide American family farmers the tools that they need, desperately need to successfully become vertical integrators, and to transform themselves from price takers to price makers.

This is a common sense approach to the problems that plague our agricultural economy, which are many. This is part of a solution.

But I hope that we can generate interest in this body in moving legislation that would provide the types of incentives that are necessary to tear down the barriers to value-added operations that will allow our producers to add value at the point of production and to maximize their profit and help restore some level of profitability and some level of survival to the agriculture economy in this country.

Mr. Speaker, let me just add one last thing, and that is this, this does not just affect producers. What is happening in the agricultural economy is destroying our rural way of life, our rural main streets, those who depend for jobs on the agricultural economy of this country. We are seeing it day in and day out across my State of South Dakota and across this entire country.

So I would urge this body to consider this legislation, to enact it, to help create jobs, create economic development, and create additional value-added agricultural operations that will provide the sustenance and necessary levels of profitability to sustain agriculture in this country.

I encourage and urge my colleagues in this Chamber to cosponsor this legislation and to help us see it become law.

REAL MONEY NEED FOR EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Mr. Speaker, I am honored to be joined here today by Patty Boyle, a teacher from Southern California, whose outstanding work is well known to the colleagues that she has had in teaching, to the parents, and the students that she has touched. As a result of Patty being here, I have decided to address the House on the importance of providing funds to modernize our schools and to provide additional classroom space.

I think we are all aware of how important it is to modernize our schools, to provide Internet access to teachers and to students. Many of us have focused on how important it is to provide air conditioning for schools as we go into the spring and summer months. More and more schools have extra programs or full-year sessions. Certainly, air conditioning is necessary then. It may also be necessary in May and in September when schools have their regular sessions.

Keep in mind, we here in Congress work in air-conditioned buildings. They tell tales of last century of what it was like to be a Member of Congress without air conditioning. Imagine what it is to try to teach 30 students without air conditioning.

Finally, Mr. Speaker, we have again and again talked about the importance of smaller class sizes, particularly in the first 3 years. Well, if we are going to have class sizes of 18 or 20 students in the first 3 years or throughout elementary school, we are going to need more classrooms. We are either going to need to reconfigure the space that we have now or build additional space for those classrooms that will be needed because we take the same number of students and put them into a larger number of classrooms so that they can have smaller class sizes.

All too often, what this has meant for resource specialists, for special ed classrooms, is that, as there are more classrooms devoted to regular elementary school education, the special ed students find themselves relegated to closets, to faculty rooms, to whatever nook and cranny that was never designed to allow students to learn and teachers to teach.

Both parties have recognized the importance of allocating Federal aid to schools and especially to provide school districts with the capacity to build additional classrooms and to modernize the classrooms that they do have.

But while both parties have recognized the need and both parties have decided that that need should be met by changing our Tax Code, that is where the similarity ends.

Unfortunately, the Republican Party has come up with a bizarre notion of how to use the Tax Code in order to encourage school construction. What they have said is it is okay for school districts to issue school bonds and then those districts will be encouraged to delay school construction, not for the 2 years that are allowed under the current tax law, but up to 4 years.

Now school districts need flexibility into when they issue the bonds and when they actually do the construction, but this is the first case where that flexibility is designed as a method of providing money for the school districts.

Well, how are they supposed to get money? Well, they are encouraged to arbitrage, to take the funds that they get by issuing school bonds and not build schools right away, but take the money to the markets, play the markets. Then they are allowed under the new Republican proposal to keep the profits.

The sole contribution to school construction and modernization offered in this Republican tax plan is a free ticket to Las Vegas for every school board member in the country.

I do not think that we should be encouraging schools to arbitrage invest, and we certainly should not view ourselves as having made some major contribution to education and school construction, because we have provided those free tickets to Las Vegas and told the school district that they are allowed to keep the profits that they make by playing the market.

Instead, the Democratic tax proposal, one that I am proud to cosponsor, and it is not just a Democratic proposal now, I believe the gentlewoman from Connecticut (Mrs. JOHNSON) and many other Republicans have sponsored or cosponsored. This legislation would, instead, provide real money by allowing schools to have the Federal Government pay the interest on the bonds up to $25 billion in bonds. That is real money for schools to spend.

CONGRATULATING HAWAII'S WINNERS OF THE PRUDENTIAL SPIRIT OF COMMUNITY AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

Mrs. MINK of Hawaii. Mr. Speaker, I congratulate two remarkable students from Hawaii—Leanne Nakamura, age 17, of Kaneohe and Aubrie Weedling, age 13, of Honolulu. Leanne and Aubrie are Hawaii's top two youth volunteers for the year 2000 in the Prudential Spirit of Community Awards, a nationwide program honoring young people for outstanding acts of volunteerism.

Leanne Nakamura, a senior at James B. Castle High School, co-created ''S.A.V.E. Kualoa Beach,'' an effort to remove marine debris and educate her community about environmental issues. While attending an environmental conference, Leanne learned about beach erosion and the devastating effect marine debris has on the beaches. She did not feel that the suggested action of writing letters to government officials was an adequate solution.

After being alerted by a faculty advisor of foreign fishnets on Kualoa Beach, Leanne organized an effort to remove the nets and conduct a beach clean-up. Leanne recruited volunteers from several school clubs and the University of Hawaii's Environmental Club and persuaded local merchants to donate food for the volunteers. As a result, three-quarters of the fishnets were removed. ''I believe that when students took part in this project they learned about beach erosion and how people's carelessness affects the environment,'' said Leanne. ''It allowed students to take responsibility for the earth, creating a relationship between the environment and the student.''

Aubrie Weedling, an eighth grader at Moanalua Middle School, volunteers every week at a local food bank and once a month at a homeless shelter organizing, preparing, and serving food. Inspired by her mother, an ordained pastor who frequently talks about the importance of helping the less fortunate, Aubrie accepted an invitation by the food bank's organizer to volunteer her time. ''Sometimes it's hard: I am the only young person from my church who works at the food bank and the Institute [shelter],'' explains Aubrie. ''The happiness on the faces of those we serve in more than I can ask for. I would tell other young people that it is a learning experience we should all have, and the feeling you get back is well worth your time.''

I look forward to having the opportunity to meet these special young women and to welcome them to Washington when they come to the Capitol on May 9th. Leanne and Aubrie exemplify the very best of our youth, of Hawaii, and of our nation.

□ 1700

TAX RELIEF, TAX SIMPLIFICATION, AND TAX REFORM

The SPEAKER pro tempore (Mr. SHIMKUS). Under the Speaker's announced policy of January 6, 1999, the gentleman from Ohio (Mr. PORTMAN) is recognized for 60 minutes as the designee of the majority leader.

Mr. PORTMAN. Mr. Speaker, I am here to talk about taxes. April 15 is drawing near once again, and I am joined by my friend, the gentleman from Pennsylvania (Mr. ENGLISH), a member of the Committee on Ways and Means, and others, to talk about taxes, a topic that is on a lot of Americans' minds right now. It is a bottom line issue for families and businesses in my district and around the country as we draw close to tax filing deadline.

Tax season is, in a sense, a time for renewed focus, and that focus, I think,

ought to be on two things. First is the fact that taxes are too high, and second the fact that our Tax Code is far too complex. This afternoon we are going to focus a little on what this Congress has done and what it is trying to do to address these problems through real tax relief, through tax simplification, and through tax reform.

There are a lot of different ideas out there, a lot of good ideas, and I think we will hear a little about them this afternoon. I would like to start by stepping back a few years, back when I was first elected to Congress, which was 1993. Just before I was elected, Congress, then run by the other party on the other side of the aisle, passed the largest tax increase in American history. In fact, Vice President AL GORE had to go to the Senate to break the tie vote in order for that to pass.

We have to look at the changes that have happened since then, in a relatively short period of time. It has been 6 or 7 years, and we have made some progress. Instead of the tax increases that did mark those first years of the Clinton-Gore administration, we have had some tax relief. We have held the line on taxes and also we have been able to put through some good proposals.

One is the child tax credit. A $500 per child tax credit to help families make ends meet. We have gotten that signed into law. We have also eliminated the unfair capital gains that people paid when they sold their homes. This is both tax relief and tax simplification. No longer do people have to keep records of every home improvement they make to make sure they can reduce their capital gains. This is the kind of legislation Congress ought to be passing.

We have also developed, and we got it enacted into law, legislation that dramatically reforms and overhauls the Internal Revenue Service. That happened in 1998. It was the first time we had had major reform of the IRS in 46 years. It expanded taxpayer rights, adding 52 new taxpayer rights. It improves taxpayer services and brings the second largest agency in the Federal Government into the information technology age. We have still got a lot of work to do with the IRS, but at least now they are on a track towards real reform and reorganization.

Just last year we attempted to follow through on these successes by passing legislation in this House that attempted to return a substantial portion of the nonSocial Security tax surplus. Not the surplus that goes into Social Security and Medicare, but the general revenues surplus. We tried to pass a substantial amount of that back to the taxpayers, who, after all, earned every dime of it. We did it because we believe that taxes are too high, that tax relief is appropriate as we build up these big surpluses, but also because we think the Tax Code is unfair.

Yes, we provided tax relief across the board, tax relief to millions of Americans, but we also went into the Tax Code and found out what is not working. For instance, there is an unfair penalizing of marriage today. The marriage penalty is something we addressed in our tax legislation. We did this because we believe that families ought to be encouraged and we ought not to have a higher tax just because someone gets married. On average, it is $1400 per couple in this country.

We also do not believe in taxation without representation, which is why we believe the unfair death tax ought to be repealed, and we passed that in this House.

We also passed education tax relief. We passed health care tax relief. We passed tax relief for those who want to save and invest in our economy. And, finally, yes, we passed tax relief in the area of expanding 401(k)s, IRAs, and other pension vehicles to allow people to save more tax-free money for their own retirement. These are very important measures that will help millions of Americans keep more of their hard-earned money for their own needs and for their families' needs rather than relying on the government.

Unfortunately, President Clinton chose to veto that tax legislation last year. This year we are back again. Congress has continued the fight to give taxpayers in this country a break. We have already passed in the last month here in Congress tax relief again focusing on the marriage penalty, to get rid of this unfair penalty on marriage. We have also passed our retirement security reforms, again to expand 401(k) coverage for every American. And we have also passed some estate tax relief as part of the small business tax package we passed a few weeks ago.

Again, these are part of our effort not only to return a substantial part of that nonSocial Security surplus back to the people who earned it, but also to make the Tax Code work better, to make it fairer, to correct some of the basic flaws we see in our Tax Code. Ultimately, of course, we need to take steps to fundamentally simplify and reform the Tax Code.

The current income Tax Code and its associated regulations now contain 5.6 million words, seven times as many words as the Bible, and it is not nearly as interesting. Taxpayers now spend about 5.4 billion hours a year trying to comply with the 2,500 pages in the Tax Code and the 6,500 pages of tax rules and 8 billion pages of tax forms. The cost of complying with the Federal income tax in this country is now believed to be in excess of $200 billion a year.

That is more than 25 percent of the revenue of all the taxes collected. What a waste of money. And it hurts the economy, it hurts job growth, it hurts investment, and it means less economic opportunity for all of us.

I learned firsthand from spending a couple of years working intensively on IRS reform just how many problems our Tax Code causes not just for taxpayers, which is evident to many of us as taxpayers, but also for the IRS itself. It is very difficult to have an IRS that works well given the complexity of the Tax Code. It makes the IRS bigger and more intrusive than any of us would like it to be, and it makes the IRS more costly and less efficient than it could be with real tax reform.

That is why, for example, the new IRS reform law does contain some long overdue tax simplification encouragement. These measures are designed to force Congress prospectively, with new tax legislation, to come up with simpler ways to achieve the same results. There is now a tax complexity analysis that every new piece of legislation has to go through as it works its way through Congress. It will help Members of Congress consider for the first time the additional complexity caused by what might be otherwise good, sound and well-intentioned tax legislation.

So tax relief and tax simplification and reform to correct the problems with the current code are very important steps we can and should take together. But it is time for us to take that next step to replace the current Tax Code with something that is simpler, fairer and less intrusive for all Americans. Again, there are a lot of good ideas out there for doing that. We will hear about some tonight.

Some have proposed a flat tax on income. Others have proposed a fairer tax, a national sales tax, in place of an income tax. Other proposals out there as well are a value added tax, or more selective simplification of major parts of our current Tax Code.

We need to get the public attention focused on this need for fundamental tax reform, and to encourage that, the Committee on Ways and Means here in the House of Representatives, next week, will host the first ever congressional tax reform summit. It will be an opportunity for all the Members of Congress and the public to come forward and to talk about tax reform issues and to examine the range of alternatives to our current tax system.

For the past few years we have come to the floor close to April 15 with another interesting piece of legislation, it is called the Sunset the Code Bill. It eliminates the current Tax Code by a date certain, forcing Congress and the administration to work together in that interim period to come up with an alternative. That legislation has passed the House in the past. I hope it will pass the House again this year.

It has never been enacted into law, of course, because it has not gotten through the process or signed by the President. But next week we will try that again. This time under the leadership of our colleague, the gentleman from Oklahoma (Mr. LARGENT). We are going to try to bring a new Sunset the Code Bill to the floor that will, in addition to sunsetting the code, establish a new bipartisan, bicameral, the House and the Senate, congressional-presidential, meaning the House and the

Senate and the administration, tax reform commission.

This commission is going to have a very simple task, which is to make recommendations to Congress for fundamental tax reform and simplification. The commission is modeled on the National Commission for Restructuring the IRS that I headed up with Senator BOB KERREY. I know commissions have a checkered past in this town, and it is easy to give problems to a commission and hope they go away, but some commissions do work. The IRS commission worked because it forced Congress to tackle that reform and to clean up the IRS.

That is the hope here in having a nonpartisan panel to look at this very complicated, very contentious issue, study the issue, bring some expertise to bear, and try to take the politics out of the process and lay the foundation here in Congress for some very needed and important changes to our Tax Code.

The commission will have 15 members, three appointed by the President, four each appointed by the Senate majority leader and the speaker, and two each appointed by the House and Senate minority leaders.

The important thing is most members in this commission will be from outside Congress, from outside the Federal bureaucracy. They will be members on the commission from around the country with expertise to bring to bear. There will be one Member from the House that will be a Republican and one Member from the House that will be a Democrat, same on the Senate, one Democrat, one Republican. But, again, most members will be people from the outside who can bring expertise in a nonpartisan approach to this important problem.

The commission will have a short timetable, 18 months, to complete its work and make a report to Congress, again on ways to fundamentally simplify and reform, fundamentally, reform the Tax Code. I would like to urge my colleagues listening tonight to support this effort and to vote for that legislation next week that is so important to move us from our current broken system to one that meets all our needs better.

The tax season is a frustrating time of year for so many Americans. Many of us are doing our taxes now. The amount of taxes we have to pay, the complexity and basic unfairness of the Tax Code, makes a lot of us wonder if there is not a better way. There has got to be a better way. And Congress has heard those concerns. We are committed to changing the status quo. Let us start with meaningful tax relief and simplification where we can this year, but let us go beyond, let us also lay the foundation for the kind of long-term reforms that will give all Americans a fairer, a simpler, and a less intrusive Tax Code.

With that, Mr. Speaker, I would like to yield back my time, with the understanding that my friend, the gentleman from Pennsylvania (Mr. ENGLISH), a distinguished member of the Committee on Ways and Means, along with my friend, the gentleman from Georgia (Mr. LINDER), another distinguished member of the Congress who has a lot of expertise on tax issues, will have a chance to continue this dialogue.

CONTINUED DIALOGUE ON TAX RELIEF AND TAX REFORM

The SPEAKER pro tempore (Mr. THUNE). Under the Speaker's announced policy of January 6, 1999, the gentleman from Pennsylvania (Mr. ENGLISH) is recognized for the balance of the 60 minutes as the designee of the majority leader.

Mr. ENGLISH. Mr. Speaker, after concluding opening remarks, I will be yielding to the gentleman from Georgia (Mr. LINDER) who has some very interesting ideas to outline for us.

Mr. Speaker, I was struck by the tenor of my colleague's comments, the gentleman from Ohio (Mr. PORTMAN), who laid out a bill of particulars of what this Congress has done to make this Tax Code much more pro working family. But at the same time, we need to recognize that more needs to be done, and it is time for Congress to move in the direction of fundamental structural tax reform.

Next week, as the gentleman from Ohio noted, the House Committee on Ways and Means will be sponsoring a tax reform summit where many of the ideas of alternatives to the current tax system will be outlined. I have one that I intend to outline tonight, but let me say that the gentleman from Georgia (Mr. LINDER), myself, and the gentleman from Ohio (Mr. PORTMAN) share a common perspective which I believe is why we feel we need to move forward quickly on this subject and begin to define alternatives to the current tax system.

The American tax system looms like a Frankenstein's monster that terrorizes individual taxpayers while casting a cold shadow over the productive sectors of the U.S. economy. It is too complicated and riddled with obvious inequities, it punishes savings and investment, it reduces economic growth, and it burdens domestic industries struggling to remain competitive.

We in Congress cannot complacently sit back and watch as this complicated, antiquated tax system erodes our Nation's confidence in its economy. We must reform the American tax system in a way that makes sense to average citizens and that, therefore, will pass the test of time. Because not only do we need a fair and sensible Tax Code, we need a stable one.

As bad as the current Tax Code is, and I am one of its severest critics, in my view the last thing we need to enact is some reform that is so radical and experimental that it results in an irresistible demand to redo it again a few years later. The simplified USA Tax Act that I have introduced does all of that and more. H.R. 134 is based on sound and familiar principles that we all understand and we know will work.

The Tax Code, Mr. Speaker, must give Americans a fair opportunity to save part of their earnings. After all, thrift has helped provide Americans the security and independence that is the foundation of freedom. We understand that savings is the seed corn of the modern economy. Savings buys the tools to make Americans more productive. Productivity raises our living standards to the highest in the world.

In my tax reform proposal, USA stands for unlimited savings allowance. Everyone is allowed an unlimited Roth IRA in which they can put the portion of each year's income they save after paying taxes and living expenses. After 5 years, all money in the account could be withdrawn for any purpose, and all withdrawals, including accumulated interest and other earnings and principal, are tax free. Nothing can be simpler and nothing could give the people a better opportunity to save, especially young people. Because only new income earned after enactment of the simplified USA tax can be put into the USA Roth IRA, young people starting to move into their higher earning years are the ones who will benefit the most in the long run.

□ 1715

The Tax Code must also give everyone the opportunity to keep what they save and, if they wish, to pass it along to succeeding generations.

To that end, my tax reform proposal repeals the Federal death tax. Under the new Tax Code, tax rates must be low, especially for wage earners who now must pay an income tax and a 7.65 percent FICA payroll tax on the same amount of wages. The simplified USA tax starts out with low tax rates, 15 percent at the bottom, 25 percent in the middle, and 30 percent at the top.

Then the rates are reduced even further by allowing wage earners a full tax credit for the 7.65 percent Social Security and Medicare payroll tax that is withheld from their paychecks under current law.

Mr. Speaker, I do not propose to repeal the payroll tax, because to do so would imperil Social Security. But I do allow a credit for it; and when the credit is taken into account, the rates of tax on workers wages are very low, indeed, in the 7 percent to 17 percent range, for nearly all Americans.

The simplified USA tax provides tax relief for all Americans, especially those who own their home, give to their church, educate their children, and set aside some money for a better tomorrow.

Under my proposal, everyone receives a deduction for the mortgage interest on their home and for charitable contributions that they choose to make. In addition, USA tax allows a deduction for tuition paid for college and postsecondary vocational education.

This type of incentive is relatively new, and given the importance of education, long overdue to encourage investment in human capital. Generous personal and family exemptions are also allowed under my proposal. On a joint return, the family exemption is $8,140; and there is an additional 2,700 exemption for each member of the family. Thus a married couple with two children pays no tax on their first $18,940 of income.

The simplified USA tax is just that, simple, 75 percent simplier than the current Tax Code by one estimate. The tax return will be short, only a page or two for most of us; but more to the point, the tax return will be understandable.

For the first time in many years, America's tax system will make sense to the citizens who file the tax returns and pay the taxes. And for the first time since inception of the Federal income tax, Americans will have a full and fair opportunity to save whatever proportion of their income they wish and for whatever purpose they wish.

Working families will be allowed a credit for the payroll tax they pay. Families will have generous taxfree allowance for the education of their children. My proposal, Mr. Speaker, also contains a new and better way of taxing corporations and other businesses and this is something that every worker in the international economy has stake in. It allows them to compete and win in global markets in a way that exports American-made products, not American jobs.

Experts who have studied my plan believe that if enacted in America, this innovative approach to business taxation will soon become the worldwide standard to which other countries aspire. All businesses, corporate and noncorporate, are taxed alike under my plan at an 8 percent rate on the first $150,000 of profit and at 12 percent on all amounts above that, small business level.

All businesses will be allowed a credit for the payroll tax they pay under current law. All costs for plant, equipment, and inventory in the United States will be expensed into the year of purchase. This is a critical reform that will allow capital formation in those businesses competing in the international economy that most need it.

This is an important point, Mr. Speaker. All export sales income is exempt, as is all other foreign source income. All profits earned abroad can be brought back home for reinvestment in America without penalty. Because of a 12 percent import adjustment, all companies that produce abroad and sell back in the U.S. markets will be required to bear the same tax as companies that both produce and sell in the U.S.

Mr. Speaker, I hope to push forward a bipartisan effort with the simplified version of the USA tax. I invite all of my colleagues in the House to join me in an effort to provide the American people the fair and sensible tax system they deserve.

Mr. Speaker, for too long the Tax Code has been a terrible drag on our economy that is not very smart and certainly is not fair to those Americans whose living standards are lower now because of it. For years, its complex inanities have been the object of ridicule. It is also the ultimate source of bureaucratic excesses and abuse by the IRS that is inconsistent with our free society.

In my view, it is high time we restore people's faith in the integrity and basic fairness of their tax system and in the process, take a major step toward restoring people's confidence in the good character of their government.

Mr. Speaker, we believe that these are priorities worth pursuing, and I believe that this plan is one that can push us in the right direction.

To hear about another plan, the fair tax plan, I would like to yield such time as he may consume to the prime sponsor of that bill, the gentleman from Georgia (Mr. LINDER), who we expect will outline a challenging alternative to the proposal I have just laid before us.

Mr. LINDER. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. ENGLISH) for yielding, and I thank the gentleman from Erie for his plan and the gentleman from Cincinnati (Mr. PORTMAN) for arranging a special order.

Let me say, Mr. Speaker, before I get into my plan, that any one of these proposals is better than the current system. What we have learned after 86 years of the current system, if we had sat down at the beginning in 1913 and said how can we build a tax system that will punish people for working hard and earning, that will be obstructive of capital formation, we could not have done a better job than we have done here.

Our tax system is the single biggest impediment to people reaching from the first rung of the economic ladder to the second, because the harder you work, the more you save, the more you invest, the more we take. It is a system that is inefficient. We have seen testimony from the Kemp Commission to Harvard studies that say for a small businessman or woman to comply with the code, collect and remit $1 in business income taxes, it costs them anywhere from $4 to $7 to do that.

It is un-understandable. Our own IRS tells us that if you call the IRS for help filling out your own tax return for an answer to a question, 25 percent of the answers they give you are in error. Money Magazine sent the same data to 49 different tax preparers for a hypothetical family and found 49 different tax returns varying by thousands of dollars.

We should get away from the notion of taxing what people put into society, their productivity, their job creation, their work, and tax what they take out of it, their consumption.

When you think about it, there is no way for a business in America to pay a tax. There is not a mechanism for it. If you have a business, and I have had several, there is not a secret drawer where the money piles up, where you find your share of the payroll tax.

There is not another secret drawer where the money piles up, where you pay your income tax from.

It all comes out of price, as well as your electric bill and labor cost, but it is all in price. If you have a loaf of bread, a farmer has touched it, a trucking company, a processing company, a bakery, a distribution company, a retail outlet, not to mention the cardboard manufacturers and the plastics people. All of them have tax costs, payroll tax costs, income tax costs, accountants and attorneys to avoid the tax codes. All of that gets put into the price of that loaf of bread.

And we think, from the study we have done at Harvard, that it is 22 percent. On average what you pay at retail is 22 percent inflated by the embedded cost to the IRS. How do you fix that? You get rid of the IRS. Get rid of the income tax on both corporate and individuals, get rid of the payroll tax which is the largest tax that three-fourths of America pays. Three-fourths of us pay more for Social Security and Medicare than we do in income taxes.

Get rid of the death tax, the capital gains tax, the tax on dividends, the gift tax; and replace it with a one-time retail sales tax. If you spend $100, the first $23 goes to Uncle Sam, the rest goes to the merchant. Currently, $22 is going to the embedded costs to the IRS.

Our numbers show that as of 1995 that we are bringing the same amount of money as the current system. Now, what will this do in the world? You will have a percent higher cost of living, but you get to keep your whole check. If you are an average income earner in America at 28 percent withholding level, 28 percent income tax withholding and 7.65 percent is your share of the payroll tax costs, your employer pays an equal amount for you, you will have a 56 percent increase in take-home pay the next day. You can afford the penny.

What happens in the world? If we are the only Nation in the world selling into the global economy with no tax component in our prices are we going to be more competitive? If a corporation finds more value in equity than debt, today there is more value in debt, because if you borrow money, you get to deduct the entire interest costs.

If you have equity, shareholders, you pay tax on the profits; and when you give it to them as dividends, they pay tax one more time. And if they sell stuff, they pay tax on the capital gain. Under our system, with no taxes on business, no taxes on investment, there would be fewer people in the borrowing markets and the interest rates will go down 25 percent across the board for school loans, homes, cars.

If you are at an international corporation like Coca-Cola from my hometown with sales across the globe and

dollars stranded overseas because it is cheaper to borrow here at 8 percent than to repatriate those dollars at 35 percent. All of those dollars come home. The plant gets built in this country, foreign companies find it attractive to build a plant in this country, because there is no tax consequences.

Every investor in the world will be in on our stock markets because there is no tax consequence. The markets go up. Who is opposed to this? Not CPAs. You think CPAs like this system? They are at risk every time they sign a tax return.

We have not even promulgated the rule for some of the tax changes that we have. CPAs can make far more money planning the future for their clients, the growth of the business, the financing of that growth, than they can recording the past. This town does not like the bill. It will be the largest transfer of power from Washington to individuals in the history of our government. We know too much about you. We would give that away.

There are 100,000 people at the IRS that know more about me than I am willing to tell my children, and I want them out of my life and yours. These are not bad people. These are people doing the job that this Congress by statute has directed them to do, but we should not have any agency of government that knows how you make money or how much you make or how you spend it. That should be none of our business.

Unlike the simple tax return that you heard from my friend from Erie talk about, my tax return is nonexistent. You never, ever keep a receipt or a record or file a tax return. Now, people will say this is hurtful on the poor, because they spend all of their money for living, to which my response is this: they are already paying a 22 percent cost to the IRS in everything they buy.

We are going to get rid of that. But beyond that, we do not believe anybody should pay tax on necessities. Every year the Department of Health and Human Services says that a household of one needs to spend, last year it was $8,500, with my tax included, to pay for their necessities. My mother in an apartment in Minnesota can pay for her health care, housing, food, clothing for $8,500 dollars, that is called poverty living; but that is what HHS says you can get by in your necessities. My daughter and my son-in-law and three grandsons in Memphis need to spend $25,000 for their necessities.

□ 1730

Our rebate will totally return to them on a monthly basis the total tax consequences of spending up to the poverty line. So no family, rich or poor, has to pay taxes on their necessities. Beyond that, we are all discretionary spenders. We should all pay the same. Just imagine a world in which you are a voluntary taxpayer. We do not have to pass bills like we have done and the gentleman from Erie, we worked on a bill to make the IRS more friendly because it was a huge adversarial relationship with our taxpayers. We do not need that because you are going to be a voluntary taxpayer. You are going to pay taxes exactly when you choose to pay them and exactly as much as you choose to pay them. If you want to buy a used house instead of a new one or a used car instead of a new one, no taxes. Only new things for personal consumption, personal use. Because we believe that a house already has a 30 percent embedded cost of the IRS in it and you should only pay taxes on anything one time.

I want you to have the privilege in a free society of being anonymous again. We should not know as much about you as we do. We should not have anybody who can look into your records and know your history. I think the privilege of anonymity is the single greatest gift a free society can give its citizens.

Let me further say this: We have built a tax system that every time the government wants more of your money, we promise you it is only going to increase the taxes on the top 1 percent. Remember 1990? Do you remember 1993? It is only going to increase the taxes on the top 1 percent. So 99 percent say, Go get them. Fine with me. It's not going to hurt me.

Guess what? We all pay. In 1990, when President Bush agreed to a tax increase on the top 1 percent, the top 1 percent paid $106 billion in taxes. In 1991 after the tax was increased, they paid $100 billion in taxes.

Guess what? Rich people are often smart people and they find ways to change the way they get their income. They can control it and reduce their obligation. I do not blame them. I want the next tax increase to be so important that we all pay, including my mother on that loaf of bread. We all ought to be involved in this.

Russell Long when he was chairman of the Senate Finance Committee had a wonderful saying. He said, ''Don't tax him and don't tax me but tax that man behind the tree.'' And we are all willing to do that. But what we find out is it comes back through the system and we all pay at the checkout line at retail.

So let us be honest about it. Let us have a transparent, frank, obvious tax at retail that we all know how much our government is costing us and we all pay equally. This bill totally untaxes the poor. It untaxes necessities, and it treats everybody else exactly the same. It gives us a world in which investment is attractive, consumption is not. It gives us a world where we are all treated equally.

I want to remind you what was said in 1913 when they passed the 16th amendment to allow the income tax. A Senator was ridiculed so bad that he was laughed off the floor of the Senate for saying something that was absolutely outrageous to the rest of the Senators. He said this: ''Mark my words, before this is over, the government is going to be taking 10 percent of everything we earn.'' Oh, how I wish it were so. That gave fresh meaning to my favorite country and western song: ''If 10 Percent's Enough for Jesus, It Ought to Be Enough for Uncle Sam.''

Mr. ENGLISH. I thank the gentleman, and I appreciate his contribution to this debate. He has laid out for us the vista of a very different tax system and one that I believe would potentially have a great impact on the American economy. One of the areas of similarity between his plan and my plan, I note, is the fact that he on the business side offers a border adjustable tax.

Before I slip into the jargon, what I mean by that is we would take the taxes off of exports and put a fair tax on imports. Now, I have been very concerned, Mr. Speaker, about our trade balance in this country. I have been very concerned about the competitiveness of American jobs. I have been very involved in working with the steel industry to address the problem of steel imports.

One of the proposals that always does not seem to get a full focus when we discuss these things is the fact that by changing our tax system, we could improve the competitive position of our economy and potentially the balance of trade. The tax system that the gentleman just outlined would not tax job creation in basic industry and it would allow us to export tax free.

My tax system has many of the same incentives and would allow us to grow capital intensive jobs. I look forward to hearing more about the gentleman's tax system next week when we discuss it in the House Committee on Ways and Means as part of our tax summit. I am also looking forward to the opportunity to discuss with colleagues on both sides of the aisle in our committee the merits of my tax proposal which I conceive to be a hybrid between a simplified income tax and a consumption tax. It has many of the same incentives of a consumption tax and yet addresses many of the equity issues that I believe concern Americans and concern their elected representatives.

I am hopeful that we can attract bipartisan support for real tax reform. In the interim, I am pleased that Republicans have chosen to move forward and to raise this issue and consider how we can simplify the tax code to the benefit of individual taxpayers and certainly to the benefit of the economy.

One parting shot. It really frightens me when I see estimates that suggest that the cost of the current tax system to our economy is somewhere upward of $300 billion annually. That is a dead loss to our economy. It comes through complexity, it comes through the cost of the system itself, it comes through bad decisions that people make because

of the tax code and its perverse incentives. We need to change the tax system if we are going to leave this century the way we have entered it with the most productive economy and the preeminent economy in the world.

A FUTURE OF HOPE FOR TURKEY: ONE OF PEACE AND JUSTICE FOR THE KURDS

The SPEAKER pro tempore (Mr. THUNE). Under the Speaker's announced policy of January 6, 1999, the gentleman from California (Mr. FILNER) is recognized for 60 minutes as the designee of the minority leader.

Mr. FILNER. Mr. Speaker, yesterday I introduced a resolution, House Resolution 461, to ask for the freedom of Leyla Zana, Hatip Dicle, Orhan Dogan and Selim Sadak as well as the lifting of the ban on the Kurdish language and culture in Turkey. Now, these names may be unfamiliar to some, but the names I just read are those of Kurdish parliamentarians, Kurdish Congress members who have been in prison, yes, Mr. Speaker, in prison as Congresspeople for the last 6 years. The language and culture that they represent are the Kurds, an indigenous people of the Middle East who live in an ancient land called Kurdistan. These representatives are in prison solely because they are Kurds, and the Kurds are not free because their land is ruled by Turkey, Syria, Iran, and Iraq.

Now, this body has previously heard of the name Leyla Zana who, according to The New York Times, is the most famous Kurdish dissident in the world. This country has heard of the Kurds because Saddam Hussein gassed them with his chemical and biological weapons in 1988 and threatened to do so again in 1991. But neither this country nor this body has really paid any attention to the plight of the Kurds living as they still do on their ancient lands and still persecuted now even as I speak by the governments in Ankara, Damascus, Tehran, and Baghdad.

Mr. Speaker, I am going to restrict my commentary today to Turkey, because it is a country we honor as an ally, we support as a friend and we favor as a partner. Turkey boasts of having a sophisticated U.S. arsenal in its inventory: M–16 machine guns, M–60 battle tanks, Cobra attack helicopters, and F–16 fighter planes. American Special Forces in fact train Turkish commandoes in Turkey. Turkish leaders are fond of referring to their people as an ''army nation'' and talks are now under way to supply Turkey with an additional 145 attack helicopters worth $4 billion.

Now, is Turkey really worthy of these investments? Have our fighter planes, our attack helicopters, our battle tanks, and our machine guns protected the liberty of its citizens? Why are we training Turkish commandoes who are known to behead their victims and haul their dead bodies behind armored vehicles? In Turkey today, Mr. Speaker, I note with trepidation that liberty is under assault. Cultural genocide is the law of the land. A way of life known as Kurdish is disappearing at an alarming rate.

Mr. Speaker, we are not always as a country indifferent to the plight of the Kurds. Our 28th President, Woodrow Wilson, supported the right of subject peoples to self-determination. In an address to the Senate on January 22, 1917 he said:

> No nation should seek to extend its policy over any other nation or people but that every people should be left free to determine its own polity, its own way of development, unhindered, unthreatened, unafraid, the little along with the great and powerful.

Three months after this statement, the United States entered the war on the side of the Allies. The war cry ''making the world safe for democracy'' resonated with subject peoples all over the world and families from North Africa to Central Europe and people who named their sons after our President. But the prophetic words of President Wilson were disregarded, especially in the Ottoman provinces. The Armenians were massacred and the Kurds were subdued after the emergence of the Turkish republic. What followed has been chronicled as nothing other than a slow-motion genocide.

In Turkey, a people known to historians as the Kurds and a land known to geographers as Kurdistan simply disappeared from the official discourse overnight just 1 year after the inception of the young Turkish republic. The Kurds, said the Turkish officials, were not really Kurds but mountain Turks and their land was not really Kurdistan but eastern Turkey. This act of social engineering and historical revisionism has been propagated as the law of the land ever since. Thousands of Kurds have died in rebellion after rebellion. Millions have been uprooted. Some wish to raise a Rest in Peace sign over the entire Kurdish nation.

Perhaps of all the stories that have come out of the Kurdish land administered by the Turks, that of Layla Zana captures the essence of what it means to be a Kurd in Turkey. She was born in 1961 in a small Kurdish village near Farqin. Her earliest recollections of the Turks were either as tax collectors or as soldiers. In elementary school the lone Turkish teacher that she had told her she should learn Turkish because it was the language of the civilization. She was able to go to school for only 3 years. Then she worked on a farm, helped out in the house and occasionally heard of the name Mehdi Zana, who was her future husband, as the rising star of Kurdish politics.

In fact in 1976, she married Mehdi Zana and moved to the largest Kurdish city in the world known as Amed, or Diyarbakir, in northern Kurdistan. In 1977, Mehdi Zana was elected to the post of mayor of the city. Turkish officials were appalled. Here was an ardent Turkish nationalist who managed to earn the trust of his fellow Kurds. The city Amed was put under siege. Its funds were frozen. Mayor Zana appealed to his European colleagues for help. French mayors responded by giving 30 buses and trucks filled with office supplies and for a short while the bus fares in the city were simply abolished. Leyla Zana's education in politics began in those tumultuous years.

On September 12, 1980, a general in the Turkish army named Kenan Evren declared himself the supreme leader of the country. He deposed the elected government and dissolved the parliament. His soldiers then began arresting dissidents, especially the Kurds. The rising star of Kurdish politics, Mehdi Zana, was high on their list. Twelve days later, he was arrested without any charges being posted. And for the next 8 years, he would be tortured in the infamous Diyarbakir military prison. He would witness the death of 57 of his friends. But through it all he did not break, he endured as did his wife and small children.

Mehdi Zana was kept in prison for 3 additional years in various Turkish prisons in Turkey proper. He has chronicled his ordeals in a book entitled Prison No. 5, now available in bookstores in this country as well as on amazon.com. I had the fortune of meeting this nonviolent champion of Kurdish rights a couple of years ago and was humbled by the generosity of his feelings toward his tormentors. Like President Nelson Mandela in South Africa, Mehdi Zana does not seek revenge. He wants peace for himself and his family and his people.

☐ 1745

In words that still haunt me, he urged me to speak out against the slow motion genocide against the Kurds. ''The Armenians,'' he noted, ''were massacred. The Kurds are being put to permanent sleep.''

Mr. Speaker, Leyla Zana's schooling consisted of adversity, torture, humiliation, and State-sanctioned persecution that has never slackened to this day. She had given birth to a son when Mehdi was the Mayor of Amed and would later give birth to a daughter after her husband's arrest. She would learn Turkish the hard way, from the police who harassed her for being the wife of a popular mayor, and the courts who ruled that he was a trader and deserved to die.

In 1998, she herself was thrown into jail and endured abuse, humiliation, and torture for organizing the wives of Kurdish political prisoners to demand visitation rights. Although behind bars, the authorities, fearing a chain reaction, gave in to these mothers' demands, and Layla Zana has related this brush with the police as a turning point in her awakening as a political activist. She began reading voraciously, wrote for various publications, passed a proficiency exam for a high school diploma; in fact, the first Kurdish woman to do so in her city.

These were the years when the wall in Berlin came down, the Soviet Union

let go of its subject nations, the Cold War that had dominated international politics was supplanted with a rapprochement between the East and the West. The winds of change that brought democracy to former communist nations, people now hoped with visit the lands administered by ''our dictators'' in such places as South Africa, Indonesia and Turkey.

We all know that South Africa has made its transition to democracy. And just last year, the official world welcomed one of its smallest nations to the fold, the people of East Timor. But the Kurds, the Kurds, thus far, have been kept off of this forward march toward liberty. The adversaries of the Kurds and their misguided friends have managed to define them as the misfits of the world. But this cause of liberty is a just one, and the veil of oppression over the Kurds must come down.

There was a time when the prospects of peace and reconciliation between the Kurds and the Turks almost became a reality. In October 1991, the country held a general election. Twenty-two Kurds were elected to the Turkish parliament. The names I mentioned when I first began tonight, Leyla Zana, Hatip Dicle, Orhan Dogan and Selim Sadak were part of that group. Hopes were raised that these newly and duly elected representatives would be the mediators with the Turks and peace and justice might once again come to the land of the Kurds.

But these hopes were dashed when Mehmet Sincar, a newly-elect Kurdish member of the parliament, was murdered in broad daylight on September 3, 1993. One year later, 6 Kurdish parliamentarians were arrested for their advocacy of a peaceful resolution of the Kurdish question. Six others, who were feeling the sword of Damocles hanging on their shoulders, fled abroad to seek political asylum in Europe, and the remaining nine Kurdish deputies in the parliament either resigned from their posts or changed parties to save their lives.

An all-out war was then declared with devastating results. Turkish troops using American weapons wanted to silence the Kurdish resistance once and for all. The Kurdish cease-fire offers were spurned. The Kurdish villagers were forced to either take up arms against their family members, the Kurdish rebels, or face the consequences of the destruction of their villages. Over 3,400 villages have been destroyed; 37,000 people, mostly Kurds, have been killed; 3 million Kurds have become refugees.

Mr. Speaker, 3 years ago our distinguished colleague from Illinois (Mr. PORTER) sent out a ''Dear Colleague'' letter which was signed by 153 Members of the 105th Congress to President Clinton urging him to intervene on behalf of Leyla Zana. A year later, in fact, the gentleman from Illinois (Mr. PORTER) visited her in Turkish prison and urged the Turkish authorities to do the same. Unfortunately, nothing came of these efforts. Her imprisonment continues and the intransigence of the Turks is still at an all-time high.

The Porter letter, which was dated October 30, 1997 addresses some of the concerns of the resolution I have introduced in this Congress, and I would like to read that ''Dear Colleague'' for the RECORD.

It states: ''Dear Mr. President: We want to draw your attention to the tragic situation of Leyla Zana, the first Kurdish woman ever elected to the Turkish parliament. Mrs. Zana, who is the mother of two children, was chosen to represent the Kurdish city of Diyarbakir by an overwhelming margin in October 1991. She was arrested by Turkish authorities in March of 1994 in the Parliament Building and subsequently prosecuted for what Turkish authorities have labeled ''separatist speech'' that is stemming from her exercise of her right to free speech in the defense of the rights of the Kurdish people. She was sentenced to 15 years in prison in December 1994 and remains in Ankara today.

One of the charges against Mrs. Zana was her 1993 appearance here in Washington before the Helsinki Commission of the United States Congress. We find it outrageous that although she was invited to participate at the request of Members of Congress, her participation was one of the activities that led to her imprisonment.

Mrs. Zana's pursuit of democratic change through nonviolence was honored by the European Parliament which unanimously awarded her the 1995 Sakharov Peace Prize. In addition, Amnesty International and Human Rights Watch have raised concern about her case.

''Mr. President,'' the letter goes on, ''Turkey is an important partner of the United States, a NATO member, and a major recipient of our foreign aid, but its abuse of its Kurdish citizens and their legitimately-elected representatives is unacceptable. Mrs. Zana's majority Kurdish constituency gave her the mandate to represent them, but the government of Turkey has made an unconscionable effort to stop her. Her voice should not be silenced. This is just one of the many cases in which the Turkish Government has used the power of the State to abuse people, based on their political beliefs.

We ask you and your administration, Mr. President, to raise Mrs. Zana's case with the Turkish authorities at the highest level and seek her immediate and unconditional release so that we may, once again, welcome her to our shores.''

Mr. Speaker, that was the letter that 153 of us wrote recently. Since then, Amnesty International has adopted Leyla Zana and her duly-elected members of parliament as prisoners of conscious. In 1995 and 1998, the Noble Peace Committee that assigns its prestigious Peace Prize to people who embody our most deepest aspirations for a more tolerant world acknowledged that Leyla Zana was one of their finalists. The City of Rome has awarded her honorary citizenship. European organizations have bestowed on her numerous awards of their own.

In 1867, Mr. Speaker, a great American, Frederick Douglas, in his ''Appeal to Congress for Impartial Suffrage,'' summarized the situation of his family which is akin to what this resolution is demanding from the Turkish Government. Reflecting on Mr. Douglas's historical remarks, I was reminded of my encounter with Mehdi Zana and how he too echoed the same sentiments as our own great emancipator. Mr. Douglas wrote that, ''We have marvelously survived all of the exterminating forces of slavery, and have emerged at the end of 250 years of bondage, not morose, misanthropic, and revengeful, but cheerful, hopeful and forgiving. We now stand before Congress and the country, not complaining of the past, but simply asking for a better future.'' Simply asking for a better future.

Mr. Speaker, my resolution, supported at this time by my esteemed colleagues, the gentleman from Illinois (Mr. PORTER), the gentleman from New Jersey (Mr. SMITH), the gentleman from Virginia (Mr. WOLF), the gentlewoman from California (Ms. ESHOO), the gentleman from Michigan (Mr. BONIOR), and the gentleman from New Jersey (Mr. PALLONE), calls for a better future for the Kurds. In that future, public service is not rewarded with punishment, but honored with gratitude. In that future, languages are not banned, but cultivated as a gift of God to a people and of a people to its offspring. And only in that future, Mr. Speaker, lies the promise of peace and justice for the Kurds and a brighter future with the Turks.

Mr. Speaker, I ask my friends to support us as we help the peoples of Turkey to leap into the future for the good of themselves, as well as our battered humanity.

Mr. Speaker, asking for a better future is what we are doing here tonight.

COMMUNICATION FROM THE DEPUTY CHIEF ADMINISTRATIVE OFFICER

The SPEAKER pro tempore laid before the House the following communication from John Straub, Deputy Chief Administrative Officer:

OFFICE OF THE CHIEF
ADMINISTRATIVE OFFICER,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 5, 20000.

Hon. DENNIS J. HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a subpoena for production of documents to Custodian of Personnel Records, U.S. House of Representatives issued by the Superior Court of the District of Columbia.

After consultation with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

JOHN STRAUB,
Deputy Chief Administrative Officer.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WELDON of Florida (at the request of Mr. ARMEY) for today on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DAVIS of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. ALLEN, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. SANDERS, for 5 minutes, today.

Mr. SHERMAN, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

(The following Members (at the request of Mr. FOLEY) to revise and extend their remarks and include extraneous material:)

Mr. METCALF, for 5 minutes, today.

Mr. NORWOOD, for 5 minutes, today.

Mrs. NORTHUP, for 5 minutes, April 12.

Mr. SCARBOROUGH, for 5 minutes, today.

Mr. FOLEY, for 5 minutes, today.

Mr. ROGAN, for 5 minutes, today.

Mr. THUNE, for 5 minutes, today.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1374. An act to designate the United States Post Office building located at 680 U.S. Highway 130 in Hamilton, New Jersey, as the ''John K. Rafferty Hamilton Post Office Building''.

H.R. 3189. An act to designate the United States Post Office building located at 14071 Peyton Drive in Chino Hills, California, as the ''Joseph Ileto Post Office''.

ADJOURNMENT

Mr. FILNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p.m.), under its previous order, the House adjourned until Monday, April 10, 2000, at 12:30 p.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6978. A letter from the Secretary of Defense, transmitting the approved retirement and advancement to the grade of lieutenant general on the retired list of Lieutenant General William J. Donahue, United States Air Force; to the Committee on Armed Services.

6979. A letter from the Secretary of Defense, transmitting the approved retirement and advancement to the grade of lieutenant general on the retired list of Lieutenant General Stewart E. Cranston, United States Air Force; to the Committee on Armed Services.

6980. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Suspension of Community Eligibility [Docket No. FEMA–7729] received February 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

6981. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—List of Communities Eligible for the Sale of Flood Insurance [Docket No. FEMA–7728] received February 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

6982. A letter from the Managing Director, Federal Housing Finance Board, transmitting the Board's final rule—Reoganization of Federal Housing Finance Board Regulations [No. 2000–02] (RIN: 3069–AA87) received February 23, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

6983. A letter from the Secretary of Labor, Department of Labor, transmitting the Department's final rule—Process for Electing State Agency Representatives for Consultations With Department of Labor Relating to Nationwide Employment Statistics System (RIN: 1290–AA19) received February 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

6984. A letter from the Acting Assistant Secretary, Pension and Welfare Benefits Administration, Department of Labor, transmitting the Department's final rule—Interim Final Rule for Reporting by Multiple Employer Welfare Arrangements and Certain Other Entities That Offer or Provide Coverage for Medical Care to the Employees of Two or More Employers (RIN: 1210–AA54) received February 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

6985. A letter from the Secretary, Bureau of Consumer Protection, Federal Trade Commission, transmitting the Commission's final rule—Children's Online Privacy Protection Rule (RIN: 3084–AA84) received February 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

6986. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license agreement with France [Transmittal No. DTC 012–00], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

6987. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Report to Congress on Regulations Implementing the Chemical Weapons Convention Implementation Act of 1998; to the Committee on International Relations.

6988. A letter from the Acting Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Reissuance of 48 CFR Chapter 5 (RIN: 3090–AE90) received February 24, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

6989. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in the Shelikof Strait Conservation Area in the Gulf of Alaska [Docket No. 991223348–9348–01; I.D. 021000C] received February 24, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6990. A letter from the Secretary of the Interior, transmitting the 1999 annual report on the Migratory Bird Conservation Commission, pursuant to 16 U.S.C. 715b; to the Committee on Resources.

6991. A letter from the Government Affairs, Amtrak, transmitting the 1999 Annual Report, and Amtrak's FY 2001 Legislative Report and Grant Request, pursuant to 12 U.S.C. 1701y(f)(2); to the Committee on Transportation and Infrastructure.

6992. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Amendments to Class D and Class E Airspace, Tupelo, MS [Airspace Docket No. 00–ASO–3] received February 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6993. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class D Airspace; Jackson, WY [Airspace Docket No. 99–ANM–11] received February 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6994. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Revision to the Legal Description of the Burlington International Class C Airspace Area; VT [Airspace Docket No. 99–AWA–12] (RIN: 2120–AA66) received February 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6995. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; London, KY [Airspace Docket No. 99–ASO–23] received February 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6996. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; Lexington, KY [Airspace Docket No. 99–ASO–25] received February 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6997. A letter from the Chairman, Office of Proceedings, Surface Transportation Board, transmitting the Board's final rule—Class exemption for motor passenger intra-corporate family transactions [STB Finance Docket No. 33685] received February 23, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6998. A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Eligibility Criteria for the Montgomery GI Bill—Active Duty and Other Miscellaneous Issues (RIN: 2900–AI63) received February 8, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

6999. A letter from the Chief, Regulations Branch, Customs Service, Department of the

Treasury, transmitting the Department's final rule—Importation of Chemicals Subject to the Toxic Substances Control Act [T.D. 00–13] (RIN: 1515–AC04) received February 24, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7000. A letter from the Secretary, Judicial Conference of the United States, transmitting a draft bill cited as, ''Federal Judgeship Act of 2000''; jointly to the Committees on the Judiciary and Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLILEY: Committee on Commerce. H.R. 3615. A bill to amend the Rural Electrification Act of 1936 to ensure improved access to the signals of local television stations by multichannel video providers to all households which desire such service in unserved and underserved rural areas by December 31, 2006; with an amendment (Rept. 106–508 Pt. 2). Referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. HYDE: Committee on the Judiciary. H.R. 371. A bill to expedite the naturalization of aliens who served with special guerrilla units in Laos; with amendments (Rept. 106–563). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Texas: Committee on the Judiciary. H.R. 3767. A bill to amend the Immigration and Nationality Act to make improvements to, and permanently authorize, the visa waiver pilot program under section 217 of such Act; with an amendment (Rept. 106–564). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mrs. CHENOWETH-HAGE:

H.R. 4198. A bill to declare the policy of the United States with regard to the constitutional requirement of a decennial census for purposes of the apportionment of Representatives in Congress among the several States; to the Committee on Government Reform, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LARGENT (for himself, Mr. HALL of Texas, Mr. PORTMAN, Mr. ADERHOLT, Mr. ARMEY, Mr. BACHUS, Mr. BAKER, Mr. BALLENGER, Mr. BARR of Georgia, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mrs. BIGGERT, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BLILEY, Mr. BLUNT, Mr. BONILLA, Mr. BRADY of Texas, Mr. BRYANt, Mr. BURR of North Carolina, Mr. BURTON of Indiana, Mr. BUYER, Mr. CALVERT, Mr. CAMP, Mr. CAMPBELL, Mr. CANADY of Florida, Mr. CANNON, Mr. CHABOT, Mr. CHAMBLISS, Mrs. CHENOWETH-HAGE, Mr. COBLE, Mr. COBURN, Mr. COLLINS, Mr. COMBEST, Mr. CONDIT, Mr. COOK, Mr. COOKSEY, Mr. COX, Mr. CRANE, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DEAL of Georgia, Mr. DELAY, Mr. DEMINT, Mr. DICKEY, Mr. DOOLITTLE, Mr. DUNCAN, Ms. DUNN, Mr. EHRLICH, Mrs. EMERSON, Mr. ENGLISH, Mr. FLETCHER, Mr. FOLEY, Mr. FORBES, Mr. FOSSELLA, Mrs. FOWLER, Mr. FRANKS of New Jersey, Mr. GILLMOR, Mr. GOODE, Mr. GOODLATTE, Mr. GOODLING, Mr. GOSS, Mr. GRAHAM, Ms. GRANGER, Mr. GREEN of Wisconsin, Mr. HASTERT, Mr. HASTINGS of Washington, Mr. HAYWORTH, Mr. HEFLEY, Mr. HERGER, Mr. HILL of Montana, Mr. HILLEARY, Mr. HOEKSTRA, Mr. HORN, Mr. HOSTETTLER, Mr. HOUGHTON, Mr. HULSHOF, Mr. HUNTER, Mr. HUTCHINSON, Mr. HYDE, Mr. ISAKSON, Mr. ISTOOK, Mrs. JOHNSON of Connecticut, Mr. SAM JOHNSON of Texas, Mr. JONES of North Carolina, Mr. KASICH, Mr. KNOLLENBERG, Mr. LATHAM, Mr. LATOURETTE, Mr. LEWIS of Kentucky, Mr. LINDER, Mr. LUCAS of Oklahoma, Mr. MANZULLO, Mr. MCCOLLUM, Mr. MCCRERY, Mr. MCINNIS, Mr. MCINTOSH, Mr. MCINTYRE, Mr. MCKEON, Mr. METCALF, Mr. MICA, Mr. MILLER of Florida, Mr. GARY MILLER of California, Mr. MORAN of Kansas, Mrs. MYRICK, Mr. NETHERCUTT, Mr. NEY, Mr. NORWOOD, Mr. NUSSLE, Mr. OXLEY, Mr. PACKARD, Mr. PAUL, Mr. PETERSON of Minnesota, Mr. PETERSON of Pennsylvania, Mr. PICKERING, Mr. PITTS, Mr. POMBO, Ms. PRYCE of Ohio, Mr. RADANOVICH, Mr. RAMSTAD, Mr. RILEY, Mr. ROGAN, Mr. ROHRABACHER, Ms. ROS-LEHTINEN, Mrs. ROUKEMA, Mr. ROYCE, Mr. RYAN of Wisconsin, Mr. RYUN of Kansas, Mr. SALMON, Mr. SANFORD, Mr. SCARBOROUGH, Mr. SCHAFFER, Mr. SENSENBRENNER, Mr. SESSIONS, Mr. SHADEGG, Mr. SHAW, Mr. SHIMKUS, Mr. SHOWS, Mr. SIMPSON, Mr. SMITH of New Jersey, Mr. SMITH of Michigan, Mr. SOUDER, Mr. SPENCE, Mr. STEARNS, Mr. STUMP, Mr. SUNUNU, Mr. SWEENEY, Mr. TALENT, Mr. TANCREDO, Mr. TAUZIN, Mr. TAYLOR of Mississippi, Mr. TERRY, Mr. THOMAS, Mr. THORNBERRY, Mr. THUNE, Mr. TIAHRT, Mr. TOOMEY, Mr. TRAFICANT, Mr. VITTER, Mr. WAMP, Mr. WATKINS, Mr. WATTS of Oklahoma, Mr. WELDON of Florida, Mr. WELLER, Mr. WHITFIELD, Mr. WICKER, and Mr. YOUNG of Alaska):

H.R. 4199. A bill to terminate the Internal Revenue Code of 1986; to the Committee on Ways and Means.

By Ms. JACKSON-LEE of Texas:

H.R. 4200. A bill to amend the Immigration and Nationality Act with respect to H–1B nonimmigrant aliens and to assure fair distribution of employment-based immigrant visas, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PICKERING (for himself, Mr. OXLEY, Mr. TAUZIN, Mr. LARGENT, and Mr. STEARNS):

H.R. 4201. A bill to amend the Communications Act of 1934 to clarify the service obligations of noncommercial educational broadcast stations; to the Committee on Commerce.

By Mr. EHRLICH:

H.R. 4202. A bill to prohibit the imposition of access charges and other unfair fees and charges on the provision of Internet services, and for other purposes; to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LEACH (for himself, Mr. LAFALCE, Mr. BAKER, and Mr. KANJORSKI):

H.R. 4203. A bill to establish a comprehensive regulatory framework over the clearing of over-the-counter derivative instruments that will operate under the supervision of the Federal banking agencies, to clarify the lawfulness of the use of multilateral clearing systems for over-the-counter derivative instrument transactions, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committees on Commerce, Agriculture, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER (for himself, Mr. ARMEY, Mr. COOKSEY, Mr. DELAY, Mr. HERGER, Mr. KUYKENDALL, Mr. MCCRERY, Mr. TANCREDO, Mr. TAUZIN, and Mr. UDALL of Colorado):

H.R. 4204. A bill to amend the Internal Revenue Code of 1986 to extend the period for filing for a credit or refund of individual income taxes to 7 years; to the Committee on Ways and Means.

By Mr. SPENCE (for himself and Mr. SKELTON) (both by request):

H.R. 4205. A bill to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for fiscal year 2001, and for other purposes; to the Committee on Armed Services.

By Ms. DELAURO (for herself, Mrs. MORELLA, Mr. HOYER, Mr. MCGOVERN, Mr. FROST, Mr. NEAL of Massachusetts, Mrs. CLAYTON, Mr. ABERCROMBIE, Mr. WEYGAND, Mr. CARDIN, Mr. OLVER, Ms. KILPATRICK, Mr. JACKSON of Illinois, Ms. LOFGREN, Mrs. MALONEY of New York, Mr. KENNEDY of Rhode Island, Mr. CUMMINGS, Mr. LANTOS, Mr. FILNER, Mr. FORD, Mrs. MCCARTHY of New York, and Ms. SLAUGHTER):

H.R. 4206. A bill to establish a grant program to improve the quality and expand the availability of child care services, and of family support services, for families with children less than 3 years of age; to the Committee on Education and the Workforce.

By Mr. GANSKE (for himself, Mr. DINGELL, Mr. LEACH, Mr. WAXMAN, Mr. COX, Mr. BOSWELL, Mr. HANSEN, Mr. SNYDER, Mr. GILCHREST, Mrs. MALONEY of New York, Mrs. MORELLA, Mr. MORAN of Virginia, Mrs. ROUKEMA, Mr. MCDERMOTT, Mr. HORN, Mr. BRADY of Pennsylvania, Mr. SALMON, Mr. GILMAN, Mr. MCKEON, and Ms. DEGETTE):

H.R. 4207. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to tobacco products, and for other purposes; to the Committee on Commerce.

By Ms. GRANGER:

H.R. 4208. A bill to expedite the implementation of the per diem allowance for members of the Armed Forces subjected to lengthy or numerous deployments, to extend the allowance to the Coast Guard, and to reevaluate the eligibility criteria for the allowance, to require a study on the need for a tax credit for businesses that employ members of the National Guard and Reserve, and to require a study on the expansion of the Junior ROTC and similar military programs for young people; to the Committee on Armed Services, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. KELLY (for herself, Mr. MALONEY of Connecticut, and Mr. METCALF):

H.R. 4209. A bill to amend the Federal Reserve Act to require the payment of interest on reserves maintained at Federal reserve banks by insured depository institutions, and for other purposes; to the Committee on Banking and Financial Services.

By Mrs. FOWLER (for herself, Mr. TRAFICANT, Mr. TERRY, Mr. BATEMAN, Mr. ISAKSON, Mr. SHAYS, Mr. CHAMBLISS, Mr. SPENCE, and Mr. WATTS of Oklahoma):

H.R. 4210. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide for improved Federal efforts to prepare for and respond to terrorist attacks, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mrs. LOWEY (for herself, Ms. PELOSI, Mr. SHAYS, and Mr. GREENWOOD):

H.R. 4211. A bill to prohibit the application of certain restrictive eligibility requirements to foreign nongovernmental organizations and multilateral organizations with respect to the provision of assistance under part I of the Foregin Assistance Act of 1961; to the Committee on International Relations.

By Mr. MINGE:

H.R. 4212. A bill to amend the Internal Revenue Code of 1986 to exclude payments under the conservation reserve program from net earnings from self-employment; to the Committee on Ways and Means.

By Mr. NEY:

H.R. 4213. A bill to provide expanded substantive protections for especially vulnerable consumers against abusive mortgage lending practices and to streamline the framework regulating mortgage originations; to the Committee on Banking and Financial Services.

By Mr. PITTS (for himself, Mrs. CHENOWETH-HAGE, Mr. SPENCE, Mr. HUNTER, Mr. WELDON of Pennsylvania, Mr. ENGLISH, Mr. HANSEN, Mr. HOSTETTLER, Mr. SMITH of Washington, Mr. HAYES, Mr. EVANS, Mr. COX, Mr. GRAHAM, Mrs. CUBIN, Mr. STUPAK, Mr. SOUDER, Mr. JONES of North Carolina, Mr. SCHAFFER, Mr. DICKEY, Mr. PAUL, Mr. TANCREDO, Mr. TIAHRT, Mr. METCALF, Mr. GREEN of Wisconsin, Mr. DOOLITTLE, Mr. LARGENT, Mr. MCGOVERN, Mr. OSE, and Mr. ARMEY):

H.R. 4214. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts paid under certain Federal programs for the repayment of student loans of members of the Armed Forces; to the Committee on Ways and Means.

By Mr. POMBO (for himself, Mr. MILLER of Florida, Mrs. THURMAN, and Mr. ADERHOLT):

H.R. 4215. A bill to amend title VI of the Clean Air Act with respect to the phaseout schedule for methyl bromide; to the Committee on Commerce.

By Mr. RADANOVICH (for himself, Mr. MCKEON, and Mr. GOODLING):

H.R. 4216. A bill to amend the Workforce Investment Act of 1998 to authorize reimbursement to employers for portable skills training; to the Committee on Education and the Workforce.

By Ms. SANCHEZ:

H.R. 4217. A bill to amend the Safe and Drug-Free Schools and Communities Act of 1994 to promote activities to improve pedestrian and bicyclist safety; to the Committee on Education and the Workforce.

By Mr. THOMAS (for himself and Mr. RADANOVICH):

H.R. 4218. A bill to amend the Agricultural Adjustment Act to allow for the continued dissemination of statistical industry information relating to olive handlers with the consent of those handlers; to the Committee on Agriculture.

By Mr. WATKINS (for himself, Mr. WATTS of Oklahoma, Mr. JEFFERSON, Mr. PETERSON of Pennsylvania, Ms. STABENOW, Mr. HILLEARY, Mr. BOUCHER, Mr. CONYERS, Mr. BISHOP, Mr. PICKERING, Mr. BALDACCI, Mr. GOODE, Mr. HOEKSTRA, Mr. LUCAS of Oklahoma, Mr. MCHUGH, Mr. BARCIA, Mr. COOK, Mr. HOUGHTON, Mr. HAYES, Mr. METCALF, Mr. HEFLEY, Mr. PASTOR, Mr. HALL of Texas, Mr. CLYBURN, Mr. SWEENEY, Mr. FROST, Mr. SANDLIN, Mr. BARRETT of Nebraska, Mr. STUPAK, Mr. SESSIONS, Mr. BALLENGER, Mr. EVANS, Mr. WALSH, Ms. LEE, Mr. BOEHLERT, Mr. MCINTOSH, Mr. SCHAFFER, Mr. BASS, Mr. LAFALCE, Mr. RAHALL, and Mr. WEYGAND):

H.R. 4219. A bill to amend title XVIII of the Social Security Act to eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SAM JOHNSON of Texas (for himself and Mr. REGULA):

H.J. Res. 92. A joint resolution providing for the reappointment of Manuael L. Ibanez as a citizen regent of the Board of Regents of the SMITHsonian Institution; to the Committee on House Administration.

By Mr. SAM JOHNSON of Texas (for himself and Mr. REGULA):

H.J. Res. 93. A joint resolution providing for the appointment of Alan G. Spoon as a citizen regent of the Board of Regents of the SMITHsonian Institution; to the Committee on House Administration.

By Mr. SESSIONS (for himself, Mr. HALL of Texas, Mr. ADERHOLT, Mr. ANDREWS, Mr. ARCHER, Mr. ARMEY, Mr. BACHUS, Mr. BAKER, Mr. BALLENGER, Mr. BARCIA, Mr. BARR of Georgia, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BASS, Mrs. BIGGERT, Mr. BILBRAY, Mr. BRADY of Texas, Mr. BILIRAKIS, Mr. BLILEY, Mr. BLUNT, Mr. BOEHNER, Mr. BONILLA, Mr. BRYANT, Mr. BURR of North Carolina, Mr. BURTON of Indiana, Mr. CALLAHAN, Mr. CALVERT, Mr. CAMP, Mr. CANNON, Mr. CASTLE, Mr. CHABOT, Mr. CHAMBLISS, Mrs. CHENOWETH-HAGE, Mr. COBLE, Mr. COBURN, Mr. COLLINS, Mr. COMBEST, Mr. COOK, Mr. COOKSEY, Mr. COX, Mr. CRANE, Mrs. CUBIN, Mr. CUNNINGHAM, Ms. DANNER, Mr. DEAL of Georgia, Mr. DELAY, Mr. DEMINT, Mr. DICKEY, Mr. DOOLITTLE, Mr. DUNCAN, Ms. DUNN, Mrs. EMERSON, Mr. ENGLISH, Mr. EVERETT, Mr. EWING, Mr. FLETCHER, Mr. FOLEY, Mr. FORBES, Mr. FOSSELLA, Mrs. FOWLER, Mr. FRANKS of New Jersey, Mr. FRELINGHUYSEN, Mr. GALLEGLY, Mr. GIBBONS, Mr. GILCHREST, Mr. GILMAN, Mr. GOODE, Mr. GOODLATTE, Mr. GOODLING, Mr. GRAHAM, Ms. GRANGER, Mr. GREEN of Wisconsin, Mr. GREENWOOD, Mr. GUTKNECHT, Mr. HANSEN, Mr. HASTERT, Mr. HASTINGS of Washington, Mr. HAYES, Mr. HAYWORTH, Mr. HEFLEY, Mr. HILLEARY, Mr. HOEKSTRA, Mr. HORN, Mr. HULSHOF, Mr. HUNTER, Mr. ISAKSON, Mr. ISTOOK, Mr. JENKINS, Mr. JOHN, Mr. SAM JOHNSON of Texas, Mr. JONES of North Carolina, Mr. KASICH, Mrs. KELLY, Mr. KINGSTON, Mr. KNOLLENBERG, Mr. KUYKENDALL, Mr. LAHOOD, Mr. LARGENT, Mr. LATHAM, Mr. LATOURETTE, Mr. LAZIO, Mr. LEWIS of Kentucky, Mr. LINDER, Mr. LOBIONDO, Mr. LUCAS of Kentucky, Mr. LUCAS of Oklahoma, Mr. MANZULLO, Mr. MALONEY of Connecticut, Mr. MCCOLLUM, Mr. MCCRERY, Mr. MCINNIS, Mr. MCINTOSH, Mr. MCINTYRE, Mr. MCKEON, Mr. METCALF, Mr. MICA, Mr. MILLER of Florida, Mr. GARY MILLER of California, Mrs. MYRICK, Mr. NETHERCUTT, Mr. NEY, Mrs. NORTHUP, Mr. NORWOOD, Mr. NUSSLE, Mr. OXLEY, Mr. PACKARD, Mr. PAUL, Mr. PEASE, Mr. PETERSON of Pennsylvania, Mr. PICKERING, Mr. PITTS, Mr. POMBO, Mr. PORTER, Mr. PORTMAN, Ms. PRYCE of Ohio, Mr. QUINN, Mr. RADANOVICH, Mr. RAMSTAD, Mr. RILEY, Mr. ROGAN, Mr. ROHRABACHER, Mrs. ROUKEMA, Mr. ROYCE, Mr. RYAN of Wisconsin, Mr. RYUN of Kansas, Mr. SALMON, Mr. SANFORD, Mr. SAXTON, Mr. SCARBOROUGH, Mr. SCHAFFER, Mr. SENSENBRENNER, Mr. SHADEGG, Mr. SHERWOOD, Mr. SHIMKUS, Mr. SHOWS, Mr. SHUSTER, Mr. SIMPSON, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. SMITH of Texas, Mr. SMITH of Michigan, Mr. SOUDER, Mr. SPENCE, Mr. STEARNS, Mr. STUMP, Mr. SUNUNU, Mr. SWEENEY, Mr. TALENT, Mr. TAUZIN, Mr. TANCREDO, Mr. TAYLOR of North Carolina, Mr. TERRY, Mr. THUNE, Mr. TIAHRT, Mr. TOOMEY, Mr. TRAFICANT, Mr. UPTON, Mr. WALDEN of Oregon, Mr. WAMP, Mr. WATKINS, Mr. WATTS of Oklahoma, Mr. WELDON of Pennsylvania, Mr. WELDON of Florida, Mr. WELLER, Mr. WHITFIELD, and Mr. YOUNG of Alaska):

H.J. Res. 94. A joint resolution proposing an amendment to the Constitution of the United States with respect to tax limitations; to the Committee on the Judiciary.

By Mrs. MORELLA (for herself, Mr. HORN, Mr. HASTERT, Mr. LEACH, Mr. TURNER, Mr. BARCIA, Mr. LAFALCE, Mr. DAVIS of Virginia, Mr. MEEKS of New York, Mrs. BIGGERT, Mr. GILMAN, Mr. SABO, Mr. WALDEN of Oregon, Mrs. MALONEY of New York, Mr. OSE, Mrs. MINK of Hawaii, and Mr. KANJORSKI):

H. Con. Res. 300. Concurrent resolution recognizing and commending our Nation's Federal workforce for successfully preparing our Nation to withstand any catastrophic Year 2000 computer problem disruptions; to the Committee on Government Reform.

By Mr. GILMAN (for himself, Mr. GEJDENSON, Mr. ENGEL, Mr. WEINER, Mr. ROHRABACHER, Mr. ACKERMAN, and Mr. LANTOS):

H. Res. 464. A resolution expressing the sense of Congress on international recognition of Israel's Magen David Adom Society and its symbol the Red Shield of David; to the Committee on International Relations.

By Mrs. JOHNSON of Connecticut (for herself, Mr. DELAY, Mr. GOODLING, Mrs. JONES of Ohio, Mr. CALLAHAN, Mr. CAMP, Ms. PRYCE of Ohio, Mr. OBERSTAR, Mr. MCINNIS, Mr. WATKINS, Mr. FOLEY, Mr. SMITH of New Jersey, Mr. ENGLISH, and Ms. JACKSON-LEE of Texas):

H. Res. 465. A resolution expressing the sense of the House of Representatives that local, State, and Federal governments should collect and disseminate statistics on the number of newborn babies abandoned in public places; to the Committee on Education and the Workforce.

By Mr. THOMPSON of Mississippi (for himself, Mr. HILLIARD, Ms. MILLENDER-MCDONALD, Mr. JACKSON of Illinois, Mrs. MEEK of Florida, Mr. OWENS, Ms. CARSON, Ms. KILPATRICK, Ms. JACKSON-LEE of Texas, Mrs. JONES of Ohio, Mr. CLAY, Mr. WYNN, Mr. PAYNE, Ms. BROWN of Florida, Mr. DIXON, Mr. RUSH, Mr. MALONEY of Connecticut, Mr. CUMMINGS, Mr. ENGEL, Mr. DAVIS of Illinois, Mr. TOWNS, Mr. MEEKS of New York, Ms. MCKINNEY, Mr. WEXLER, Ms. LEE, Mr. FROST, Mr. FILNER, and Mr. RANGEL):

H. Res. 466. A resolution expressing the sense of the House of Representatives with regard to the continued display of Confederate flags; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

312. The SPEAKER presented a memorial of the House of Representatives of the State of Michigan, relative to House Resolution No. 214 memorializing the Congress of the United States to enact legislation permitting military retirees to receive disability compensation for service injuries without any reduction in retirement pay; to the Committee on Armed Services.

313. Also, a memorial of the House of Representatives of the State of Michigan, relative to House Resolution No. 213 memorializing the Congress of the United States to provide proper compensation and protection to members of the Military Reserves and National Guard when called to active duty; to the Committee on Armed Services.

314. Also, a memorial of the General Assembly of the State of Iowa, relative to Senate Concurrent Resolution No. 101 memorializing the United States Corps of Engineers to conduct a new study regarding the management of the lower Des Moines River; to the Committee on Transportation and Infrastructure.

315. Also, a memorial of the House of Representatives of the State of Michigan, relative to House Resolution No. 205 memorializing the Congress of the United States to assure that quality and access to health care for Veterans are maintained or improved; to the Committee on Veterans' Affairs.

316. Also, a memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to Resolutions memorializing the Congress of the United States to make an investigation and study of the shortage and cost of home heating oil in the Northeast; jointly to the Committees on Commerce and the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 48: Mr. SAXTON.
H.R. 65: Mr. QUINN.
H.R. 110: Mr. KILDEE and Mr. BAIRD.
H.R. 175: Mr. EWING.
H.R. 252: Mr. KNOLLENBERG and Mr. GILMAN.
H.R. 303: Mr. MCINTOSH.
H.R. 353: Mr. HALL of Texas and Mr. NORWOOD.
H.R. 371: Mr. KUYKENDALL.
H.R. 372: Mr. BEREUTER.
H.R. 531: Mr. POMBO and Mr. VISCLOSKY.
H.R. 534: Mr. HULSHOF.
H.R. 583: Mr. BROWN of Ohio.
H.R. 632: Mr. REGULA and Mr. JEFFERSON.
H.R. 756: Mr. SMITH of New Jersey.
H.R. 802: Mr. KLECZKA and Mrs. LOWEY.
H.R. 828: Mr. LEACH.
H.R. 864: Mr. KUCINICH, Mr. SOUDER, and Mr. GOODE.
H.R. 920: Mr. MARKEY.
H.R. 979: Mr. SANDLIN, Mr. FILNER, Mr. HILLIARD, and Mr. KILDEE.
H.R. 1055: Mr. PICKETT.
H.R. 1071: Mr. JOHN.
H.R. 1119: Mr. FORBES.
H.R. 1182: Mr. OXLEY.
H.R. 1187: Ms. SCHAKOWSKY and Mr. WICKER.
H.R. 1194: Mr. SESSIONS and Mr. GANSKE.
H.R. 1217: Mr. SKEEN.
H.R. 1354: Mr. EDWARDS.
H.R. 1358: Mr. UDALL of Colorado.
H.R. 1366: Ms. PRYCE of Ohio.
H.R. 1387: Ms. DELAURO and Mr. BARTLETT of Maryland.
H.R. 1413: Mr. BAIRD and Mr. DEAL of Georgia.
H.R. 1454: Mr. MEEKS of New York.
H.R. 1505: Mr. SANFORD.
H.R. 1525: Mr. MARKEY.
H.R. 1592: Mr. GUTKNECHT.
H.R. 1621: Ms. WATERS.
H.R. 1984: Mrs. THURMAN.
H.R. 2066: Mr. HALL of Ohio, Mr. DEAL of Georgia, Mr. REGULA, Mr. KOLBE, Mr. THOMPSON of Mississippi, Ms. BALDWIN, and Ms. PRYCE of Ohio.
H.R. 2077: Mr. LANTOS.
H.R. 2267: Mr. PETERSON of Pennsylvania and Mr. SCARBOROUGH.
H.R. 2321: Mr. BRADY of Pennsylvania and Mr. FROST.
H.R. 2333: Mr. KUCINICH, Mr. DEUTSCH, Mr. FALEOMAVAEGA, and Mrs. NAPOLITANO.
H.R. 2345: Mr. GEJDENSON.
H.R. 2362: Mr. BUYER, Mr. ROGAN, and Mr. HOEKSTRA.
H.R. 2380: Ms. NORTON and Mr. UDALL of Colorado.
H.R. 2446: Mr. WEXLER.
H.R. 2511: Mr. DEAL of Georgia.
H.R. 2543: Mr. HELFLEY.
H.R. 2594: Mr. GILCHREST.
H.R. 2687: Mr. FORBES.
H.R. 2712: Mrs. NAPOLITANO and Mr. KENNEDY of Rhode Island.
H.R. 2726: Mr. POMBO, Mr. CANNON, and Mr. MINGE.
H.R. 2733: Mr. LAMPSON, Mr. MALONEY of Connecticut, Mr. MATSUI, Mr. CUNNIGHAM, Mr. SALMON, Mr. CAMP, and Mr. RILEY.
H.R. 2738: Mr. BERMAN.
H.R. 2883: Mr. PASCRELL.
H.R. 2901: Mr. CAMP.
H.R. 2907: Mr. BARRETT of Wisconsin and Ms. BERKLEY.
H.R. 2934: Mr. SNYDER and Ms. HOOLEY of Oregon.
H.R. 2953: Mr. GORDON, Mr. EVANS, and Mr. UDALL of Colorado.
H.R. 2982: Mr. WEYGAND.
H.R. 3008: Mr. GORDON.
H.R. 3032: Ms. ESHOO.
H.R. 3044: Mr. GREEN of Texas, Mr. HINOJOSA, and Mr. RANGEL.
H.R. 3054: Mr. FATTAH.
H.R. 3055: Mr. FROST, Mr. FRANK of Massachusetts, Mr. LAFALCE, and Mrs. MINK of Hawaii.
H.R. 3125: Mr. SMITH of Texas.
H.R. 3143: Mr. BONIOR.
H.R. 3198: Mr. SANFORD.
H.R. 3212: Mr. SOUDER.
H.R. 3249: Mr. GREENWOOD, Mr. DELAHUNT, and Mr. SWEENEY.
H.R. 3295: Mr. RAMSTAD and Mr. MATSUI.
H.R. 3396: Mr. ABERCROMBIE, Mr. CALVERT, Mr. HERGER, Mr. HORN, Mr. HUNTER, Mr. OSE, Mr. PACKARD, Mr. RADANOVICH, and Mr. ROHRABACHER.
H.R. 3408: Mr. TANCREDO and Mr. GOODE.
H.R. 3514: Mr. SCHAFFER.
H.R. 3573: Mr. COSTELLO and Mr. BONILLA.
H.R. 3575: Mr. YOUNG of Florida.
H.R. 3576: Mr. COOKSEY and Mr. HALL of Texas.
H.R. 3615: Mr. UDALL of Colorado, Mr. EDWARDS, Mr. DEFAZIO, Mr. RODRIGUEZ, and Mr. DEAL of Georgia.
H.R. 3634: Mr. BISHOP, Mr. BRADY of Texas, Mr. FORD, Ms. MCCARTHY of Missouri, Mr. PALLONE, Mr. PRICE of North Carolina, and Mr. WYNN.
H.R. 3663: Mr. METCALF, Mr. NETHERCUTT, Mr. UPTON, Mr. HANSEN, Mr. HOSTETTLER, Mr. KOLBE, Mr. LAZIO, Mrs. JONES of Ohio, Mr. BRADY of Texas, Mr. CROWLEY, Mr. DREIER, and Mr. HOBSON.
H.R. 3680: Mr. MEEKS of New York, Ms. HOOLEY of Oregon, Mr. MORAN of Virginia, Mr. HAYES, Mr. GILLMOR, Mr. CROWLEY, Mr. BERMAN, Ms. ROS-LEHTINEN, Mrs. CAPPS, Mr. ROHRABACHER, Mr. BEREUTER, Mr. PICKETT, Ms. SANCHEZ, Mr. RADANOVICH, Mr. BRADY of Texas, Mr. CHABOT, Mr. ARMEY, and Mr. COOKSEY.
H.R. 3686: Mr. MCDERMOTT.
H.R. 3688: Mr. DOGGETT, Mr. MEEHAN, Mr. BONIOR, and Mr. PALLONE.
H.R. 3700: Mr. PRICE of North Carolina, Mr. LAFALCE, Mrs. JONES of Ohio, Ms. BROWN of Florida, Mr. CAPUANO, Mr. MEEKS of New York, and Ms. JACKSON-LEE of Texas.
H.R. 3732: Mr. EVANS, Mr. HUTCHINSON, Mr. STENHOLM, Ms. DEGETTE, and Ms. PELOSI.
H.R. 3765: Mr. MARKEY, Mr. GREEN of Texas, Mr. BARRETT of Wisconsin, and Ms. SLAUGHTER.
H.R. 3798: Mr. MALONEY of Connecticut.
H.R. 3806: Ms. STABENOW.
H.R. 3816: Mr. SHOWS, Mrs. JONES of Ohio, Mr. KENNEDY of Rhode Island, and Mrs. MINK of Hawaii.
H.R. 3842. Mr. MORAN of Kansas, Mr. KLECZKA, Mr. BROWN of Ohio, Mr. FRANK of Massachusetts, Mr. GREENWOOD, Mr. HEFLEY, and Mr. MALONEY of Connecticut.
H.R. 3844: Mr. FORBES.
H.R. 3850: Mr. LARGENT and Mr. BROWN of Ohio.
H.R. 3872: Mr. HALL of Texas, Mrs. LOWEY, Mr. SHERMAN, Mr. BASS, and Mr. UPTON.
H.R. 3880: Mr. BAIRD and Mr. SPENCE.
H.R. 3887: Mr. PASTOR and Mr. BOUCHER.
H.R. 3900: Mr. HASTINGS of Washington.
H.R. 3905: Mr. MCGOVERN, Mr. RANGEL, Mr. MCNULTY, Mr. RAMSTAD, and Mr. CAMP.
H.R. 3906: Mr. PICKERING.
H.R. 3907: Mr. PICKERING.
H.R. 3916: Mr. MANZULLO, Mr. OXLEY, Mr. BARTON of Texas, and Mr. HALL of Texas.
H.R. 3983: Mr. RANGEL, Ms. MILLENDER-MCDONALD, Mr. DICKS, and Mr. ACKERMAN.
H.R. 4006: Mr. MCKEON and Mr. WELDON of Florida.
H.R. 4011: Mr. PETERSON of Minnesota.
H.R. 4033: Mr. SHAYS, Mr. SNYDER, Mr. LEWIS of Georgia, Mr. PICKETT, Mr. BLILEY, Ms. ESHOO, Mr. MARTINEZ, and Mr. BILIRAKIS.
H.R. 4040: Mr. PALLONE.
H.R. 4053: Mr. SALMON, Mr. BRADY of Texas, and Mr. CHABOT.
H.R. 4061: Mr. JOHN, Ms. SCHAKOWSKY, and Mr. BONIOR.
H.R. 4085: Mr. NORWOOD.
H.R. 4090: Mr. NETHERCUTT, Mr. BEREUTER, and Mr. TRAFICANT.
H.R. 4094: Mr. KIND, Mr. ROMERO-BARCELO, Mr. PICKETT, Ms. HOOLEY of Oregon, Ms. ESHOO, Ms. PELOSI, Mr. GEJDENSON, and Mr. MARKEY.
H.R. 4106: Mr. BURR of North Carolina and Mr. HOEKSTRA.
H.R. 4108: Mr. ETHERIDGE and Mr. EVANS.
H.R. 4131: Ms. CARSON, Mr. SHOWS, Mr. PETERSON of Minnesota, and Mr. ABERCROMBLE.
H.R. 4154: Mr. SPENCE, Mr. GREEN of Wisconsin, and Mr. NETHERCUTT.
H.R. 4182: Mr. OWENS, Mr. KILDEE, Mr. HOUGHTON, and Mr. CAMPBELL.

H.R. 4192: Mr. KANJORSKI.

H.J. Res. 48: Mr. THORNBERRY.

H. Con. Res. 58: Mrs. FOWLER.

H. Con. Res. 62: Mr. COOK and Ms. LEE.

H. Con. Res. 220: Mr. MCDERMOTT, Mr. RODRIGUEZ, Mr. LEACH, and Mr. KILDEE.

H. Con. Res. 225: Mr. KENNEDY of Rhode Island, Mr. PASCRELL, Mr. GEJDENSON, and Ms. EDDIE BEERNICE JOHNSON of Texas.

H. Con. Res. 252: Mr. HASTINGS of Florida, Mr. PICKETT, Mr. TIAHRT, Mr. GUTIERREZ, Mr. SAXTON, Mr. MICA, Mr. LAHOOD, Mr. NEY, Mr. STEARNS, Mr. LUCAS of Oklahoma, Mr. SMITH of Michigan, Ms. BROWN of Florida, Ms. Woolsey, Mr. HILL of Indiana, Mr. BATEMAN, Mr. SABO, Mr. HILLEARY, Mr. HOLDEN, and Mr. SHIMKUS.

H. Con. Res. 256: Mr. NUSSLE.

H. Con. Res. 262: Mr. CALLAHAN.

H. Con. Res. 271: Mr. THORNBERRY.

H. Con. Res. 285: Mr. GONZALEZ.

H. Res. 15: Mr. TURNER.

H. Res. 82: Ms. LOFGREN.

H. Res. 238: Mr. MATSUI, Mr. SALMON, and Mr. RILEY.

H. Res. 458: Mrs. KELLY, Mr. LAFALCE, Mr. WELDON of Florida, and Mr. RANGEL.

PETITIONS, ETC.

Under clause 3 of rule XII,

85. The SPEAKER presented a petition of Essex County Board of Supervisors, Elizabethtown, New York, relative to a Resolution petitioning the United States Department of Housing and Urban Development to amend the terms of the $200,000 1998 Small Cities Community Development Block Grant to increase the lending and employee limits; which was referred to the Committee on Banking and Financial Services.