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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. WEINER).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 17, 2007.

I hereby appoint the Honorable ANTHONY D. WEINER to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

PRAYER

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

Lord God, who graces the open field with wild flowers and will not allow the sparrow to fall from the sky, You invite us not to worry about needless things.

Certainly there are problems this Congress and every American must face and do their best to solve. It is the unsolvable problem, the indifferent attitude, and the cold heart we must turn over to You.

Because anxiety and anger often enough create heat but no light, we also turn to You in prayer and seek Your wisdom.

With faith in Your faithfulness, Lord, we can reduce fear and hesitancy. By living in Your presence and knowing Your love for us, for others, even our enemies, we can conquer internal conflicts and be better in our self-defense and wiser in our judgments.

So be with us, Lord, and with our military forces now and in the hour of our greatest need. Amen.

THE JOURNAL

The SPEAKER pro tempore. 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 pro tempore. Will the gentleman from Nevada (Mr. PORTER) come forward and lead the House in the Pledge of Allegiance.

Mr. PORTER 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.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 62. Concurrent resolution supporting the goals and ideals of a National Children and Families Day, in order to encourage adults in the United States to support and listen to children and to help children throughout the Nation achieve their hopes and dreams, and for other purposes.

H. Con. Res. 79. Concurrent resolution authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

H. Con. Res. 121. Concurrent resolution recognizing the benefits and importance of school-based music education, and for other purposes.

H. Con. Res. 123. Concurrent resolution authorizing the use of the Capitol Grounds for the District of Columbia Special Olympics Law Enforcement Torch Run.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain up to 10 one-minute speeches on each side.

FIGHT FOR OUR RIGHT TO PARTICIPATE

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

Mr. WILSON of South Carolina. Mr. Speaker, yesterday Republicans were forced repeatedly to use procedural maneuvers to protest the unjust proposed change of current House rules denying the minority's right to participate in floor debate.

The political headlines today are correct: ''Dems Bend Rules, Break Pledge.'' If enacted, this would be the first change to such a rule since 1822.

After declaring to run the ''most open Congress in history,'' Democrat leaders have repeatedly broken this promise and sought to stifle the minority's voice, beginning with their first 100 hours and now even through 100 days.

If Democrat leaders are intent on suppressing the representative voice of nearly half of the American population, Republicans are left with no choice but to fight for our right of participation in the legislative process.

In conclusion, God bless our troops and we will never forget September 11.

ETHICS REFORM

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

Mr. BLUMENAUER. Mr. Speaker, as the ethical cloud of the last dozen years has hovered over Congress, I am proud that the new Democratic Members are aggressively pursuing an agenda of ethics reform. Long overdue.

I have introduced bipartisan legislation with my Oregon colleague, GREG WALDEN, to help establish an independent commission to do the hard work of professionally investigating and evaluating ethics charges. I am hopeful that some provision of that nature will find its way to the floor. The

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Democratic leadership has indicated that they will allow votes on key provisions and allow the votes on such proposals, the chips to fall where they may.

I am confident with a wide range of choices that we will be able to have a longer, stronger prohibition from the congressional lobby revolving door and independent oversight. I hope that Members from both sides of the aisle will seize this opportunity to strengthen our ethics framework.

THE HOUSE BUDGET RAISES TAXES AND SPENDING AT UNPRECEDENTED LEVELS

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

Mr. RYAN of Wisconsin. Mr. Speaker, today the Democrat majority is going to bring the House budget resolution to the floor. Last month when they passed the budget resolution, it was the largest tax increase in American history. Today they are bringing a budget resolution to the floor that is slightly an improvement: It is the second largest tax increase in American history. And the only thing that is separating this budget from being the largest tax increase in American history is what they call the ''tax trigger,'' and under their tax trigger, if they actually get to spend all of the money they are hoping to spend, then the surpluses will not materialize and no taxes will be spared and it will yet again become the largest tax increase in American history.

This budget is unprecedented in its scope of its ability to tax and spend. The highest levels of taxes we have ever seen in this country and the highest levels of spending. That is not a way to balance the budget and set our fiscal house in order. We should vote against this budget, which raises taxes and raises spending at unprecedented levels.

ALTMIRE-UDALL AMENDMENT TO H.R. 1585

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

Mr. GEORGE MILLER of California. Mr. Speaker and Members of the House, last night the House adopted the Altmire-Udall amendment to provide military families with very simple but much needed support while loved ones are away on combat duty.

Under the amendment that was agreed to, a worker can take family and medical leave to deal with the issues that arise as a result of a spouse, parent, or child's deployment to a combat zone like Iraq or Afghanistan. Under this amendment family members can use the leave to take care of issues like making legal and financial arrangements and making child care arrangements or other family obligations that arise and double when family members are on active duty deployments.

Supporting the troops is more than a bumper sticker. We must support the troops with all of the support that they need so their families can continue to function during the difficult times of deployment. These deployments and extended tours are not easy on families, and two-parent households can suddenly become a single-parent household and one parent is left alone to deal with paying the bills, going to the bank, picking up the kids from school, watching the kids, providing emotional support to the rest of the family. You have got to deal with these predeployment preparations.

This amendment is a good amendment. I hope that the House will support it with the passage of the legislation. Last year, tragically, it was thrown out in the conference committee and was given no consideration by the majority party of the last Congress.

AMERICANS' LUST FOR NARCOTICS

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

Mr. POE. Mr. Speaker, the border war is increasingly more violent because of the drug cartels seizing control of areas in Mexico to manufacture drugs.

According to the Associated Press, President Calderon has called out the Mexican military to take out the drug smugglers. But some say the drug cartels have more money and outgun even the military. Recently, seven journalists reporting on the ''drug war'' have been murdered, the second most dangerous place for a reporter in the world next to Iraq. Thousands of Mexican citizens have been killed in the violence.

But the problem is not just in Mexico. As long as the United States does not protect our borders, the drug barons will continue to ship those drugs to America.

Some estimate the cartels make between $10 and $30 billion a year shipping that cancer to America.

But the problem has a third ingredient. It is not enough for the military to control the violence in Mexico. It is not enough for us to secure our borders. But the violence will continue until the American consumers curb their lustful appetite for narcotics.

And that's just the way it is.

THE PRESIDENT SHOULD HAVE SUPPORT OF THE CONGRESS REGARDING WAR

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

Mr. MCDERMOTT. Mr. Speaker, in 2002 this House gave the President a blank check to go to war. He has gone to war on a very, very shaky basis in Iraq.

Last night, with 10 minutes' debate, we extended the presidential blank check to Iran.

Every morning as I come into my office, I pass the pictures of 75 members of the military from Washington State who have died. How many more are going to die in the war in Iran? We need more than 10 minutes to debate that.

When this country went to war in Vietnam and we extended the war to bombing Cambodia, there was no debate on this floor about that issue. There should be debate, and the President should have a vote of the Congress. They left off the roof with that escalation in Vietnam. They'll do it again if they don't have the support of the Congress.

HOUSE LEADERSHIP BENDING THE RULES TO PASS EGREGIOUS TAX-AND-SPEND POLICIES

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

Mr. WALBERG. Mr. Speaker, though I am only in my fifth month of service in this Chamber, I have developed a deep admiration and respect for the men and women in this body. But, frankly, Mr. Speaker, I am concerned that the new House leadership has been inflicted with a severe case of amnesia.

In March of 2005, the then Democratic minority in the House released a report accusing the then Republican majority leadership of abusing their power through parliamentary tactics designed to suppress dissent. The same leadership that published that report over 2 years ago pledged, at the beginning of this very year, to run the ''most honest, most open, and most ethical Congress'' in history.

Yesterday these leaders attempted to change a 185-year-old House rule to dramatically increase taxes and government spending against the will of the minority party and the American people. Is this really the way to run the self-proclaimed most honest and most open Congress in America's history?

While House leadership may suffer from amnesia, the American people most certainty do not, and bending the rules to pass egregious tax-and-spend policies will not stand in this people's House.

TRAVEL AND TOURISM: AMERICA'S FRONT DOOR

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

Mr. FARR. Mr. Speaker, today we are going to debate and vote on the Defense bill. And I stand today to talk about a different issue. About an offense. An offense that celebrates the greatness of America.

I join today with Representative JON PORTER, my cochair for the Congressional Tourism and Travel Caucus. What we want to point out is that the greatest strengths of America lie in its land and its people and the best way to know that is to get out and about, or be a tourist.

One doesn't have to go far. They can be in their own community. We will also see many people from other parts of the world coming to the United States this summer. And our issue is to make awareness of this. Reach out. Thank people who are in the tourism industry, whether it is a bus driver or an airplane pilot or a waitress in a restaurant. Celebrate the greatness of America. Look at this building, this town, this great city, the great people that have built the history of this town.

Tourism is everywhere, and tourism is the greatest asset America has to expose.

□ 1015

NATIONAL TOURISM WEEK

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

Mr. PORTER. Mr. Speaker, I stand today with the gentleman from California (Mr. FARR) celebrating America, and that's great news. There are a lot of things that challenge us as a country, but there are some great things happening. Mr. FARR and I are cochairmen of the Travel and Tourism Caucus, and we are here today to talk about National Tourism Week.

I represent the great State of Nevada, where we have about 45 million visitors a year to our communities. But more importantly, the tour and travel industry in this country represents number one, two and three in every economy across the United States of America. Seven hundred billion dollars annually is spent on tour and travel, and that's about $109 billion in tax revenues. That's $22,000 a second, $1.3 million a minute, $80 million an hour, and $1.9 billion a day is spent on tour and travel in the United States. It is the largest employer in the country, with 7.5 million jobs. International spending is $108 billion.

I would like to recognize, for all those communities, and all those folks that represent the tour and travel industry how important it is to our economy, but also how important is to the world to share in this great America.

HOUSE WORKS IN STRONG BIPARTISAN FASHION TO ADDRESS THE NEEDS OF OUR ARMED FORCES

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

Mr. WILSON of Ohio. Mr. Speaker, at the end of the day today, this House will send our military a strong message, that we are going to provide them the equipment and the benefits that they so desperately need and deserve as they continue to fight two different wars in Iraq, and certainly in Afghanistan.

This legislation, Mr. Speaker, will help protect our troops on the battlefield by providing $4 billion for special vehicles, transportation, that is going to be used in these two wars.

At a time when our equipment is being worn out, the legislation also creates a Defense Readiness Production Board that will identify serious readiness issues and will then allow the board to address those issues through funds that are placed in a Strategic Readiness Funds.

In this House, we certainly have differences on how to proceed in Iraq, but we are united in ensuring that our troops are taken care of, both on the battlefield and here at home.

Let's support this bill today.

MARIETTA

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

Mr. GINGREY. Mr. Speaker, I rise today to congratulate the city of Marietta, Georgia on being named one of the Nation's top best communities. The National Civic League has designated Marietta as an All-American city for its exemplary and innovative work to strengthen the community through citizen participation.

Marietta was recognized for several programs that cut to the heart of the city's commitment to improving the lives of its residents. The Marietta Reads program helps children develop critical literary skills. The M–STAR program helps reduce crime. And the Marietta Revitalization Program helps to create affordable housing and foster safe communities.

Mr. Speaker, this is a tremendous and well-deserved honor, as the citizens of Marietta have put their hearts and souls into strengthening our community. In fact, Marietta is only the fourth Georgia city to ever achieve this distinction in its 57-year history.

We all know that when our friends and neighbors come together for the common good, something special happens in our cities. Schools improve, the economy is bolstered, and our streets are safer. I am incredibly proud that Marietta is leading the way on these important initiatives. I ask my colleagues to join me in congratulating the city of Marietta, its Mayor, Bill Dunaway, its members of Council, and especially my councilman, Van Pearlberg.

ROTELLA INTERDISTRICT MAGNET SCHOOL

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

Mr. MURPHY of Connecticut. Mr. Speaker, I am especially proud to rise today in honor or the Rotella Interdistrict Magnet School in Waterbury, Connecticut, which recently received the Ronald Simpson Deserved Merit Award. This award, considered the highest recognition for magnet schools in the Nation, is given to only one school a year for its exceptional academic standards and achievements.

The Rotella School is a dynamic learning community of 600 students in pre-kindergarten through fifth grade. Rotella serves urban and suburban students who represent a diverse group of backgrounds from around Waterbury. Its unique, art-based curriculum challenges students to excel, and encourages them to express themselves through arts.

Students who are exposed to the arts have higher test scores, better school attendance and increased self-discipline. Rotella is a testament to the power of arts in education.

Mr. Speaker, I am deeply proud to stand here today in recognition of Rotella, its administrators, its students for their contribution to our community. They are truly an inspiration to Waterbury. I also commend Rotella's principal, Gina Calabrese, for outstanding work at Rotella and receiving this distinguished award.

CARSON FARIS, RN

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

Mr. STEARNS. Mr. Speaker, on Monday, we passed a resolution recognizing AmeriCorps Week. While AmeriCorps' particular design provides a tuition reward, true volunteering comes with the expectation of nothing in return.

A woman from my hometown of Ocala, Florida so embodies pure selflessness that I would like to praise her today publicly.

Carson Faris is a registered nurse and a certified occupational health nurse specialist with E–One. However, her caregiving nature does not end there. Nurse Faris mentors addicted women through the rocky path of recovery. Further, in addition to her own 10 pets, she shelters at-risk cats and serves on the board of directors for the Humane Society of Marion County and volunteers at the animal shelter. Also, she serves as an advisory board member for the Marion County unit of the Florida Blood Centers. Oh, and by the way, she is the treasurer of the Florida State Association of Occupational Health Nurses.

Nurse Faris shines as a beacon of true volunteerism.

PRAISING EOSINOPHIL AWARENESS WEEK RESOLUTION

(Mrs. BOYDA of Kansas asked and was given permission to address the House for 1 minute.)

Mrs. BOYDA of Kansas. Mr. Speaker, last month my congressional office was flooded with letters asking me to cosponsor the National Eosinophil Awareness Week Resolution. All of these heartfelt notes, as it turned out, were authored by the family and friends of an 11-year-old girl who lives in my district, Jessica Seidel. Jessica and her mother are here with us today.

Jessica suffers from a rare eosinophil disorder that causes her body to mistake common proteins as foreign bodies. The disorder makes Jessica's life very hard. Only last week, she had to move out of her house because her basement flooded, rendering the house unliveable for her.

Despite these challenges, Jessica remains a remarkable girl. She is visiting me here in Washington today, and I am impressed by her poise and her courage. I am very pleased that on Monday, the House unanimously approved the Eosinophil Awareness Week Resolution. Our vote was meaningful and it was important, not only to Jessica and her family and friends, but to every sufferer of an eosinophilic disorder across the United States.

OPEN SEASON ON THE AMERICAN TAXPAYER

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

Mr. PRICE of Georgia. Mr. Speaker, the Democrat budget being brought to the floor today is not about leadership, it's about passing the buck, billions of them, onto our children.

This Democrat budget will raise taxes by more than $200 billion over the next 5 years. And if these massive tax hikes don't bring in the revenue they want to keep expanding government, they will trigger more tax increases so they can pay for future spending. This is not leadership.

Despite the repeated warnings of every expert, this does nothing to deal with our Social Security and Medicare crisis. This is not leadership.

Tax-and-spend season is alive and well here in the House of Representatives.

Now, we can eliminate the deficit without raising taxes, but it will take setting priorities, making tough decisions to rein in our colossal government spending and working together. That's leadership.

This budget is forcing the American people to pay for a lack of leadership, and that's wrong. And the American people are watching.

THE ENSURING ACCESS TO CONTRACEPTIVES ACT

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

Mr. CARNAHAN. Mr. Speaker, I rise today in strong support of international family planning.

In the developing world today, contraceptive supplies are often unavailable, placing the health and well-being of millions of people at risk.

Currently, the global gag rule limits access to contraceptives by prohibiting the U.S. to giving family planning aid to certain foreign nongovernmental organizations. That's why I have introduced the bipartisan Ensuring Access to Contraceptives Act of 2007 with my colleague, Representative CHRIS SHAYS.

Our bill carves out a specific exception to allow the U.S. to provide contraceptives to developing countries. In addition, this bill will double the amount of funding USAID is authorized to spend on these programs.

I urge my colleagues to join us as cosponsors. This bill will help prevent unintended pregnancies, reduce incidents of maternal and child mortality, improve the health of women, and prevent the transmission of sexually transmitted infections.

IN HONOR OF WILLIAM E. COCHRAN

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

Mr. BOOZMAN. Mr. Speaker, I rise today to offer my heartfelt congratulations and thanks to a fellow optometrist, a leader in our profession, Dr. William Cochran. For 24 years, he has led my alma mater, the Southern College of Optometry, and under his guidance the institution has flourished, turning out highly-trained optometrists and serving 60,000 patients a year. His commitment to his faculty, his patients and students are examples we can all follow here in the Nation's capital.

I congratulate Dr. Cochran on his retirement from the Southern College of Optometry and thank him for the example he has left for optometrists now and in the future. He has made a lasting, positive impact on hundreds of young students and continued to enhance and build a wonderful institution that I am very proud of, the Southern College of Optometry.

GUANTANAMO BAY

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

Mr. MORAN of Virginia. Mr. Speaker, I would like to address America's legal black hole, known as Guantanamo Bay.

The administration would like us to believe that the 15 prisoners that were very recently sent to Guantanamo are typical of the other 772 that have been sent there over the last 4½ years. Many of them are still languishing 4½ years later, even though only four of those 772 have ever been charged with a crime. In fact, only 8 percent are alleged to have ever acted as a ''fighter'' against the United States. Only 5 percent were actually captured by American forces. The vast majority were turned in for bounties by Pakistani or other northern alliance Afghan forces.

That is why, Mr. Speaker, we need to shine the light of the law on this situation, to ask the administration what are they going to do about people who are being illegally detained there without charges and with no plans as to how to fix this situation, which continues to undermine America's reputation and credibility throughout the world.

BUDGET GUARANTEED TO RAISE TAXES

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

Mr. CAMPBELL of California. Mr. Speaker, later today we will have a budget on this floor proposed by the Democratic majority which is guaranteed to raise taxes by about $200 billion. Now, that budget will also increase spending by about $200 billion over and above the budget that the President proposed.

Do we think that those two numbers are the same by coincidence? No. And it's not an increase in spending by $200 billion, it's an increase over the increase proposed by the President by $200 billion. This is not a tax increase that we need to have. This is a tax increase that they want to have because they want to spend a lot more money than we are already spending, and we are already spending too much.

PROVIDING FOR CONSIDERATION OF H.R. 1427, FEDERAL HOUSING FINANCE REFORM ACT OF 2007

Mr. WELCH of Vermont. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 404 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 404

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. 1427) to reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. 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 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 Financial Services now printed in the bill, modified by the amendment

printed in the report of the Committee on Rules accompanying this resolution. That amendment in the nature of a substitute shall be considered by title rather than by section. Each title shall be considered as read. All points of order against that amendment in the nature of a substitute are waived except those arising under clause 9 or 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to that amendment in the nature of a substitute shall be in order except those printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII before the beginning of consideration of the bill and except pro forma amendments for the purpose of debate. Each amendment so printed may be offered only by the Member who caused it to be printed or his designee and shall be considered as read. 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 amendment in the nature of a substitute made in order as original text. 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.

SEC. 2. During consideration in the House of H.R. 1427 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

□ 1030

The SPEAKER pro tempore (Mr. POMEROY). The gentleman from Vermont (Mr. WELCH) is recognized for 1 hour.

Mr. WELCH of Vermont. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of this rule is for debate only.

I yield myself such time as I may consume.

(Mr. WELCH of Vermont asked and was given permission to revise and extend his remarks.)

GENERAL LEAVE

Mr. WELCH of Vermont. Mr. Speaker, I also ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 404.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. WELCH of Vermont. Mr. Speaker, as the Clerk just described, H. Res. 404 provides for consideration of H.R. 1427, the Federal Housing Finance Reform Act of 2007, under an open rule with a preprinting requirement. As of the date required for filing, 36 proposed amendments have been printed and met the preprinting requirement.

Mr. Speaker, affordable housing is absolutely critical as an issue to many Americans and certainly to folks in my State of Vermont, as well as yours. Along with food, health care and energy costs, affordable housing can make all the difference in economic survival, and we must begin to take seriously the challenge of affordable housing for renters and perspective homeowners.

In Vermont, just to give an example, affordable rental units, we have a shortage of about 20,891 rental units, short of what we need for working families in Vermont. They need in Vermont an annual income of $29,000 to afford a statewide average two-bedroom apartment.

The challenge of home ownership, in addition to renting, is daunting. While many low- and moderate-income households aspire to own their own home, limited supply, rising costs and other significant barriers can make that dream out of reach. Beginning in 2005, the new construction of 12,300 owner-occupied homes in Vermont was needed to meet the demand expected in 2010, not something that most Vermonters think will be possible.

The average purchase price for an average single-family home in Vermont in 2000 was $144,000, a lot less than it might be in the City of Washington, but beyond the reach of many Vermonters. But 5 years later, in 2005, the average price had increased a staggering 60 percent to $232,000, and very few families have seen their paychecks rise 60 percent in the past 5 years.

More than 1 million low-income households across New England, including the elderly, disabled and families, live in federally assisted housing. Most of these households have annual incomes of less than $8,000, well below the poverty line. They are at serious risk of homelessness. Even larger numbers of households are struggling to survive in the private housing market and are paying more than 50 percent of their income for rent.

In 1995, the housing community started facing dramatic changes in Federal housing policy, including funding cutbacks, program reforms and the devolution of responsibilities to State agencies who lack the funds to meet the need. Budget cuts aimed primarily at low income people presented an enormous challenge for communities across the country. Vermont and the whole of New England region, due to its high housing cost and large stock of subsidized housing, was one of the most heavily impacted regions in the country, but by no means unique. In the past few years, we have witnessed even more dramatic cuts to the important Federal housing programs, such as section 8, again imposing enormous burdens on our local communities.

The crisis of affordability is not just a well-crafted political phrase. It is a fundamental fact in Vermont and around the country, and it is a problem we must begin to address, as this bill, H.R. 1427, does.

What H.R. 1427 does is ensure that Fannie Mae and Freddie Mac operate in a safe and sound financial manner and they fulfill the responsibilities assigned under their charters given to them by Congress. These government-sponsored enterprises, or GSEs as they are called, support the mortgage market, and this bill establishes strong independent regulation and enhances GSE responsibilities under their mission.

The bill also creates the first new funding source for affordable housing since the HOME program was created in the early 1990s, and it does it without asking the taxpayers to pick up the tab. The $500 million affordable housing fund, which housing advocates in Vermont and around the country are very excited about, will be used for the badly needed construction and preservation of affordable housing.

Freddie Mac and Fannie Mae and several of the Federal Home Loan Banks have experienced considerable accounting, financial reporting and managerial problems in recent years. Unacceptable. Significant operational safety and soundness issues have arisen since 2001 that highlight the need to fortify the supervisory structure for all the regulated GSEs. This bill will do that.

The Federal National Mortgage Association, or Fannie Mae, and the Federal Home Loan Corporation, Freddie Mac, were chartered, as you know, by Congress in 1934 and 1970, respectively, in order to create a secondary market for mortgages and increase liquidity.

Through their charters, GSEs are granted special privileges not available to other private sector firms. For example, the Secretary of the Treasury is authorized to purchase up to $2.25 billion of the enterprises' obligations. Additionally, GSEs are exempt from State regulation, State income tax and SEC registration, substantial benefits conferred to meet a public need of providing affordable housing.

In January 2003, Freddie Mac announced that it needed to revise its financial statements, resulting in a special review by the Office of Federal Housing Enterprise Oversight, known as OFHEO.

In November of the same year, following the discovery of accounting irregularities and a reorganization of its management, Freddie Mac announced that it had overstated its earnings by $1 billion in 2001. An investigation into that is ongoing. The company said that the error, restating its earnings by that $1 billion, stemmed from failure to properly account for derivatives activity.

In December 2003, OFHEO reported that Freddie Mac disregarded accounting rules, internal controls and disclosure standards, again all completely unacceptable. Furthermore, the report found that the company had misstated its earnings overall by $5 billion between 2001 and 2003, and that the Board of Directors had failed to exercise its oversight responsibility. This has got to be corrected.

This bipartisan bill takes an important first step to provide effective oversight of GSEs in response to the lack of affordable housing that plagues so many of our communities.

Specifically, H.R. 1427 does the following:

Federal Housing Finance Agency: It establishes this as an independent regulator that oversees the safe and sound operation and mission function of the housing GSEs, Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks.

Director and Deputy Director: The FHFA will be led by a Director appointed by the President and confirmed by the Senate for a 5-year term.

A Federal Housing Enterprise Board is established.

Affordable housing goals: GSEs will be required to meet goals established by the FHFA for single and multi-family home purchasers in low income or very low income areas. The goals would be based on data using 3-year averages to determine the market and they would be set annually, but could be set for a multi-year period, allowing flexibility. It requires GSEs to serve underserved markets such as manufactured housing and affordable housing preservation in rural areas.

It also establishes an Affordable Housing Fund. The bill creates this with funds sent directly to the States to be administered as the States see fit. So we have a local control element here, enhancing the prospects that the money will be used for its intended purpose. The fund is intended to be a down payment toward the eventual creation of a much larger National Housing Trust. In fact, the bill provides that funds allocated for the Affordable Housing Fund may be transferred at a later date to the National Affordable Housing Trust Fund that hopefully we will enact that into law.

The bill also makes sure we take care of the victims of Hurricanes Katrina and Rita. The individuals living in the devastated gulf coast need the money immediately. Seventy-five percent of the Affordable Housing Fund available in the first year will go to Louisiana and 25 percent will go to Mississippi for affordable housing needs arising out of the hurricanes.

Also the bill is deficit neutral and directs that all of the spending is fully offset. Seventy-five percent of the contributions made by the GSEs would be used for the Affordable Housing fund. Twenty-five percent would be allocated to the Federal Government to keep the bill deficit neutral.

All of us applaud the work of Chairman FRANK for recommending an open rule to this bill and for the content of this bill, and providing the first new infusion of funds into an ever rising crisis about affordable housing.

Chairman FRANK came before the Rules Committee and testified we should allow consideration of all amendments, and we have done that, with the limitation of a preprinting requirement so as to allow us to manage and the Members to know what it is they will be debating on the floor. The rule was agreed to with the chairman, and I am pleased to bring forth such an open rule.

This is a bipartisan measure. It is supported by a diverse group of financial institutions, lenders, housing industry participants, housing groups and other financial service providers. The administration also supports the bill.

I urge all Members to support this open rule that allows the House to consider H.R. 1427.

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

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Vermont, my friend, for not only his friendship, but also for our opportunity to engage today on this important bill.

Mr. Speaker, I rise in opposition to this unorthodox rule and to a number of provisions in the underlying legislation in its current form. While I do appreciate and support the committee's effort to provide for the safety and soundness of our Nation's housing finance system and broader financial system, this legislation has a number of fatal shortcomings that I hope will be corrected during the modified open amendment process provided for by this rule.

Unfortunately, I cannot support this rule, which breaks with the longstanding, bipartisan precedent of providing Members with the certainty of a specific date by which their amendments must be printed in the CONGRESSIONAL RECORD so that they may be included in the debate under this rule. By changing this longstanding, established practice and only providing Members with the requirement that their amendments must be printed at an undetermined, unannounced time before the consideration that this bill begins, Members from both sides of the aisle are left vulnerable to the scheduling whims of the majority, which is neither an open nor a transparent way to run the House of Representatives.

I also find it odd that a majority of the Rules Committee members would vote to provide for such an open deadline. Just this week, they demanded such precision in timing from Members and an overworked Legislative Counsel Office with a filing deadline for the Defense authorization bill. That is an unprecedented move. Amendments filed less than 12 hours after this deadline were simply turned away at the door.

□ 1045

Members were informed that their noncompliance with the arbitrary deadline meant that their voices would not even have the opportunity to be heard in the House.

I wish I could say that I was surprised by this decision made by the Democrat members of the Rules Committee. Unfortunately, the majority's selective enforcement of amendment deadlines and disregard for other longstanding House precedents has become the status quo in the Democrat Rules Committee. So much for all of those campaign promises to run the most honest, ethical and transparent House in history.

While this bill does provide for a stronger regulator with increased powers to ensure the safe and sound operations of the housing government sponsored enterprises, I must rise in strong opposition to this bill's worst flaw: A new housing fund mandate that would create a de facto tax on the middle-class homeowners to finance an expensive and ill-defined big government housing program.

In its budget score of the legislation, the Congressional Budget Office acknowledges that the new government-mandated assessments on the GSEs could very easily be passed on to their customers in the form of higher fees, meaning that this fund would unfairly target the most modest home prices to finance this unprecedented government-mandated redistribution of wealth from the middle class.

I believe it is bad public policy to tie the fate of families that need housing support to the success or failure of Fannie Mae or Freddie Mac's portfolios. Even worse because the affordable housing funds would come from loans that are less than $417,000, which in 12 metropolitan areas in the country is dangerously close to or below the median home price, this bill levies a new stealth tax on the most modest home buyers without even disclosing to them the costs associated with this new Federal mandate. Mr. Speaker, it is the same as a tax increase to these middle income home buyers.

To deal with this problem, I will be offering an amendment that provides useful information to home buyers about the real costs of this stealth tax. This amendment would require that the director of the Federal Housing Finance Agency determine what the cost per $1,000 finance would be to home buyers whose mortgages are purchased by the housing GSEs. This information would need to be disclosed to the home buyer at or before closing for these mortgages, who qualify for future GSE purchase, and any additional cost for mortgage originators created by this new disclosure regulation would be paid for by the housing fund so that the new disclosure requirement does not create a new, costly private sector mandate.

Mr. Speaker, if we are going to pass along a brand new, stealth $2.5 billion tax increase on the middle class to pay for their affordable housing, I think that Congress should at the very least be up front about the true cost of this fund with those who are being asked to foot the bill. My amendment simply provides for transparency for mortgage consumers about the true cost of this new government $2.5 billion mandate, and I would encourage all of my colleagues on both sides of the aisle to support it.

Mr. Speaker, I encourage all my colleagues to oppose this restrictive rule and the underlying legislation in its

current form, particularly this stealth tax contained in the affordable housing fund provision.

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

Mr. WELCH of Vermont. Before yielding to my friend from Massachusetts, I just want to emphasize that every single Member of this House did have an opportunity to preprint an amendment, as was done by my friend from Texas.

In a recent rule, we had a specific deadline by which that had to be filed. There were complaints from our friends on the other side of the aisle about a specific deadline. In this case, we extended it so that depending on what the floor schedule was, there would be the maximum time available for folks to put their amendments in printed form, and now there are complaints about that process as well.

Mr. Speaker, I yield 7 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, first I ask the indulgence of the House for the fact that I am dressed a little less spiffily than is my norm, but I have a cast on my arm and this is all that would go over it.

Mr. Speaker, I have rarely heard anyone repudiate as much of his party's past as I just heard from the gentleman from Texas. First he said this is a restrictive rule. Why, because we said anyone who wanted to file an amendment could file an amendment. There would be no rejection of any amendments by the Rules Committee, and the deadline for that was the day before the bill was to come to the floor. Now we didn't know when that was. And, in fact, what happened was there was a possibility that there would have been an extra day. So the gentleman apparently objects to the possibility of an extra day.

I was also struck that he had two objections to deadlines. One was the fact that a rule had a deadline; and one was the fact that a rule didn't have a deadline. He objected to the fact that there was a deadline on the defense bill. He objects to the fact that there isn't a deadline on this bill.

Mr. Speaker, let's be very clear: The gentleman objects to the being in the minority. When you object to a deadline and the absence of a deadline, you have pretty much exhausted the logical possibilities of argument, and the gentleman has done that.

Then we talk about this being restrictive. This bill, a very similar bill, was reported out of the committee under Republican rule in the previous Congress. Nine amendments were allowed by the Rules Committee; 36 amendments are pending to this bill. So because we only had four times as many amendments to this bill as when they were in power, we have become restrictive.

The gentleman says we have upset a long-standing tradition. He is right. During their rule, the long-standing tradition was amendments they didn't like and were afraid might pass couldn't be offered. We have upset that.

Every amendment that anyone wanted to offer is before us. In fact, the last time this bill came before us, and apparently the gentleman voted for the rule, the bill came out of committee. In the Rules Committee, a self-executing rule was adopted that was very controversial limiting much of what could be done with housing funds, and the Rules Committee then refused to allow a vote on that self-executing rule.

So here are the comparisons as the gentleman from Texas laments: Our lack of openness. When he was in power, the Rules Committee took a bill that came out of the committee by a bipartisan majority, inserted its own amendment and insulated that amendment from being voted on. We instead said here is the bill, offer any amendment you want. This is pretty topsy-turvy. I understand the demands of partisanship, but shouldn't logic put some limits on what people would say just to make a partisan point?

The fact is this bill came out of committee in the last Congress with an amendment that the Rules Committee put in and wouldn't allow us to vote on, and we have done exactly the opposite. Then he talks about the housing funds, and once again, we have the zeal of a convert. He finds this housing fund a terrible thing, Mr. Speaker. It is a tax on people. It was in the bill that the Republicans brought to the floor. It was in the bill that received more than 300 votes, many of the ''no'' votes, my own included, were from Democrats who objected to the unfair restrictions on the fund that the self-executing rule imposed.

So when the Republicans were in power, this housing fund was not so bad. This housing fund came out of committee by a bipartisan majority, came to the floor, and was voted on in a final bill by over 300 Members. This same housing fund, exactly the same principle, it is financed a little differently, but with all of the same effects, when did it become so terrible? What turns a fund to build affordable housing for lower-income people from a thing to be proud of into a terrible tax? An election.

When the Republicans were in the majority, this was apparently a good thing. It was overwhelmingly passed. But now that the Democrats are in the majority, this same housing fund becomes something that is awful. It is a housing fund that is supported by the realtors, by the home builders, by everybody in the housing business because it does not have the effects the gentleman talks about.

Here is the inconsistency which lies at the root of many of my colleague's arguments. The purpose of this bill is to put some checks on Fannie Mae and Freddie Mac. People have said Fannie Mae and Freddie Mac get certain assistance from the Federal Government that allows them to borrow money more cheaply from the market, and too little of that goes to public benefit and too much goes to the stockholders.

So this bill, as did the last bill from the Republicans, headed by Chairman Oxley, and poor Chairman Oxley, he did Sarbanes-Oxley, he did this bill. I always thought well of Mike Oxley. I guess I have to defend him against his former colleagues who now are apparently ready to tear down everything the poor man did. Mike Oxley deserves better of you than for you to repudiate all of the good work that he did, and I speak out. I know you are not supposed to address people who are not here, Mr. Speaker, so let me say that I want Mike Oxley to know that there are many of us, and I think a few on his own side, too, who do respect his work on the housing fund and who respect his work on other things.

But what we said to Fannie Mae and Freddie Mac was we are going to have you make a contribution. You should not keep all of the money for yourself and for your shareholders. We are going to take some of it for affordable housing.

By the way, this is an affordable housing fund that a great majority of Republicans voted for 2 years ago. It became terrible because we won the election. Well, wisdom comes in various ways, and I suppose it came late to some of my colleagues over there, but better late than never by their standards.

But the fact is this: In this bill, there will be amendments proposed that would impose far greater restrictions on Fannie Mae and Freddie Mac than the housing fund. There is an amendment that I assume many of them are going to vote for, that would severely restrict what they could put in the portfolio. Now they make a lot of money off their portfolio, Fannie Mae and Freddie Mac, and that is part of the money that goes to help them keep down housing costs. An amendment will be offered that would severely restrict, that would say only low-income-type mortgages can go in the portfolio. That would have a far greater financial impact in reducing funds available to Fannie Mae and Freddie Mac than the housing fund. The problem is that the housing fund would help State governments and others build affordable housing, and apparently there is this ideological opposition to doing that.

By the way, where is this housing fund going to go in the first year, this terrible tax? It is going to go to Mississippi and Louisiana. It is going to go to a place where there was terrible devastation of affordable housing in Louisiana and Mississippi, 75 percent to Louisiana and 25 percent to Mississippi.

In future years, the money won't be spent until this House and the Senate and the President pass a subsequent bill deciding how to spend it. This bill sets it aside, but it leaves to a later bill the collective decision about how to spend it.

So we have a rule that allows 36 amendments. Last year they did nine. We have a rule where the Rules Committee does not add substance. Last year they did and wouldn't allow us to vote on it.

We do have one thing in common in the bill last Congress and this Congress: An affordable housing fund. The difference is that the affordable housing fund which my Republican friends took credit for 2 years ago has transmogrified into a terrible beast solely because the Democrats are now in power. That doesn't make any sense.

Mr. SESSIONS. Mr. Speaker, I want to notify my colleague from the Rules Committee that I have no additional speakers at this time. We had spoken about that before. But, in fact, as a result of the scheduling that has taken place this morning, none of my colleagues on my side are available to come down this morning.

Mr. Speaker, as is generally always understood in this House, the gentleman is generally correct, that the Rules Committee, in fact, did provide a good number of wonderful amendments that would be made in order.

The fact of the matter is that as part of this House majority and minority being able to understand what the Rules Committee is going to do, we were looking for some transparency and some consistency. I believe it is important for Members to be able to know when they can submit those amendments that they might want to have.

It is also true that the majority is the one that determines what this schedule would be. Members generally have no clue exactly when amendments are going to be due if you do not give them a deadline and if you simply say well, before the bill is called up.

The bottom line is we are simply asking that the Rules Committee would state very clearly when amendments would need to be placed for consideration, and that is what our point is.

The gentleman also makes other points about the GSEs and about this House voting on this money that would become available for affordable housing.

□ 1100

I recall that earlier this year this House provided for Katrina housing relief. We've done that, and yet that's now what this bill that is left over for, that was passed last year was for. And so now what we're doing is taking a bill that was passed last year through a huge number of votes in this House, did not pass the other body, was not signed into law, and yet earlier this year we provided for a housing fund for Katrina earlier.

Now we're asking for $2.5 billion increase on middle class homeowners. We're simply saying that we believe that there should be transparency. We believe that the processes by which this takes place should be more apparent to Members where they would have these opportunities to come down.

If the gentleman wants to support a $2.5 billion increase for middle class consumers, as he did last year by bringing the bill forward, as he's doing this year, then we will let the Members decide by voting on that. But I think there should be transparency to the people who will be footing or paying the bill as to why there's additional costs that may keep people out of the marketplace because of additional costs related to them by buying their new home.

Mr. Speaker, evidently at this time I have created an opportunity to continue dialogue, so I reserve the balance of my time.

Mr. WELCH of Vermont. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Well, I again would repeat that the gentleman said last year I supported this Housing trust fund. So did almost all the Republicans, but the basic point here is that he misstated the nature of the hurricane bill.

In the hurricane bill, and the gentlewoman from California who was its main author is here and will speak shortly, we did not provide any additional funds for the construction of affordable housing to replace what was lost. That was mostly with vouchers. We did have some project-based vouchers in the amount of a couple of thousand, but if the gentleman will go back to that bill, he will note frequently in the debate we alluded in that debate to this bill. That is, much of the rental housing in New Orleans was destroyed. The rental housing was destroyed in much of the gulf.

This was always a two-bill approach, and the gentleman is simply wrong to state that in the hurricane bill we provided funds for additional affordable housing. We stated at the time, we set some rules about vouchers. We talked about public housing, but we were always clear it would be this bill that would provide the funds.

So the point that we already did this could not be more incorrect.

Mr. WELCH of Vermont. Mr. Speaker, I yield 5 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I rise to support the rule on this very important piece of legislation and to commend Chairman FRANK and the members of the Financial Services Committee for the wonderful work that they have done in getting this important reform measure back to the floor of this House.

As it was said earlier, and I will simply repeat, that this is a good rule. This is a rule that has opened up opportunities for those who have amendments to get those amendments before the floor. As Mr. FRANK said, there are more amendments that are being allowed on this bill today than were allowed on the bill that came before the House last year on the reform of these GSEs.

This is an important piece of legislation where a lot of work has been done to get a consensus about how to reform the GSEs and to open up more opportunities for those who need to be supported on the secondary market for mortgages.

This is important because we have had a lot of fights in the Congress of the United States about the GSEs. There were those who for many, many months simply defended the GSEs. We were frightened that we would lose this important resource, and we were suspicious of accusations that were being made about the way that they managed the GSEs, and we did not go along with some of the changes that were being recommended some time ago.

But we have all worked very hard and we have compromised. Not only have the defenders of the GSEs decided that it was time for strong regulation and that OFHEO had indeed not done the job and given the oversight that they should have given, we also looked very closely at what was going on with the FM Watch organization that had been created. And while we will agree that there were those in the financial services community who thought that the GSEs were creeping into the retail market, and we still believe that some of what was done was all about potential competition, the one thing that we have agreed on is this.

The GSEs are extremely important. They were organized to provide these opportunities to support them on the secondary market, and we cannot lose it, and there were some management problems. There were some accounting problems. Many careers have been destroyed in all of the fighting that has gone on. OFHEO has been dismantled. We have come up with good regulation and oversight, and it is time for us to move forward and not to simply oppose this bill and this rule because we think one has to be the loyal opposition, opposing whatever comes to the floor.

It's time to recognize that if we want to do something about creating and supporting housing opportunities, if we want to deal with what is happening in the subprime market, if we understand what we're going through in America today, with all of these foreclosures, with people being very frightened about whether or not they are going to be able to hold on to their home, if we understand all of this, we will move very quickly, not only to support the rule but to support the bill and a very important aspect of this bill, and that is the housing trust fund.

How can you be against helping Americans who just want a little piece of the American dream, to be able to own a home? We need to supply more spots. We need more housing. We need to build affordable housing. We're not taking any money away from our general fund. We're not taking any of the revenue that is being counted on to be used for other things in this huge budget. This is new money. This is money that's created from the after-profit taxes of these GSEs. It does not threaten our budget at all.

How can you be against building new affordable homes for people who need it all over this country, not just in the cities but in the towns and in the suburbs and certainly in the rural communities? We have people who are living in homes that are not fit for humans to live in. We have people still in some places in the deep South that don't have toilets and running water. We have folks who are living in some of the housing and trailers that are falling apart. We need the housing trust fund. We need this reform. We need this rule, and I would ask support for it all.

Mr. WELCH of Vermont. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, on October 26, 2005, the House passed the GSE bill that came out of the committee chaired by Mr. Oxley that had a housing trust fund virtually identical to this one. This one is financed a little differently at the request of the Treasury Department, but it's essentially the same thing.

The vote was 331–90. Republicans voted in favor of this bill containing this housing tax 209–15, and among those who joined in the majority, the gentleman from Texas (Mr. SESSIONS). So I appreciate his concern for this. It did not appear to be evident in October of 2005 when he joined 208 of his Republican colleagues in voting for essentially this same fund.

Mr. WELCH of Vermont. Mr. Speaker, I'd inquire of the gentleman from Texas if he has any remaining speakers at this point?

Mr. SESSIONS. I appreciate the gentleman asking. At this time I have no additional speakers.

Mr. WELCH of Vermont. Mr. Speaker, I'm the last speaker on this side. So I will reserve my time until the gentleman has closed for his side and has yielded back his time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

The gentleman from Massachusetts makes important points. I think that the gentleman should also hear that we believe there should be transparency to make sure that these middle class homeowners who would be buying and paying for this $2.5 billion increase, that they would understand why that additional cost is being placed on them, and these are the transparency things that we think that good government can be about.

The process also has developed itself to where we began talking about the Rules Committee once again, and Mr. Speaker, two nights ago I was provided with a summary by the majority party of a breakdown of the rules, what we have done when I was in the majority in the Rules Committee versus the Democrats now being the majority party.

And the fact of the matter is through May 15, which is what this is talking about, the Democrats have had 13 closed rules. The Republicans had six closed rules over the same period of time. Six closed rules for Republicans; 13 closed rules for Democrats. Eight open rules for the Democrats, which they call open rules but that had a preprinting requirement, so they really should be modified open rules, but the bottom line is a number of those have been over suspensions that Republicans did not even place a rule on. We just brought them to the floor of the House of Representatives and let them see what that outcome would be.

Mr. Speaker, I would insert this into the RECORD at this point.

110TH RULE BREAKDOWN THROUGH MAY 15, 2007

43 Total rules:

8 open rules (7 with a preprinting requirement).
20 structured rules.
Thirteen closed rules.
1 conference report rule.
1 procedural rule.
60—Republican/minority amendments in order.

109TH RULE BREAKDOWN THROUGH MAY 15, 2005

29 Total rules:

2 open rules (1 appropriations bill).
15 structured rules.
Six closed rules.
2 conference report rules.
4 procedural rules.
51—Democratic/minority amendments in order.

Mr. Speaker, the Republican Party, my party, is very aware of the dramatic needs of housing in this country, the needs that people have, families who have children, elderly people, disabled people, who do need more affordable and better housing, and that's why you have seen in our past, as was undisputed on the floor today, about the number of people who have voted for providing these funds that would be available.

We do believe that there should be transparency. We believe that the people, the consumers, who will be paying this additional $2.5 billion should be told why, what it's for, just as anyone who closes on a house should understand if there's going to be a FedEx package that would be delivered or a title fee or some fee that would be associated even with a notary public, that that should be included as part of the closing cost of a house to make sure that the consumer knows why and what they are paying for.

So I would be offering an amendment that was made in order by the Rules Committee as part of our discussion about how to improve this opportunity to make transparency available to all the consumers.

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

Mr. WELCH of Vermont. Mr. Speaker, I yield myself such time as I may consume.

H.R. 1427, the Federal Housing Finance Reform Act of 2007 ensures that Fannie Mae and Freddie Mac, the GSEs that support the mortgage markets, operate in a safe and sound manner and fulfill the missions assigned to them under their charters.

The bill does this through the establishment of a strong, independent regulator and through the enhancements to the GSEs mission responsibilities. The bill also creates the first new funding source for affordable housing. Since the HOME program was created in the early 1990s, it's been almost 20 years since we have put any infusion of money from a new source into a growing crisis in housing. The $500 million Affordable Housing Fund, which housing advocates in Vermont, in your State and States all across this country are very excited about, will be used by them for badly needed construction and the preservation of affordable housing.

Very similar legislation, as has been discussed between my colleagues from Texas and from Massachusetts, passed this House on a strong 331–90 vote last Congress, and this bill, H.R. 1427, was approved in the Financial Services Committee by a bipartisan vote of 45–19.

I urge a ''yes'' vote on the rule and on the previous question.

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 SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SESSIONS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question are postponed.

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.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

The SPEAKER pro tempore. Pursuant to House Resolution 403 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the further consideration of the bill, H.R. 1585.

□ 1116

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 further consideration of the bill (H.R. 1585) to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2008, and for other purposes, with Mr. PASTOR (Acting Chairman) in the chair.

The Clerk read the title of the bill.

The Acting CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 16, 2007, amendment No. 1 printed in House Report 110–151

by the gentleman from Missouri (Mr. SKELTON) had been disposed of.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order:

Amendment No. 30 by Mr. TIERNEY of Massachusetts.

Amendment No. 11 by Mr. FRANKS of Arizona.

Amendment No. 41 by Mr. KING of Iowa.

Amendment No. 15 by Mr. MORAN of Virginia.

Amendment No. 32 by Mr. HOLT of New Jersey.

The Chair will reduce to 2 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 30 OFFERED BY MR. TIERNEY

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts (Mr. TIERNEY) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 30 offered by Mr. TIERNEY:

Title II, subtitle C, add at the end the following:

SEC. 2___. MISSILE DEFENSE FUNDING REDUCTIONS AND PROGRAM TERMINATIONS.

The amount in section 201(4) for research, development, test, and evaluation, Defense-wide, is hereby reduced by $1,084,400,000, to be derived from amounts for the Missile Defense Agency as follows:

(1) $298,800,000 from the termination of the Airborne Laser program.

(2) $177,500,000 from the termination of the Kinetic Energy Interceptor (KEI) program.

(3) $229,100,000 from the termination of the Multiple KillVehicle (MKV) program.

(4) $170,000,000 from the termination of the Third Interceptor Field at Ft. Greeley, Alaska.

(5) $150,000,000 from the termination of the Third Ground-Based Midcourse Defense site in Europe.

(6) $59,000,000 from the Space Tracking and Surveillance System (STSS) Block 2008 work and ''follow on'' constellation.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 127, noes 299, not voting 11, as follows:

[Roll No. 367]

AYES—127

Ackerman
Allen
Baldwin
Becerra
Berman
Bishop (NY)
Blumenauer
Boswell
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Costello
Courtney
Cummings
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dingell
Doggett
Doyle
Duncan
Ellison
Eshoo
Farr
Filner
Frank (MA)
Gonzalez
Green, Al
Grijalva
Gutierrez
Hall (NY)
Hastings (FL)
Hinchey
Hodes
Holt
Honda
Hooley
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Kaptur
Kildee
Kilpatrick
Kind
Kucinich
Larson (CT)
Lee
Lewis (GA)
Loebsack
Lofgren, Zoe
Lowey
Lynch
Maloney (NY)
Markey
Matheson
McCollum (MN)
McDermott
McGovern
McNerney
McNulty
Meehan
Michaud
Miller, George
Moore (WI)
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Pallone
Pascrell
Paul
Payne
Price (NC)
Rahall
Roybal-Allard
Rush
Sánchez, Linda T.
Sarbanes
Schakowsky
Schiff
Scott (VA)
Serrano
Sherman
Shuler
Slaughter
Solis
Stark
Stupak
Sutton
Thompson (MS)
Tierney
Udall (NM)
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—299

Abercrombie
Aderholt
Akin
Alexander
Altmire
Andrews
Arcuri
Baca
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Bordallo
Boren
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castor
Chabot
Chandler
Coble
Cole (OK)
Conaway
Cooper
Costa
Cramer
Crenshaw
Crowley
Cuellar
Culberson
Davis (AL)
Davis (CA)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Donnelly
Doolittle
Drake
Dreier
Edwards
Ehlers
Ellsworth
Emanuel
Emerson
English (PA)
Etheridge
Everett
Fallin
Fattah
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fortuño
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Gordon
Granger
Graves
Green, Gene
Hall (TX)
Hare
Harman
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Hinojosa
Hirono
Hobson
Hoekstra
Holden
Hoyer
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jordan
Kagen
Kanjorski
Keller
Kennedy
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Langevin
Lantos
Larsen (WA)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Mahoney (FL)
Manzullo
Marchant
Marshall
Matsui
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
Meek (FL)
Meeks (NY)
Melancon
Mica
Miller (MI)
Miller (NC)
Miller, Gary
Mitchell
Mollohan
Moore (KS)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Neugebauer
Nunes
Ortiz
Pastor
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Royce
Ruppersberger
Ryan (OH)
Ryan (WI)
Salazar
Sali
Sanchez, Loretta
Saxton
Schmidt
Schwartz
Scott (GA)
Sensenbrenner
Sessions
Sestak
Shadegg
Shea-Porter
Shimkus
Shuster
Simpson
Sires
Skelton
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Space
Spratt
Stearns
Sullivan
Tancredo
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thornberry
Tiahrt
Tiberi
Towns
Turner
Udall (CO)
Upton
Van Hollen
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Baird
Cubin
Davis, Jo Ann
Engel
Faleomavaega
Jones (OH)
McCarthy (NY)
McMorris Rodgers
Miller (FL)
Shays
Wexler

□ 1143

Mr. CROWLEY, Ms. MATSUI, Ms. SHEA-PORTER and Messrs. MILLER of North Carolina, KENNEDY, CONAWAY, HARE and DANIEL E. LUNGREN of California changed their vote from ''aye'' to ''no.''

Ms. WATSON, Messrs. DAVIS of Illinois, GONZALEZ and GRIJALVA, Mrs. MALONEY of New York, Ms. LINDA T. SÁNCHEZ of California and Mr. AL GREEN of Texas changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mrs. McCARTHY of New York. Mr. Chairman, earlier today I was questioning administration witnesses on school safety at a Homeland Security Committee hearing. I missed one vote. I would like the RECORD to reflect how I would have voted had I been able to get to the floor in time.

Rollcall No. 367 on the Tierney amendment to HR 1585, I would have voted "no."

AMENDMENT NO. 11 OFFERED BY MR. FRANKS OF ARIZONA

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Arizona (Mr. FRANKS) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. FRANKS of Arizona:

Title II, subtitle C, add at the end the following:

SEC. 2___. INCREASED FUNDS FOR BALLISTIC MISSILE DEFENSE.

(a) INCREASE.—The amount in section 201(4), research, development, test, and evaluation, Defense-wide, is hereby increased by $764,000,000, to be available for ballistic missile defense.

(b) OFFSET.—The amounts in title I and title II are hereby reduced by an aggregate of $764,000,000, to be derived from amounts other than amounts for ballistic missile defense, as determined by the Secretary of Defense.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 199, noes 226, not voting 12, as follows:

[Roll No. 368]

AYES—199

Aderholt
Akin
Alexander
Altmire
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bean
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Chabot
Coble
Cole (OK)
Conaway
Cramer
Crenshaw
Cuellar
Culberson
Davis (AL)
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly
Doolittle
Drake
Dreier
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fortuño
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Hill
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Mahoney (FL)
Manzullo
Marchant
Marshall
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
Melancon
Mica
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Peterson (PA)
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ruppersberger
Ryan (WI)
Sali
Saxton
Schmidt
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Space
Stearns
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (FL)

NOES—226

Abercrombie
Ackerman
Allen
Andrews
Arcuri
Baca
Baldwin
Barrow
Becerra
Berkley
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Bordallo
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Castor
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cummings
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Duncan
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Higgins
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (NC)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Maloney (NY)
Markey
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Perlmutter
Peterson (MN)
Petri
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth
Young (AK)

NOT VOTING—12

Baird
Berman
Cubin
Davis, Jo Ann
Engel
Faleomavaega
Jones (OH)
McMorris Rodgers
Miller (FL)
Shays
Sullivan
Wexler

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 1149

Mr. COSTELLO changed his vote from ''aye'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 41 OFFERED BY MR. KING OF IOWA

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Iowa (Mr. KING) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 41 offered by Mr. KING of Iowa:

In section 1222 of the bill, strike ''Section 1519'' and insert ''(a) CONTINUATION OF PROHIBITION.—Section 1519''.

In section 1222 of the bill, add at the end the following new subsection:

(b) RULE OF CONSTRUCTION.—Congress recognizes that the United States has not established any permanent military installations inside or outside the United States. Nothing in this Act or any other provision of law shall be construed to prevent the Government of the United States from establishing temporary military installations or bases by entering into a basing rights agreement between the United States and Iraq.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 201, noes 219, not voting 17, as follows:

[Roll No. 369]

AYES—201

Aderholt
Akin
Alexander
Altmire
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boren
Boucher
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Capito
Carney
Carter
Chabot
Chandler
Coble
Cole (OK)
Conaway
Cramer
Crenshaw
Cuellar
Culberson
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly
Doolittle
Drake
Dreier
Ehlers
Emerson
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fortuño
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jordan
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Mahoney (FL)
Manzullo
Marchant
Marshall
Matheson
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
Melancon
Mica
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Peterson (PA)

Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ruppersberger
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—219

Abercrombie
Ackerman
Allen
Andrews
Arcuri
Baca
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bishop (GA)
Bishop (NY)
Blumenauer
Bordallo
Boswell
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carson
Castle
Castor
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Duncan
Edwards
Ellison
Ellsworth
Emanuel
English (PA)
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Grijalva
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (NC)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lynch
Maloney (NY)
Markey
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Ramstad
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—17

Baird
Cantor
Cubin
Davis, Jo Ann
Engel
Faleomavaega
Green, Gene
Gutierrez
Jones (OH)
Keller
Lowey
McMorris Rodgers
Miller (FL)
Rangel
Rogers (MI)
Schakowsky
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 1152

So the amendment was rejected.

The result of the vote was announced as above recorded. Stated against:

Mr. GENE GREEN of Texas. Mr. Chairman, on rollcall No. 369, the King amendment, had I been present, I would have voted "no."

Ms. SCHAKOWSKY. Mr. Chairman, on rollcall No. 369, had I been present, I would have voted "no."

AMENDMENT NO. 15 OFFERED BY MR. MORAN OF VIRGINIA

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Virginia (Mr. MORAN) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. MORAN of Virginia:

At the end of subtitle E of title X, insert the following new section:

SEC. 1055. A REPORT ON TRANSFERRING INDIVIDUALS DETAINED AT NAVAL STATION, GUANTANAMO BAY, CUBA.

(a) REPORT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report that contains a plan for the transfer of each individual presently detained at Naval Station, Guantanamo Bay, Cuba, under the control of the Joint Task Force Guantanamo, who is or has ever been classified as an ''enemy combatant'' (referred to in this section as a ''detainee'').

(b) CONTENTS OF REPORT.—The report required under subsection (a) shall include each of the following:

(1) An identification of the number of detainees who, as of December 31, 2007, the Department estimates—

(A) will have been charged with one or more crimes and may, therefore, be tried before a military commission;

(B) will be subject of an order calling for the release or transfer of the detainee from the Guantanamo Bay facility; or

(C) will not have been charged with any crimes and will not be subject to an order calling for the release or transfer of the detainee from the Guantanamo Bay facility, but whom the Department wishes to continue to detain.

(2) A description of the actions required to be undertaken, by the Secretary of Defense, possibly the heads of other Federal agencies, and Congress, to ensure that detainees who are subject to an order calling for their release or transfer from the Guantanamo Bay facility have, in fact, been released.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 220, noes 208, not voting 9, as follows:

[Roll No. 370]

AYES—220

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Bordallo
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carson
Castor
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Perlmutter
Peterson (MN)
Petri
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stupak
Sutton
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—208

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boren
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito

Carney
Carter
Castle
Chabot
Chandler
Coble
Cole (OK)
Conaway
Cramer
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Lincoln
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fortuño
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
Matheson
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
Melancon
Mica
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Peterson (PA)
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Space
Stearns
Sullivan
Tancredo
Tanner
Taylor
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—9

Baird
Cubin
Davis, Jo Ann
Engel
Faleomavaega
Jones (OH)
McMorris Rodgers
Miller (FL)
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 1157

Mr. RYAN of Wisconsin and Mr. FLAKE changed their vote from ''aye'' to ''no.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 32 OFFERED BY MR. HOLT

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from New Jersey (Mr. HOLT) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

AMENDMENT NO. 32 OFFERED BY MR. HOLT:

At the end of subtitle E of title X, add the following new section:

SEC. 1055. REQUIREMENT FOR VIDEOTAPING RECORDINGS OF STRATEGIC INTERROGATIONS AND OTHER PERTINENT INTERACTIONS AMONG DETAINEES OR PRISONERS IN THE CUSTODY OF OR UNDER THE EFFECTIVE CONTROL OF THE UNITED STATES AND MEMBERS OF THE ARMED FORCES, INTELLIGENCE OPERATIVES OF THE UNITED STATES, AND CONTRACTORS OF THE UNITED STATES.

(a) IN GENERAL.—In accordance with the Geneva Conventions of 1949, the International Covenant on Civil and Political Rights, the Convention Against Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment, and prohibitions against any cruel, unusual, and inhuman treatment or punishment under the Fifth, Eighth, and Fourteenth Amendments to the Constitution of the United States, the President shall take such actions as are necessary to ensure that any strategic interrogation or other pertinent interaction between an individual who is a detainee or prisoner in the custody or under the effective control of the Armed Forces pursuant to a strategic interrogation, or other pertinent interaction, for the purpose of gathering intelligence and a member of the Armed Forces, an intelligence operative of the United States, or a contractor of the United States, is videotaped.

(b) COMMENCEMENT OF REQUIREMENT.—The videotaping requirement under subsection (a) shall be applicable to any strategic interrogation of an individual that takes place on or after the earlier of—

(1) the day on which the individual is confined in a facility owned, operated or controlled, in whole or in part, by the United States, or any of its representatives, agencies, or agents; or

(2) 7 days after the day on which the individual is taken into custody by the United States or any of its representatives, agencies, or agents.

(c) CLASSIFICATION OF INFORMATION.—The President shall provide for the appropriate classification to protect United States national security and the privacy of detainees or prisoners held by the United States, of video tapes referred to in subsection (a). Videotapes shall be made available, under seal if appropriate, to both prosecution and defense to the extent they are material to any military or civilian criminal proceeding.

(d) STRATEGIC INTERROGATION DEFINED.—For purposes of this section, the term ''strategic interrogation'' means an interrogation of a detainee or prisoner at—

(1) a corps or theater-level detention facility, as defined in the Army Field Manual on Human Intelligence Collector Operations (FM 2-22.3, September 2006); or

(2) a detention facility outside of the area of operations (AOR) where the detainee or prisoner was initially captured, including—

(A) a detention facility owned, operated, borrowed, or leased by the United States Government; and

(B) a detention facility of a foreign government at which United States Government personnel, including contractors, are permitted to conduct interrogations by the foreign government in question.

(e) ACCESS TO PRISONERS AND DETAINEES OF THE UNITED STATES TO ENSURE INDEPENDENT MONITORING AND TRANSPARENT INVESTIGATIONS.—Consistent with the obligations of the United States under international law and related protocols to which the United States is a party, the President shall take such actions as are necessary to ensure that representatives of the following organizations are granted access to detainees or prisoners in the custody or under the effective control of the Armed Forces:

(1) The International Federation of the International Committee of the Red Cross and the Red Crescent.

(2) The United Nations High Commissioner for Human Rights.

(3) The United Nations Special Rapporteur on Torture.

(f) GUIDELINES FOR VIDEOTAPE RECORDINGS.—

(1) DEVELOPMENT OF GUIDELINES.—The Judge Advocates General (as defined in section 801(1) of title 10, United States Code, (Article 1 of the Uniform Code of Military Justice)) shall jointly develop uniform guidelines designed to ensure that the videotaping required under subsection (a) is sufficiently expansive to prevent any abuse of detainees and prisoners referred to in subsection (a) and violations of law binding on the United States, including treaties specified in subsection (a).

(2) SUBMITTAL TO CONGRESS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing the guidelines developed under paragraph (1).

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 199, noes 229, not voting 9, as follows:

[Roll No. 371]

AYES—199

Abercrombie
Ackerman
Allen
Andrews
Baca
Baldwin
Bartlett (MD)
Bean
Becerra
Berman
Berry
Bishop (NY)
Blumenauer
Bordallo
Boswell
Boucher
Boyd (FL)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carson
Castle
Castor
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Costa
Costello
Courtney
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Doyle
Edwards
Ellison
Emanuel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gilchrest
Gillibrand
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holt
Honda
Hooley
Hoyer
Inglis (SC)
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Maloney (NY)
Markey
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Pallone
Pascrell
Pastor
Paul
Payne
Peterson (MN)
Price (NC)
Rahall
Rangel
Rohrabacher
Ros-Lehtinen
Rothman
Roybal-Allard
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Solis
Spratt

Stark
Stupak
Sutton
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—229

Aderholt
Akin
Alexander
Altmire
Arcuri
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Barton (TX)
Berkley
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boren
Boustany
Boyda (KS)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carney
Carter
Chabot
Chandler
Coble
Cole (OK)
Conaway
Cooper
Cramer
Crenshaw
Cuellar
Culberson
Davis (AL)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
Dent
Donnelly
Doolittle
Drake
Dreier
Duncan
Ehlers
Ellsworth
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fortuño
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Hobson
Hoekstra
Holden
Hulshof
Hunter
Issa
Jindal
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Langevin
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Manzullo
Marchant
Marshall
Matheson
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
Mica
Miller (MI)
Miller, Gary
Moran (KS)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Ortiz
Pearce
Pence
Perlmutter
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Roskam
Ross
Royce
Ruppersberger
Ryan (WI)
Sali
Sanchez, Loretta
Saxton
Schmidt
Scott (GA)
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (TX)
Snyder
Souder
Space
Stearns
Sullivan
Tancredo
Tanner
Taylor
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Wamp
Welch (VT)
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—9

Baird
Cubin
Davis, Jo Ann
Engel
Faleomavaega
Jones (OH)
McMorris Rodgers
Miller (FL)
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised there is 1 minute remaining in this vote.

□ 1201

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. MILLER of Florida. Mr. Speaker, I would like to offer a personal explanation of the reason I missed rollcall Nos. 367 through 374 on May 17, 2007. I was down in my district attending the funeral of Staff Sgt. Timothy P. Padgett.

If present, I would have voted: rollcall vote No. 367, Tierney Amendment on Defense Authorization to reduce the $8.1 billion specified for Missile Defense Agency activities by $1.084 billion from specified programs, "no"; rollcall vote No. 368, Franks Amendment on Defense Authorization to increase by $764 million the amount authorized for ballistic missile defense, "aye"; rollcall vote No. 369, King Amendment on Defense Authorization to clarify that neither the bill nor any other provision of law shall prevent the U.S. government from establishing temporary military installations or bases by entering into a basing rights agreement with the government of Iraq, "aye"; rollcall vote No. 370, Moran Amendment on Defense Authorization to require the Secretary of Defense to submit a report that contains a plan for the transfer of every enemy combatant at Naval Station, Guantanamo Bay, Cuba, "no"; rollcall vote No. 371, Holt Amendment on Defense Authorization to require the videotaping of interrogations and other pertinent interactions between military personnel and/or contractors and detainees, "no".

Ms. BORDALLO. Mr. Chairman, I rise today in support of H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008. The provisions of this bill are critical to our national security and to improving the readiness for our fighting men and women who serve our country so ably. I commend Chairman IKE SKELTON, Ranking Member DUNCAN HUNTER, and my colleagues on the Committee on Armed Services for their leadership and work on writing this important legislation. The work of the committee ensures that this Congress will make a meaningful and positive impact on our Armed Forces.

Many members of the United States armed services, including scores of servicemembers from Guam, are at duty stations in the United States, at sea, or are deployed to combat zones and elsewhere around the world today. I have had the unique opportunity, since I was elected to Congress in 2002 and sworn into office in 2003, to travel to many of the combat zones and visit with our servicemembers there. I remain impressed by the professionalism of the members of the United States armed services. I am inspired by their continued, steadfast commitment to their achieving their missions. And I am heartened by their daily, unquestioned acts of bravery performed in defense of the American way of life, despite the hostile intentions and aggressive actions of persistent and deadly enemies.

The responsibilities and obligations of members of the United States armed services are significant and honorable, but not without great risk. The tenth soldier from Guam to be killed in action during operations support of the war on terror will soon be laid to rest by his family, friends, and a grateful country. I, like all of my colleagues, am deeply saddened when we learn that the life of one of our country's finest young men and women has been ended as a result of their service to our country. Such a loss is grave to the United States and to the United States armed services. But there is no doubt their passing is a more grievous loss to their family, friends, and communities who knew and loved them as individuals. All of us should try to find comfort in the thought that our service men and women serve so that others might someday know the joys of liberty and justice. And for that, we should all be proud and thankful.

We have the opportunity today to act and renew our commitment to our servicemembers. Supporting this legislation will help provide for our military heroes and their families. There are few who deserve our support and gratitude more than these individuals and their spouses and children. At home and abroad, they serve and represent our country and government in a manner that is both honorable and admirable.

This legislation in particular addresses many critical issues that face Guam, our community and the existing and planned military facilities for our island. Included in this bill are authorizations for a total of over $300 million of military construction projects on Guam for fiscal year 2008. This amount represents a significant increase above the amount of military construction funding that was authorized and appropriated for Guam for fiscal year 2007. I welcome this significant increase in investment in Guam. These increases improve the facilities and capabilities of the military bases on Guam. But they also help Guam's business community to begin to build the capacity that it will need in order to successfully compete for, and complete the scopes of work of, the tremendous amount of military construction planned to support the rebasing of United States Marines from Okinawa, Japan, to Guam.

The bill before us today includes approvals for full funding of several key infrastructure projects at Naval Base Guam. Among them is an authorization for $59.4 million to improve the base's electrical system security; for $57.2 million for Naval family housing; for $51.8 million to expand wharf capacity at Kilo Wharf in Apra Harbor; for $42.5 million for a new fitness center on base; for $40.8 million to repair and upgrade the base's wastewater treatment plant; and for $31.4 million to build Phase I of a potable water distribution system on base. This legislation would also provide authorizations to fund needed projects at Andersen Air Force Base on Guam. The authorizations are for $15.8 million for two projects at Northwest Field to support the 607th Training Flight "Commando Warrior" unit that will soon relocate from Osan Air Base, Korea, to Guam.

In addition to military construction projects, H.R. 1585 addresses quality of life issues for military retirees and military dependents on Guam. The Department of Defense has been unresponsive to the needs of retirees on Guam who are reliant on the TRICARE system. Military retirees who live on Guam who are referred off island for specialty care are forced to travel to those locations at their own expense. These trips to access referred specialty care in Hawaii or California cost in the

thousands of dollars. The Department of Defense used to cover this significant expense. But in 2005 it suddenly changed its policy and practice and discontinued reimbursements to retirees for the travel expenses they incur as a result of such referrals. I raised this matter repeatedly during committee hearings since 2005. I have written to Department officials regarding this issue, and discussed it with them during meetings. The committee included report language on this matter in the report that accompanied H.R. 1815, the National Defense Authorization Act for fiscal year 2005. Unfortunately, the Department has taken no action to provide relief to Guam's retirees.

I understand that this is a challenging issue. But Guam's retirees deserve to be treated better and deserve resolution brought to this matter. This is why I requested that H.R. 1585 include a provision that would authorize retirees requiring specialty care at off-island medical facilities to receive space-available category 4 level seating priority. Additionally, I have requested that the Department of Defense be required to submit to the committee a report that would identify the administrative actions needed to be executed in order to provide relief to the affected TRICARE beneficiaries residing in the territories of the United States. I most sincerely hope that the Department takes a very close look at its current policies and provides the committee with a thoughtful, innovative, and actionable plan to resolve this matter. I remain committed to working with the Department toward this end.

The report accompanying H.R. 1585 includes language that directs the Department of Defense to conduct a study on the treatment of general and flag officers, and other servicemembers who are called out of retirement to serve their country. It has come to my attention that there are numerous instances where officers left active duty or reserve status only to return and were not allowed to retire at the highest grade attained. In an era where our Reserve components are operational forces, we can ill afford losing any servicemembers who have the institutional knowledge and expertise that is critical to maintaining a ready and operational force. Moreover, we must ensure that our Reserve component members are treated equitably and fairly. I am committed to ensuring that the affected servicemembers receive a fair and equitable solution to this issue and that they be able to retire with the benefits they have earned. I commit that I will work closely with the Department to ensure that we come to a fair solution to this matter.

Finally, I was honored to co-sponsor the National Guard Empowerment Act under the leadership of Mr. TAYLOR of Mississippi, Mr. DAVIS of Virginia, and Mr. HAYES of North Carolina. I am pleased that a substantial portion this legislation has been incorporated into H.R. 1595. After comprehensive studies undertaken by various research institutions and by the Commission on the National Guard and Reserve we finally have legislation that addresses the concerns brought forward in these studies. We will finally give the National Guard a seat at the table. As Lieutenant Governor, I know firsthand, how brave, valiant, and essential the National Guard is to the safety and security of our country. Elevating the Chief of the National Guard Bureau to a four-star general allows the Bureau to overcome certain cultural dynamics within the Department of Defense. The provisions making the National Guard Bureau a joint activity and the requirement to have the Chief of the National Guard Bureau help identify Department of Defense civil support requirements are even more essential. If we are to give the National Guard a seat at the table, then we must ensure that the root problems are rectified. Nothing can be more important than ensuring that we have a ready force to respond to natural disasters and terrorist attacks. Where other departments and agencies have failed in previous years, I am confident that the National Guard will develop a solid lay down of requirements so that we, as a country, are truly ready to respond to emergencies. I also believe, consistent with my other initiatives, that the Department should give very serious consideration to allowing State Adjutants Generals joint credit for their service to the State. The National Guard is truly a joint force and the work of their general officers should be recognized as such.

I support this bill Mr. Chairman. There are quality provisions in it that will benefit the bases on Guam. The quality of life experienced by military personnel who are stationed there and their families who accompany them will be improved as a result of passage of this bill. The provisions of this bill moreover will help us better serve retirees who have served us so nobly in their careers. Indeed, this bill will make notable contributions to the security of the United States and to defending our country's interests around the world. But I want to take this opportunity to note my concern regarding a couple of matters contained in or related to the provisions of this bill.

The Committee has authorized the funding for the Kilo Wharf project at Naval Base Guam, but has directed a phased approach to executing this project. The administration opposes this approach. I share these concerns. I am particularly concerned that the funding for this project will receive further cuts as this bill proceeds through the legislative process. I encourage the Department of the Navy to redouble its efforts to ensure that this project can proceed according to plan and to engage with me in dialogue regarding potential barriers to success for it. The Kilo Wharf project is critical to increasing wharf capacity at Naval Base Guam. Guam offers the United States Armed Forces a strategic location to counter threats posed by the People's Republic of China, North Korea, and al Qaeda affiliated terrorist forces in Southeast Asia. Further funding reductions for the Kilo Wharf project will negatively impact the ability of our commander to re-fit and re-supply vessels operating in, and to respond to contingencies, in the region.

Mr. UDALL of Colorado. Mr. Chairman, I rise in strong support of this bill.

I applaud Chairman SKELTON for his leadership in guiding this bill to the floor today. He and Ranking Member HUNTER have done a tremendous job, and they have been ably supported by the expert staff of our committee.

I'm grateful to Chairman SKELTON for working with me to include things important for Colorado, including limits on how the Army can pursue possible expansion of the Pinon Canyon Maneuver Site in Colorado. I agree with Senator SALAZAR and others in the Colorado delegation that any expansion, if it takes place at all, must be conducted in a way that it is a win-win situation for the Army and for Colorado and that any expansion plan should not involve condemnation of private land. My proposal will shine a necessary caution light before the Army charges forward, and force the Army to do what it has so far failed to do—that is, to make a compelling case for why the proposed expansion is necessary to meet the training needs of our soldiers in the 21st century.

Other provisions I offered in the bill include—funding for a new squadron operations facility for the Colorado Air National Guard; promoting agreement between the Air Force and the city of Pueblo about flight operations at the Pueblo airport; urging the Defense Department to use on-site disposal of chemical weapons stockpiled at the Pueblo Chemical Depot; asking the Army to track pilots who train at the High-Altitude Aviation Training School in Eagle, Colorado; and reporting on opportunities for leveraging Defense Department funds with States' funds to prevent disruption in the event of electric grid or pipeline failures and encouraging the Defense Department to leverage Energy Savings Performance Contracts with Energy Conservation Investment Program funds to provide additional opportunity for renewable energy projects; and naming a housing facility at Fort Carson in honor of our former colleague Joel Hefley.

I am also pleased that the committee adopted two of my amendments, including one to repeal a provision adopted last year that makes it easier for the president to federalize the National Guard for domestic law enforcement purposes during emergencies. By repealing this, my amendment restores the role of the Governors with regard to this subject. My other amendment will continue the office of the Ombudsman that assists people claiming benefits under the Energy Employees Occupational Illness Compensation Program Act (EEOICPA) and expands its authority.

Mr. Chairman, this bill rightly focuses on our military's readiness needs. After 5 years at war, both the active duty and reserve forces are stretched to their limits. The bill will provide what's needed to respond, including a substantial Strategic Readiness Fund, adding funds for National Guard equipment and training, and establishing a Defense Readiness Production Board to mobilize the industrial base to address equipment shortfalls.

It also provides important funds for the Base Realignment and Closure process, including $62 million to assist communities expected to absorb large numbers of personnel as a result of the BRAC decision. This funding is especially important to Colorado, given that Fort Carson in Colorado Springs will add 10,000 soldiers and will be home to 25,000 troops by 2009.

The bill provides substantial resources to improve protection of our troops, including additional funds for Mine Resistant Ambush Protected Vehicles, body armor, and up-armored Humvees for our troops in the field. The bill enlarges the Army and Marine Corps, consistent with the Tauscher-Udall Army expansion bill in the last Congress. And it will provide for a 3.5 percent across-the-board pay raise for service members, boost funding for the Defense Health Program, and prohibit increasing TRICARE and pharmacy user fee increases.

The bill incorporates provisions from the Wounded Warrior Assistance Act, which recently passed the House and was driven by the revelations of mistreatment and mismanagement at Walter Reed Army Medical

Center. These provisions establish new requirements to provide the people, training, and oversight needed to ensure high-quality care and efficient administrative processing at Walter Reed and throughout the active duty military services. The bill also establishes a Military Mental Health Initiative to coordinate all mental health research and development within the Defense Department, and establishes a Traumatic Brain Injury Initiative to allow emerging technologies and treatments to compete for funding.

Given the increased use of the National Guard and Reserves in recent years, the bill gives important new authorities to the National Guard to fulfill its expanded role, including authorizing a fourth star for the Chief of the National Guard Bureau, making the National Guard Bureau a joint activity of the Department of Defense, and creating a bipartisan Council of Governors to advise the President on how best to use the National Guard for civil support missions. The bill also requires the Chairman of the Joint Chiefs of Staff to consider how to incorporate more National Guard and Reserve personnel into positions at Northern Command, based in Colorado.

I'm pleased that the bill fully supports the goals of the Department of Energy nonproliferation programs and the Department of Defense Cooperative Threat Reduction program, consistent with the 9/11 Commission recommendations. The bill also slows development of a Reliable Replacement Warhead and the construction of a new plutonium production facility, and establishes a bipartisan commission to evaluate U.S. strategic posture for the future, including the role that nuclear weapons should play in our national security strategy.

I also want to mention funding for missile defense in the bill. The bill increases missile defense funding for systems that address current needs and vulnerabilities, while reducing funding for less mature and higher risk systems. The cuts in missile defense programs in the bill have been cause for concern among some on the other side of the aisle. But the bill funds 93 cents of every dollar of the President's missile defense request, so the cuts are far from extreme. It fully funds the budget request for the Patriot PAC–3 missile, the Ground Based Missile Defense System, and THAAD development and deployment, and adds funding for Aegis Ballistic Missile Defense. But it makes reductions to the Airborne Laser program and funding for the 3rd BMD Site which the Administration has proposed building in Eastern Europe.

Importantly, the bill provides for an independent study to examine the political, technical, operational, force structure, and budgetary aspects of the proposed European missile defense deployment; an independent study to examine the future roles and missions of the Missile Defense Agency; a two year extension of the requirement for GAO to annually assess the missile defense program; and assurance that the Director of Operational Test and Evaluation has access to all MDA operational test evaluation information.

In my view, the bill strikes the right balance with regard to missile defense. I did not support the amendment by Representative FRANKS to increase missile defense funds because I believe the Committee takes a better approach in its bill. Likewise, I did not support the amendment offered by Representative TIERNEY to decrease missile defense funds because I thought it went too far in the other direction. There are emerging and real, near-term threats facing the Nation, the warfighter, and our allies that we need to be able to counter, so I think it would be irresponsible to terminate the longer-term missile defense as Representative TIERNEY's amendment proposed to do.

Finally but no less importantly, the bill requires the Secretary of Defense to submit a detailed report on the implementation of the Joint Campaign Plan for Iraq, on national reconciliation efforts on the part of the Iraqi government, and on metrics to measure American efforts in Iraq, based on assessments by GEN David Petraeus and U.S. Ambassador to Iraq Ryan Crocker. The bill also requires the Secretary to produce a report outlining the direction of U.S. activities in Afghanistan along with indicators of progress, and the bill establishes a Special Inspector General for Afghanistan Reconstruction.

Mr. Chairman, the bill we are considering today does an excellent job of balancing the need to sustain our current warfighting abilities with the need to prepare for the next threat to our national security. It is critical that we are able to meet the operational demands of today even as we continue to prepare our men and women in uniform to be the best trained and equipped force in the world.

This is a good bill, a carefully drafted and bipartisan bill, and I urge its passage.

Mr. BLUMENAUER. Mr. Chairman, this year's Defense Authorization presented us with a great opportunity to bring the focus of the American military back in line with American values. Unfortunately, that opportunity was missed. This bill does little to correct the President's misplaced priorities of missile defense, indefinite detainment of prisoners, preemptive war, and weapons for wars we are not fighting today.

Last year the House passed the Military Commissions Act which attempted to add legitimacy to the improper actions of the Bush administration to ignore habeas corpus rights for prisoners at Guantanamo Bay. By not adhering to the strictest standards when putting suspected terrorists on trial, we run the risk of punishing innocent people who could simply have been in the wrong place at the wrong time. It is now widely known that hundreds of inmates at Guantanamo Bay may in fact have had nothing to do with terrorism. Sadly this bill does nothing to change the status quo of wrongdoing.

It perplexes me that while we are fighting an urban war against improvised explosive devices, snipers, and suicide bombers in Baghdad, we continue to spend precious resources on weapons that are unproven or designed for an obsolete Cold War. We had an opportunity today to push the Department of Defense to review these weapons and report back to Congress on their viability and value, but unfortunately the amendment failed. I also voted for an amendment to ensure that the power to declare war solely resided with Congress, as our forefathers intended, and not with the Executive Branch. This amendment also failed. This administration has repeatedly shown that it will make bad judgment and has repeatedly crossed the line of its constitutional powers. I am deeply concerned that the House is unprepared to rein in the President's stance of preemptive war with Iran and it is my hope that we will not regret this decision in the future.

Finally, I planned to offer an amendment that would have simply required the Department of Defense to create a database of incidents involving unexploded ordnance. I am disappointed that it was not made in order, and that we were not able to deal with that critical issue today.

With so little progress made in this year's authorization, I am forced to vote against this bill. I will continue to work for the changes that the American people and our men and women in the military deserve.

Mr. JORDAN of Ohio. Mr. Chairman, the principal role of our Federal Government is to help keep America safe.

As such, we in Congress must make our national defense a top budget priority.

This means we must pledge our steadfast support to American troops serving both at home and abroad, and we must renew our unwavering commitment to homeland security, in recognition of the dangerous world in which we live.

H.R. 1585, the National Defense Authorization Act, makes a genuine effort to achieve each of these goals. That's why I will vote for it, and I urge my colleagues to do the same.

In 1945, at the end of World War II, the defense budget of the United States represented 34.5 percent of our Gross Domestic Product. By 1968, that number had shrunk to 9.8 percent. Today, the number is less than half of that: about 4.3 percent.

Certainly, the overall dollars spent on defense have increased as our economy has grown, but it is clear that our priorities have shifted. This bill, while not perfect, commits to funding our defense budget in a way that many of us would have thought impossible just a few months ago, given the nature of the debate at that time. Some would argue that the tenor of the debate on national defense has shifted from talk of cutting off funds for our troops in battle to this bipartisan bill.

Some of the bipartisan provisions contained in this defense funding blueprint include: Continued support for our troops in harm's way, serving in Operation Enduring Freedom and Operation Iraqi Freedom and elsewhere. $4.1 billion for state-of-the-art Mine-Resistant Ambush Protected (MRAP) vehicles to help protect our soldiers from IEDs. Increased Army and Marine Corps active duty end strength, as well as a 3.5 percent pay raise for all members of the armed forces in 2008, and guaranteed pay raises in 2009, 2010, and 2011. $1 billion in new funding for National Guard equipment to benefit both our homeland security and national defense missions.

These are great and welcome achievements for our national defense—achievements that each of us can be proud to support. But make no mistake: this bill is far from perfect. The measure contains some critical funding cuts that, in my opinion, will hurt our ability to protect our homeland and our national defense interests from missile attacks.

The Democratic bill guts funding for a ballistic missile defense system capable of intercepting missiles in each phase of flight. This type of program can help protect against growing threats in a changing world. Though I was pleased we Republicans were able to restore some of the funding for this important program through the amendment process, I am disappointed that cuts still exist. But in terms of helping achieve our most critical role—keeping America safe—this bill has, and deserves, bipartisan support.

Again, Mr. Chairman, though there are some aspects of this legislation that I clearly oppose, it is an important step in the direction of making national defense and homeland security a continued priority of this Congress.

The Acting CHAIRMAN. 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 Acting CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. WEINER) having assumed the chair, Mr. PASTOR, Acting Chairman 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. 1585) to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2008, and for other purposes, pursuant to House Resolution 403, he 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 amendment reported from 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.

MOTION TO RECOMMIT OFFERED BY MR. HUNTER

Mr. HUNTER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HUNTER. Yes.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Hunter moves to recommit the bill H.R. 1585 to the Committee on Armed Services with instructions to report the same back to the House forthwith with the following amendment:

Title II, subtitle C, add at the end the following:

SEC. 2___. EXPAND UNITED STATES BALLISTIC MISSILE DEFENSE SYSTEM INTEGRATION WITH ISRAEL.

(a) REQUIREMENT.—The Secretary of Defense shall expand the ballistic missile defense system of the United States to better integrate with the defenses of Israel to provide robust, layered protection against ballistic missile attack.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this section, the Secretary of Defense, in consultation with the Secretary of State, shall submit to the appropriate congressional committees a progress report on the status of integrating the ballistic missile defense system of the United States with the defenses of Israel including the status of implementation of those programs identified in subsection (c). This report may be provided in classified form as necessary to protect U.S. national security interests.

(2) CONTENT.—The report submitted under this subsection shall include the following:

(A) A description of the capabilities needed to fully integrate the ballistic missile defense system of the United States with the ballistic missile defense system of Israel.

(B) A description of systems and capabilities currently providing ballistic missile defense of Israel and the United States, an assessment of the sufficiency of current capabilities; and identification of the Department's actions for addressing any insufficiencies, if required.

(C) A description of the policy, doctrine, operational concepts, tactics, techniques and procedures, exercises, and training that currently support the integrated ballistic missile defense of Israel and the United States, an assessment of the sufficiency of current policy, programs, and processes; and identification of the Department's actions for addressing any insufficiencies, if required.

(3) DEFINITION.—In this subsection, the term ''appropriate congressional committees'' means—

(A) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Affairs of the House of Representatives; and

(B) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Relations of the Senate.

(c) INCREASE.—The amount in section 201(4), research, development, test, and evaluation, Defense-wide, is hereby increased by $205,000,000, of which—

(1) $25,000,000 is to be available to complete accelerated co-production of Arrow missiles and continue integration with the ballistic missile defense system of the United States;

(2) $45,000,000 is to be available to continue system development of the Missile Defense Agency and Israel Missile Defense Organization joint program to develop a short-range ballistic missile defense capability, David's Sling weapon system, and integrate the weapon system with the ballistic missile defense system and force protection efforts of the United States; and

(3) $135,000,000 is to be made available to begin acquisition of a Terminal High Altitude Area Defense (THAAD) fire unit, which would provide Israel with a follow-on missile defense system of greater performance than the current Arrow system and provide a capability which is already fully integrated with the ballistic missile defense system of the United States.

(d) OFFSET.—The amounts in title I and title II are hereby reduced by an aggregate of $205,000,000, to be derived from amounts other than amounts for ballistic missile defense, as determined by the Secretary of Defense.

Mr. HUNTER (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. WICKER. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

The Clerk will continue.

The Clerk continued to read.

The SPEAKER pro tempore. The gentleman from California is recognized for 5 minutes in support of his motion.

Mr. HUNTER. Mr. Speaker, this is a good Defense bill, and I want to compliment my great friend the gentleman from Missouri for his leadership in helping to put together this bill that passed the committee unanimously, came to the floor, and we can expect a big vote, I think, of support from the Members of this body. We are about to make this bill better.

In 1987 this committee, the Armed Services Committee, sent a letter to the leadership in Israel, and we told them that there were lots of things that they could defend against very effectively, that if tactical aircraft were sent into Israel in an attack they would shoot down all of them, and they have proven that, but that if ballistic missiles were launched for Tel Aviv, every single one of them would impact because they had no defenses. And we urged them to join with the United States in developing a system of missile defense. And upon our urging, they started what is known as the Arrow missile program. It has come a long way. It has been deployed.

And that prophetic letter that we sent them in 1987, of course, was followed by real missile attacks on Israel. They didn't quite have that system up at that time. We rushed PATRIOTs over. They now have the Arrow missile defense system up. But in the most recent attacks we have seen short-range missiles that also impacted in Israel.

This motion to recommit is $200 million that is dedicated to integrating our missile defense systems with those of Israel, using the great innovation of Americans along with their great innovative capabilities, to defend against this new era of terrorists with high technology.

Mr. Speaker, I yield at this time such time as he may consume to the gentleman from Illinois (Mr. KIRK), who has been a leader in putting this motion to recommit together.

Mr. KIRK. Mr. Speaker, I thank the gentleman for yielding.

If you could vote against a second genocide against the Jewish people, would you? If you could defend America's best ally in the Middle East from an attack by Iran, would you? If you could stand with the people of Israel and tell them that their children could feel safer in the new and dangerous 21st century, would you?

History teaches us that dictators say what they will do and then do what they say. The Iranian leader has indicated that one Holocaust against the Jewish people is not enough. Last April he said that Israel was headed towards annihilation.

This week the United Nations International Atomic Energy Agency Director General announced that Iran has fully mastered uranium enrichment technology and Iran's military test fired a missile that can now harm the people of Israel.

This amendment restores funding for the missile defense of our country and says that the defenses of our country should be fully integrated with the missile defense of Israel. This motion

to recommit stands for the principle that democracies are best when they stand together; as our Founding Fathers said, when we face the threat from a tyrant that we will either hang separately or hang together.

Unless this motion to recommit carries, we will fail to put the full missile defenses of the American people against the full threat facing the people of Israel. But if this motion carries, then those who would seek to harm the people of Israel would know that they face the full weight of the great democracy across the sea who is standing behind the safety and security of our best ally in the Middle East, the State of Israel.

Mr. HUNTER. Mr. Speaker, I thank the gentleman.

And let me just remind all my colleagues that the day will come when missiles from other countries, adversarial countries, will not fall harmlessly into the Sea of Japan. They will not fall harmlessly into desert sands. We will have a time when we have to defend against incoming ballistic missiles in this country and across the borders of our allies, including Israel.

Do what is right for the United States, and what we do today in providing missile defense will protect the next generation of Americans. Vote ''yes'' on this motion to recommit.

Mr. SKELTON. Mr. Speaker, I ask unanimous consent to claim the time in opposition though I am not opposed to the motion to recommit.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER pro tempore. The gentleman from Missouri is recognized for 5 minutes.

Mr. SKELTON. I am somewhat disturbed, Mr. Speaker, procedurally on something this important not being shown to anyone on this side until moments ago and it takes a speed reader to go over the amendment and digest it.

We are going to accept this amendment. In truth, in fact, the committee, the Armed Services Committee, fully funded, and I will say it again, fully funded the administration's request for Israeli missile defenses. The committee strongly supports efforts to work with Israel on missile defense. This has been true for years. The bill fully funds the President's request of $73.5 million for the Arrow missile defense system. It fully funds the President's request of $7 million for the joint U.S.-Israeli ''David's Sling'' short-range ballistic missile.

□ 1215

The committee also supports Israel's effort to obtain information on the THAAD system, which is being held up by the Pentagon.

It's interesting to point out that Representative TERRY EVERETT and I wrote a letter on March 12 of this year to the Secretary of Defense asking that he work to release the THAAD information to Israel.

Mr. Speaker, at this moment, I yield 1 minute to the gentlelady from California, the chairman of the Subcommittee on Strategic Forces (Mrs. TAUSCHER).

Mrs. TAUSCHER. I thank the chairman.

Mr. Speaker, as my colleagues are rushing to clap and pat themselves on the back, I just want to make very clear; this is not new, this is just more, and that is why we're happy to accept it.

If you look at the report language on page 242, we make it very clear that our cooperative relationship with Israel is not only significant, but primary, and that our efforts to invest with them over these many years on programs like David's Sling and Arrow are significant and are fully funded at the President's request in this bill.

What we don't have, however, which perhaps you could help with, is the cooperation of the Department of Defense to share critical information with Israel on THAAD.

So I think, frankly, that this is of more of a ''me too'' than it is anything else. We are happy to accept it. But I think if you check the language on 242, you will see that this committee has done all that needs to be done, going along with the President to fully fund these programs, but we could use some help with the administration and the Pentagon to get them to work cooperatively on THAAD.

Mr. SKELTON. At this time, Mr. Speaker, I yield 30 seconds to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I associate myself with the remarks of the chairwoman of the committee, and I will support the amendment.

I just am curious as to why, in a process of bipartisan negotiation, the amendment wasn't raised before now; why in a 14-hour markup it wasn't raised before now; why in a rule that made dozens of amendments in order it wasn't raised until now. The chairman of the committee saw the amendment 5 minutes before it was issued. It says a lot about the devotion of the minority to this cause.

Mr. HUNTER. Will the gentleman yield?

Mr. SKELTON. I yield, Mr. Speaker, 30 seconds to the gentleman from California (Mr. BERMAN).

Mr. BERMAN. I thank the gentleman for yielding.

Mr. Speaker, I just want to get one sense of anger off my chest.

I have great respect for the gentleman from Illinois, but to talk about the Holocaust, to talk about Ahmadinejad, to talk about the historic deep commitment of this Congress and this country to the survival and the security of the State of Israel in the context of an unshown, unshared motion to recommit on a very sensitive issue partisanizes and cheapens a very important question, and I resent it.

Mr. SKELTON. Mr. Speaker, may I inquire if I have any additional time?

The SPEAKER pro tempore. The chairman has 30 additional seconds.

Mr. SKELTON. Mr. Speaker, we will accept this amendment.

Mr. HUNTER. Will the gentleman yield for just 5 seconds?

Mr. SKELTON. I will yield to the gentleman from California 15 seconds.

Mr. HUNTER. I thank my friend for yielding.

This amendment was offered by Mr. CANTOR and was not ruled in order by the Rules Committee. So this was not without precedent.

Mr. SKELTON. That was not the same amendment, I must point out to my friend from California; that was not the one that was offered to the Rules Committee.

Nevertheless, let's point out that we have fully funded. We have worked with in the past and we will continue to work with Israel. It is of primary importance. No one can doubt the commitment of the Armed Services Committee in this regard.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HUNTER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on the passage of H.R. 1585, if ordered, and adoption of House Resolution 404.

The vote was taken by electronic device, and there were—ayes 394, noes 30, not voting 8, as follows:

[Roll No. 372]

AYES—394

Ackerman	Boehner	Cardoza
Aderholt	Bonner	Carnahan
Akin	Bono	Carney
Alexander	Boozman	Carson
Allen	Boren	Carter
Altmire	Boswell	Castle
Andrews	Boucher	Castor
Arcuri	Boustany	Chabot
Baca	Boyd (FL)	Chandler
Bachmann	Boyda (KS)	Clarke
Bachus	Brady (PA)	Cleaver
Baker	Brady (TX)	Clyburn
Baldwin	Braley (IA)	Coble
Barrett (SC)	Brown (SC)	Cohen
Barrow	Brown, Corrine	Cole (OK)
Bartlett (MD)	Brown-Waite, Ginny	Conaway
Barton (TX)	Buchanan	Cooper
Bean	Burgess	Costa
Becerra	Burton (IN)	Costello
Berkley	Butterfield	Courtney
Berman	Buyer	Cramer
Berry	Calvert	Crenshaw
Biggert	Camp (MI)	Crowley
Bilbray	Campbell (CA)	Cuellar
Bilirakis	Cannon	Culberson
Bishop (GA)	Cantor	Cummings
Bishop (NY)	Capito	Davis (AL)
Bishop (UT)	Capps	Davis (CA)
Blackburn	Capuano	Davis (IL)
Blunt		Davis (KY)

Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Donnelly
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Emerson
English (PA)
Etheridge
Everett
Fallin
Fattah
Feeney
Ferguson
Filner
Flake
Forbes
Fortenberry
Fossella
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Hinojosa
Hobson
Hodes
Hoekstra
Holden
Honda
Hooley
Hoyer
Hulshof
Hunter
Inglis (SC)
Inslee
Israel
Issa
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jordan
Kagen
Kanjorski
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Maloney (NY)
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McGovern
McHenry
McHugh
McIntyre
McKeon
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Mitchell
Mollohan
Moore (KS)
Moran (KS)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Nunes
Ortiz
Pallone
Pascrell
Pastor
Payne
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sali
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stearns
Stupak
Sullivan
Sutton
Tancredo
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waters
Watson
Waxman
Weiner
Welch (VT)
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wolf
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOES—30

Abercrombie
Blumenauer
Clay
Conyers
Dingell
Eshoo
Farr
Hinchey
Hirono
Holt
Jackson (IL)
Jackson-Lee (TX)
Kaptur
Kucinich
Lee
Loebsack
McDermott
Miller, George
Moore (WI)
Moran (VA)
Oberstar
Obey
Olver
Paul
Price (NC)
Rahall
Stark
Tierney
Watt
Woolsey

NOT VOTING—8

Baird
Cubin
Davis, Jo Ann
Engel
Harman
Jones (OH)
McMorris Rodgers
Shays

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain.

□ 1238

Messrs. TIERNEY, BLUMENAUER, HOLT, FARR and CONYERS changed their vote from ''aye'' to ''no.''

Messrs. CLYBURN, HALL of New York and ELLISON changed their vote from ''no'' to ''aye.''

So the motion to recommit was agreed to.

The result of the vote was announced as above recorded.

Mr. SKELTON. Mr. Speaker, pursuant to the instructions of the House on the motion to recommit, I hereby report H.R. 1585 back to the House with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment:

Title II, subtitle C, add at the end the following:

SEC. 2___. EXPAND UNITED STATES BALLISTIC MISSILE DEFENSE SYSTEM INTEGRATION WITH ISRAEL.

(a) REQUIREMENT.—The Secretary of Defense shall expand the ballistic missile defense system of the United States to better integrate with the defenses of Israel to provide robust, layered protection against ballistic missile attack.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this section, the Secretary of Defense, in consultation with the Secretary of State, shall submit to the appropriate congressional committees a progress report on the status of integrating the ballistic missile defense system of the United States with the defenses of Israel including the status of implementation of those programs identified in subsection (c). This report may be provided in classified form as necessary to protect U.S. national security interests.

(2) CONTENT.—The report submitted under this subsection shall include the following:

(A) A description of the capabilities needed to fully integrate the ballistic missile defense system of the United States with the ballistic missile defense system of Israel.

(B) A description of systems and capabilities currently providing ballistic missile defense of Israel and the United States, an assessment of the sufficiency of current capabilities; and identification of the Department's actions for addressing any insufficiencies, if required.

(C) A description of the policy, doctrine, operational concepts, tactics, techniques and procedures, exercises, and training that currently support the integrated ballistic missile defense of Israel and the United States, an assessment of the sufficiency of current policy, programs, and processes; and identification of the Department's actions for addressing any insufficiencies, if required.

(3) DEFINITION.—In this subsection, the term ''appropriate congressional committees'' means—

(A) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Affairs of the House of Representatives; and

(B) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Relations of the Senate.

(c) INCREASE.—The amount in section 201(4), research, development, test, and evaluation, Defense-wide, is hereby increased by $205,000,000, of which—

(1) $25,000,000 is to be available to complete accelerated co-production of Arrow missiles and continue integration with the ballistic missile defense system of the United States;

(2) $45,000,000 is to be available to continue system development of the Missile Defense Agency and Israel Missile Defense Organization joint program to develop a short-range ballistic missile defense capability, David's Sling weapon system, and integrate the weapon system with the ballistic missile defense system and force protection efforts of the United States; and

(3) $135,000,000 is to be made available to begin acquisition of a Terminal High Altitude Area Defense (THAAD) fire unit, which would provide Israel with a follow-on missile defense system of greater performance than the current Arrow system and provide a capability which is already fully integrated with the ballistic missile defense system of the United States.

(d) OFFSET.—The amounts in title I and title II are hereby reduced by an aggregate of $205,000,000, to be derived from amounts other than amounts for ballistic missile defense, as determined by the Secretary of Defense.

Mr. SKELTON (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER pro tempore. 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. HUNTER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 397, noes 27, not voting 8, as follows:

[Roll No. 373]

AYES—397

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Capps
Cardoza
Carnahan
Carney
Carson
Carter
Castle
Castor
Chabot
Chandler
Clarke
Clay
Cleaver
Clyburn
Coble
Cohen
Cole (OK)
Conaway
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
DeFazio
DeGette
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Doolittle
Doyle
Drake
Dreier
Edwards
Ehlers
Ellsworth
Emanuel
Emerson
English (PA)
Eshoo
Etheridge
Everett
Fallin
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Hunter
Inglis (SC)
Inslee
Israel
Issa
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jordan
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Maloney (NY)
Manzullo
Marchant
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McGovern
McHenry
McHugh
McIntyre
McKeon
McNerney
Meehan
Meek (FL)
Meeks (NY)
Melancon
Mica
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Mitchell
Mollohan
Moore (KS)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Nunes
Oberstar
Obey
Ortiz
Pallone
Pascrell
Pastor
Payne
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sali
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Sessions
Sestak
Shadegg
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stearns
Stupak
Sullivan
Sutton
Tancredo
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waxman
Weiner
Welch (VT)
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wolf
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOES—27

Baldwin
Blumenauer
Capuano
Conyers
Delahunt
Duncan
Ellison
Frank (MA)
Jackson (IL)
Kucinich
Lee
Lewis (GA)
Markey
McDermott
McNulty
Michaud
Miller, George
Moore (WI)
Olver
Paul
Serrano
Stark
Tierney
Waters
Watson
Watt
Woolsey

NOT VOTING—8

Baird
Cubin
Davis, Jo Ann
Engel
Harman
Jones (OH)
McMorris Rodgers
Shays

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remaining in this vote.

□ 1248

Ms. WATSON changed her vote from ''aye'' to ''no.''

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: ''A bill to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.''.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 1427, FEDERAL HOUSING FINANCE REFORM ACT OF 2007

The SPEAKER pro tempore. The unfinished business is the vote on adoption of House Resolution 404, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 223, nays 186, not voting 23, as follows:

[Roll No. 374]

YEAS—223

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baker
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (NC)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Matheson
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Renzi
Reyes
Rodriguez
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—186

Aderholt
Akin
Alexander
Bachmann
Bachus
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw

Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jordan
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—23

Baird
Braley (IA)
Capito
Cubin
Davis, Jo Ann
Emanuel
Engel
Franks (AZ)
Harman
Hunter
Jones (OH)
Keller
Linder
Marshall
Matsui
McMorris Rodgers
Melancon
Rothman
Shays
Stark
Sullivan
Tancredo
Weldon (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are reminded they have 2 minutes remaining to record their votes.

□ 1254

So the resolution was agreed to.

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 ENGROSSMENT OF H.R. 1585, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

Mr. SKELTON. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 1585, the Clerk be authorized to correct section numbers, punctuation, cross-references, and the table of contents, and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, and that the Clerk be authorized to make additional technical corrections, which are at the desk.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON S. CON. RES. 21, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008

Ms. SUTTON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 409 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 409

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the concurrent resolution (S. Con. Res. 21) setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read. The conference report shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

The SPEAKER pro tempore. The gentlewoman from Ohio (Ms. SUTTON) is recognized for 1 hour.

Ms. SUTTON. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

Ms. SUTTON. Mr. Speaker, I ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 409.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Ms. SUTTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the Clerk just described, House Resolution 409 provides for consideration of the conference report for S. Con. Res. 21, the fiscal year 2008 concurrent budget resolution.

The rule waives all points of order against the conference report and against its consideration and provides that the conference report shall be considered as read.

The rule also provides for 1 hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

Mr. Speaker, I said it before and I will say it again: Budgets, more than anything else this government produces are moral documents. For this reason, I am proud to report that this Democratic budget is a victory for our working families and our communities. It is a budget that embodies the highest ideals of our government.

The fiscal path set by past Congresses was unsustainable, and it put the economic future of our children and grandchildren at risk. But we are charting a new path, a path that is fiscally responsible and in line with the needs and the priorities of the American people.

Our budget reverses years of reckless Republican mismanagement, and restores fiscal responsibility to our government. The $5.6 trillion in surpluses projected at the beginning of the Bush administration have disappeared, and have sadly been replaced by a national debt that was swelled to an estimated $9 trillion.

This Democratic budget, in contrast to that reckless spending, reaches balance by 2012 and strictly adheres to the pay-as-you-go principle. And at the same time, it rebalances our priorities to help our communities and those most in need.

Our budget increases funding for jobs and education, essential to my home State of Ohio, which has lost over 200,000 manufacturing jobs since 2001.

Our budget rejects the President's cuts to vital health care programs such as SCHIP, Medicare and Medicaid. In fact, our budget provides for a significant increase in SCHIP funding that, in contrast to the President's proposal, will help cover the 242,000 children in Ohio who remain uninsured. And our budget increases funding for our veterans and our veterans health care programs. These brave men and women who have served our Nation so heroically, deserve only the best services and treatment when they return home.

□ 1300

Our budget increases funding for the Community Development Block Grant and the Social Services Block Grant, and it saves the Community Services Block Grant, which the President completely zeroed out.

I'm especially proud to have fought for these increases because almost 100,000 people in my congressional district alone have experienced the benefits of the CDBG funding.

This budget provides a new direction for our Nation, and let me be clear, Mr. Speaker, no matter what may be said by those on the other side of the aisle, this budget does not call for a single cent in tax increases. Let me repeat, no matter what may be said by those on the other side of the aisle, this budget does not call for a single cent in tax increases.

We have also ensured that no additional taxpayers will be ensnared by the Alternative Minimum Tax in 2007 and have provided a reserve fund for a permanent fix.

For three of the last 5-years, the Federal Government has had to operate without a budget resolution because the past Congresses failed to pass one, which is why it is critical that we adopt the resolution before us today. It is a budget that reaches balance in 5 years and restores fiscal responsibility through PAYGO rules. We do all this while keeping our priorities in line

with the needs and priorities of the people we have been elected to serve.

As a moral document that reflects the priority of our Nation, I believe we have crafted a strong budget, and I'm proud to support it.

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

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentlewoman from Ohio (Ms. SUTTON) for yielding me the time, the gentlewoman from Ohio, my friend on the Rules Committee.

Mr. Speaker, I rise today in strong opposition to this rule and to the outrageous tax increase conference report that the Democrat majority is bringing to the House floor today.

Mr. Speaker, once again, we will reiterate, the Democrat Party says it's not a tax increase, but if it's not a tax increase, then it's several hundred billion dollars more worth of spending. It's one or the other, because what we see here today is exactly that. They are going to give us the largest single tax increase in the history of this country, and even though they say it's not a tax increase, then it's going to be an outrageous spending spree because they intend to spend more money or have more taxation, and that's why we're opposed to this bill.

I wish I could report to my colleagues that the majority Democrats had seen the downside of their tax-and-spend ways since the House last considered the budget in March, but on the positive side this budget does contain a 1 year Alternative Minimum Tax patch which prevents over 20 million middle class Americans from being slammed by this tax.

And this tax in this budget also represents the largest tax increase in history, not the first anyway, but I'm sorry to report that it's about as good as it gets from here because the massive and irresponsible tax increase included in the House budget would still be the second largest in American history, weighing in at least $217 billion over the next 5 years.

It also contains a trigger that could nearly double it by including increases in taxes in marginal rates, capital gains and dividend taxes, among other tax relief that was provided previously by the Republican majority.

As further evidence that the Democrats continue to ignore their campaign trail promises to demonstrate fiscal discipline, the additional spending envisioned by this plan will trigger an automatic tax hike that will affect every single taxpaying American.

This means that as Democrats continue to implement their true tax-and-spend agenda, important middle class tax relief provisions passed by the Republican majorities of the past, such as the marriage penalty and the child tax credit, will shrink or disappear, raising the Democrats' tax increase right back to the original House-passed level of $400 billion, or restoring it to its historic infamy, which it would truly be, as the largest tax increase in American history.

And if this insatiable appetite for taxing were not enough, Democrats leave themselves enough room in this budget to raise taxes even further to pay for more than $190 million of additional, unfunded spending promises.

This budget also promises and provides for a massive new spending spree by increasing nondefense appropriations by $22 billion over 2007 levels. This is in addition to the $26 billion that they have already proposed to spend outside the normal appropriations process through the omnibus and supplemental legislation that they have forced through the House.

This conference report abandons the emergency set-aside fund included in last year's budget and opens the way for unlimited future spending by dropping any limitation on what can be considered emergency spending. But it has new funds for peanut farmers and spinach growers, so I guess that's a good thing.

But in a surprising bit of consistency, the Democrats do hold true to their pay-for rules and allow the 23 shell reserve funds to spend an additional $190 billion, as soon as appropriate because these will be tax increases that they intend to identify and then pay for.

This irresponsible budget continues to ignore the brewing entitlement crisis and puts off any major reform for at least another 5 years. This is despite the fact that around 77 million baby boomers will be retiring in the near future and will begin collecting Social Security, Medicare and Medicaid. Funding this new spending represents the greatest economic challenge of our era, and it is a challenge that the Democrat budget has chosen to completely ignore while going on their own spending spree everywhere else.

And what's worse, this budget completely shirks its oversight responsibility to root out waste, fraud and abuse in Federal spending by providing only $750 million of reconciliation spending out of an $8.5 trillion Federal budget. This is the legislative equivalent of checking under the seat cushions to pay the Federal Government's rent, and I believe, for one, that the American people deserve better.

Finally, Mr. Speaker, despite these massive tax increases, the Democrats fail to provide a surplus large enough to halt the raid on Social Security, directly contradicting their previous campaign trail promises to do precisely that. This is something that the Republican budget provided a surplus large enough to do starting in the next 5 years, and it did so by controlling, among other things, spending, not raising taxes.

Mr. Speaker, I believe the voters watching this debate on C–SPAN can understand what these tax increases will mean for our economy and for our ability to compete globally. I think that they can see through this charade, and I know that they deserve better than this massive tax increase and spending spree that is on their dime and against the future of our children.

I urge my colleagues to reject this rule and the underlying tax increase.

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

Ms. SUTTON. Madam Speaker, I yield 4 minutes to the distinguished gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentlewoman's permission to speak on this bill because I am pleased, as having joined with her as a member of the Budget Committee, to embrace a new direction in terms of the Democratic management of the budget.

I have been in this Chamber for the last 11 years and watched Republican performance fall short of what Republican promises were made. We have watched people who are preaching austerity fall short time after time after time, record deficits, coupled with tax benefits concentrated for those who need it the least and truly Draconian budget cuts.

We have watched, in a particular that I have specialized in in terms of the environment, the natural resource funding, the Function 300, has been cut 16 percent, and anybody who's been in our national parks has a chance to see the consequences. There have been lost conservation opportunities and Superfund cleanup has languished.

I am pleased that we have a budget framework that focuses on tax relief for those who need it the most, and there will be extended obviously those areas where there is broad bipartisan consensus dealing with the lowest income tax brackets, protection of family, marriage benefit, but the Democrats will be focusing on the tax tsunami that is bearing down on the American public, and that's the Alternative Minimum Tax which once was supposed to be limited to the wealthiest of Americans and now has morphed into a tax on middle America.

It's not the hedge fund managers that are going to be paying it, but every middle class two-income family with children is going to be threatened with this if we don't act, and that's what we have focused on.

Last but not least, we have rejected further Draconian budget cuts. They were offered up here on the floor, rejected, because people didn't want to further erode environmental protections, erode educational benefits, erode benefits for our veterans.

Instead, you have a budget that is on a path towards balance, tax relief for those who need it most, and being able to focus on critically neglected programs in the past.

Anybody who wants to look at the difference can look at what we have supported with what the Republicans have failed to deliver over the last 6 years when they controlled everything.

I appreciate the rule that's brought forward, look forward to its passage

and the passage of this ultimate legislation.

Mr. SESSIONS. Mr. Speaker, I yield 6 minutes to the gentleman from Wisconsin (Mr. RYAN), the ranking member.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman for yielding.

I'd like to get into this tax issue. I think we just heard this, there's no tax increase in this budget. You're going to hear that claim over and over and over.

The last speaker just mentioned that they are preserving some tax relief for some people, marriage penalty, for child tax credit, the 10 percent bracket. What they mean, they're saying, they're acknowledging, I'll give them credit on the face of it, they are going to preserve some tax relief and prevent those tax increases from coming.

What that means is they are going to let all these other tax cuts expire. More importantly, the fact is they are banking on the fact, they are requiring all those other tax cuts to expire and all those taxes to increase.

Numbers don't lie, Mr. Speaker, and what a budget is is basically a page full of numbers, and the numbers don't lie.

This chart shows you how it works. The lower line, the green line, is the line that our budget used, which assumes and requires the extension of all the tax cuts, the per child tax credit, the income tax rates, the abolishment of the death tax, cap gains, dividends, all tax cuts. The dotted red line is what the Democrats are using in their budget, and that line says they're going to raise all those taxes, marginal rates, across the board, except we hope not to raise the child tax credit tax or the marriage penalty tax or the 10 percent bracket. And we're putting a trigger in the law, and I call this the trigger tax, and that's the red line, the solid red line. And that is in the year 2010, if the Treasury Department says the surplus will be big enough in 2012 that we the government can afford tax cuts for some people, these three tax cuts, then they will have their tax cuts.

But here's the vicious cycle that we're going into and the vicious cycle is this. Their budget starts with a new $24 billion spending spree just next year in domestic spending. Then they have a $217 billion tax increase in their budget. Then they have 23 promises, 23 wish lists, 23 reserve funds that amount to a call to spend another $190 billion.

□ 1315

They are going to have to raise taxes to pay for all of that. That's going to have the fact that there is no entitlement reforms. What their budget says is, tax more, spend more; tax more, spend more. Then come 2010, when those surpluses don't materialize, because we have done all this spending, they won't even get those three tax cuts that they want to extend, and this budget will go from having the second largest tax increase in American history to having the largest tax increase in American history.

Let's look at what the true intention of this budget was when it passed the House just a month ago. The budget that passed the House a month ago had a $392.5 billion tax increase in it. All the 2001 and 2003 tax cuts that got us out of recession, that created 7.6 million new jobs, that gave us 3 years of double digit revenue growth, they wanted to get rid of it.

Then in conference with the other body, with the Senate, they agreed to the Senate to say, okay, we won't raise every one of these taxes, we would like to preserve three of those tax cuts, but raise all the rest. So they have a $217 billion tax increase in this budget.

But that's not even enough, because their trigger tax will say, if they don't spend as much money now as they are saying now they want to spend, then maybe the taxpayer will get some of those tax benefits. But if they don't, then we are back to a $400 billion tax increase.

The point is this, this is a vicious cycle of tax taxing and spending. The biggest problem with this budget is not what it includes, it's what it doesn't include. It doesn't include any spending control at all. There is no control on spending anywhere in the government, at all, anywhere, no control, no reform of our entitlement programs, even though witness after witness after witness, Democrats and Republicans, the left and right came to Congress and told us, you guys in Congress better get a handle on entitlements. You better get a handle on the fact that next year the baby boomers start retiring, and we are not ready for them. They say for 5 years let's do nothing, but let's just spend more money.

The worst thing we could do is put this budget on a trajectory of more spending and more taxes. What they will do, they will compromise the economic growth we have had over the last 3 years. They will compromise the recipe for success that have given us 3 years of double-digit revenue growth, 7.6 million new jobs.

To tie it all up, they came into the majority 5 months ago declaring new fiscal rules, more fiscal security, PAYGO, pay-as-you-go principle. So what are they doing in this budget? They are getting rid of PAYGO. In this budget, they are turning their PAYGO rules upside down.

This budget actually revises and turns upside down their entire PAYGO principle. The idea that they came in the majority just 5 months ago saying well, we will pay as we go, well, they are violating with this budget, into itself.

The last final point, which I think is really a shame, because 2 weeks ago we had a vote here in the House, 364 Members of Congress, Democrats and Republicans said, let's stop the raid of the Social Security trust fund once and for all. Let's stop that. That's what we said. We agreed that this budget should not raid Social Security. Both parties are responsible for this.

I am not saying it's the Democrats' fault, it's the Republicans' also. But what does this budget do? It raises the Social Security trust fund. Every year that this budget has a proposal, they are raiding the Social Security trust fund every year, even though 2 weeks ago 364 out of 435 of us said let's stop doing that. They turned around and said, and they are brining us a budget that continues to raid the Social Security trust fund. That's wrong. Both parties have been responsible for it. Both parties should fix it.

This budget should be defeated.

Ms. SUTTON. Mr. Speaker, I would inquire of the gentleman from Texas if he has any remaining speakers. I am the last speaker on this side.

Mr. SESSIONS. Mr. Speaker, as a matter of fact, I do have an additional speaker.

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

Mr. SESSIONS. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas (Mr. MORAN).

Mr. MORAN of Kansas. I thank the gentleman for yielding.

Mr. Speaker, I appreciate the opportunity to be on the House floor today to raise a significant concern I have with the budget proposal that will be before the House of Representatives this week before its final passage.

At the moment, as we speak here on the House floor, Republican and Democrat members of the House Agriculture Committee are gathered in the House Agriculture Committee room to talk about a plan for a new 2002 farm bill. As we gather together, it's a wonderful thing that those of us who care about the farmers and ranchers of the country, who care about the environmental and conservation needs, who care about the food and nutrition needs of Americans, have decided we want to craft a farm bill together. We want to work side-by-side to reach the right priorities within the farm bill.

The problem is the budget priorities established under this budget are inadequate to provide a safety net for the farmers of America. There is a ruse going on here. The budget provides for a $20 billion reserve fund that the farm bill can access in the process of developing a new farm bill, but only if we cut spending someplace else, or we raise taxes.

So we are sitting in the Agriculture Committee trying to determine how do we meet the needs of the agriculture producers and the consumers of America, how do we meet the land and environmental and conservation needs of the people of our cities and our countryside, and we are going to try to determine that in a vacuum that suggests there is actually $20 billion in the budget that's not there.

It is simply a gimmick to allow us to try to write a farm bill to appeal to all the variety of interests that care about the outcome of this farm bill debate. But the money is not available.

For too long we have had the gimmicks in the budgetary process. To me,

this is one of the biggest I have seen in my time in Congress in which we pretend there is a fund to draft farm bill legislation.

The farmers of America, certainly the farmers of Kansas, struggle today. We are in perhaps the beginning of an end of a 6-year drought. Commodity prices are higher. The last farm bill, 2002 farm bill, spent $18 billion less than was expected. But do we get the advantage of that in agriculture spending? The answer is no. It's taken away from us because commodity prices at the moment are higher than they were. But we know, in agriculture, we know the laws of supply and demand and economic rules that govern our economy, that the result of higher commodity prices is lower commodity prices.

So as we draft a farm bill, we are going to pretend there's money there to meet the safety net needs of farmers when it's not there. Commodity prices will be lower. That's a natural result of higher commodity prices.

Conservation environmental needs will be greater. Food stamps and nutrition programs will need to be funded. Yet, this budget fails to meet those needs. Even the administration's proposal had a better offer for American agriculture than the Democrat-passed budget on the House floor today.

Finally, Mr. Speaker, there is talk about higher commodity prices for our farmers, but very few people talk about the purpose of the farm bill, which is to provide a safety net when the cost of production to produce the crop is higher than the commodity price that the farmer receives. Yes, commodity prices are higher this year than they were last year or the year before, but let me remind people of this body what has happened to the input costs that a farmer, in fact, all Americans, face.

Agriculture is an energy dependent business, with the increasing cost of fuel, fertilizer and natural gas, the price, the cost of producing agricultural commodities in this country has skyrocketed since the 2002 farm bill. Yet the budget that we are presented with today will allow us to do less for farmers, not more.

I rise just to raise serious objection to the budget, and to make my colleagues aware, as we work together in a bipartisan fashion in the Agriculture Committee, to craft a farm bill, the parameters that have been laid out by the budget make that process almost impossible to accomplish.

I thank the gentleman from Texas for yielding me the time. Again, I rise to oppose this budget and its failure to meet the agricultural, environmental and food safety needs of Americans.

Ms. SUTTON. Has the gentleman had all of his people speak?

Mr. SESSIONS. I thank the inquiry from the gentlewoman. I will assume that the gentlewoman is still going to hold her time with no additional speakers?

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

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico (Mr. PEARCE).

Mr. PEARCE. I thank the gentleman from Texas for yielding.

It's an interesting discussion that we have here about taxation policy. As you know, this budget is going to increase the taxes to the American consumer more than any single time in our history.

But why should that matter? Why is that important? I will tell you that the Governor of New Mexico, Governor Bill Richardson, a staunch Democrat said it best, when he is passing tax increases for New Mexico, tax cuts create jobs. He said Democrats should get over it. They should understand the economic principle. If tax cuts create jobs, then the reverse is true, that tax increases are going to outsource jobs.

So what we have here is one of the largest outsourcing of jobs in American history.

Now, if you would like an example of it, you could take a look at Irish miracle. We are all familiar with an Irish economy that was slugging along, so what they did is they cut taxes to their internal companies. If you are internal, you paid like an 8 percent or maybe a 10 percent tax. If you were an external company, maybe someone outside of Ireland, they still paid a 36 percent tax. Their economy began to boom.

At that point the European Union said, you know, you Irish people have got it wrong. You must change the tax structure. We are not going to listen to this. We are not going to allow for it.

The Irish, being the Irish, looked at it and said, yes, you are right. Our tax structure is wrong. So they lowered the taxes to all the external companies. They did increase to 12 percent their internal companies, lowered everyone to 12 percent, and that boom continued tremendously.

New Mexico had a boom after we began to cut taxes. The United States government, people would ask me, why did we cut taxes in a period of deficit spending? We cut taxes to grow the economy. It has worked, and over the last 3 or 4 years we have created over 7 million jobs in this economy, which has been spurred on by tax cuts.

So what our friends on the other side of the aisle are doing is it does not matter about the health of the economy. It does not matter about the jobs that we are going to outsource. We are going to tax people more in this country.

That's the fundamental difference between Republicans, Democrats, and I would bring that to the attention of our audience today and ask you to oppose the Democrat budget that increases taxes more than any other budget in American history.

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

Mr. SESSIONS. Mr. Speaker, I will be urging my colleagues to defeat the previous question so that I may offer an amendment to the rule, which will stop this Chamber from hiding behind a cheap procedural maneuver invented by former Democrat Majority Leader Dick Gephardt. This rule allows Members to duck the responsibility of taking a vote on raising a limit on a public debt, a painful but necessary exercise of this Chamber's legislative responsibilities.

Because of this rule invented by Democrats, Members who vote for this underlying conference report will also be recorded as voting to raise the public debt. Members need to be aware of this. They need to know exactly what they are voting for.

For a long time, Members on both sides of the aisle have been appalled by this practice. Members of growths as ideologically diverse as the RSC, Blue Dogs and the New Democrat Coalition alike have called for its repeal. It's time for members of the Blue Dogs and New Democrat Coalition to demonstrate the courage of their convictions and end this bait-and-switch practice.

Mr. Speaker, I ask unanimous consent to insert the text of my amendment and extraneous material just prior to the vote on the previous question.

The SPEAKER pro tempore (Mr. PASTOR). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SESSIONS. Mr. Speaker, what we are debating here today is the largest tax increase that will take place in American history. As the Republican majority has done for a number of years, we recognize that America needs to be more competitive with the world in cutting taxes, making sure that the budgets, very clearly, help protect this country, help protect the men and women of the United States military. They are doing their daily job in trying to not only protect this country, but to defeat terrorists all around the world.

Today we have an opportunity to stand very clearly, talking about what a budget does. We have heard it's a moral piece of paper. It defines very clearly about what someone's priorities are. Well, we know what those priorities are. They are tax and spend.

Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina (Mr. MCHENRY).

□ 1330

Mr. MCHENRY. Mr. Speaker, I appreciate my colleague from Texas (Mr. SESSIONS) yielding time to me.

As a member of the Budget Committee, we worked very hard to craft a budget that was reasonable in previous Congresses and in this Congress as well. And I want to congratulate the ranking member on the Budget Committee, Mr. RYAN from Wisconsin, on his hard work, and I also want to congratulate my colleague to the south, in South Carolina, for his leadership as chairman of the Budget Committee. But I respectfully disagree on this budget, and I will tell you why. The

Democrats are poised to pass a $217 billion tax increase on the American people. This is the second largest tax increase in American history.

A quick history lesson here. You might be wondering who holds the record for the largest tax increase. A Democrat Congress and President Bill Clinton, and they raised taxes by $241 billion in 1993, one year before the 1994 Republican revolution.

Back to the present day, though. The American people should know, when Democrats spend too much and future surpluses fail to materialize, a second tax hike triggers automatically. Therefore, the $217 billion tax hike could nearly double to $400 billion. In other words, the Democrats will eclipse Bill Clinton's record for the largest tax increase in American history. It is outrageous, and the American people need to know that. The Democrats said that they would raise taxes, and they actually are doing it, and as part of this $2.9 trillion Federal budget, again, the largest spending bill ever passed by Congress. So it is not just the largest tax increase, but it is the largest spending piece as well. It shows their priorities, that they actually want to take more from the American people.

Their tired old philosophy ignores the fact that tax receipts this month were $70 billion above the same month in 2006. Tax cuts have worked. In fact, this year government revenue is the highest it has ever been in the history of our country. Let me repeat that. The revenue to the Federal Government is the largest it has ever been in the history of our country. And, in fact, there is more government revenue coming in to our Federal Treasury this year than any time in the Earth's history for any government, period.

Yet, it is not enough for the Democrats. They want to spend more, they want to tax more, they want every American to pay more in taxes, and they are going to do it through this budget.

And that is why, Mr. Speaker, I think this tax and spend, tax and spend, tax and spend policy of the Democrat Party is the wrong thing for our economy, it is the wrong thing for our communities, it is the wrong thing for small business people who will be paying more taxes. It is wrong for the single mother who is trying to make ends meet, it is wrong for the American people and our economy. And that is why we should vote down this rule and vote down this budget.

Mr. SESSIONS. Mr. Speaker, the Republican majority a few years ago heard the American people loud and clear that they wanted America to be competitive with the world. We were tired of losing jobs overseas. That is not happening. It has not happened in a couple years. As a matter of fact, there are signs all over this country that say ''workers needed.'' We need more workers in this country. And that comes as a result of the tax cuts that were offered to allow American business, corporations become competitive with the world, an opportunity to attract new capital, to retool our companies here in this country to give us the newest tools and the tool kits that are available.

We have a strong and vibrant economy. We have a strong and vibrant economy because we have people who have money in their own pockets creating jobs. We have some 5 million new jobs just in the last few years, 7 million since 2001, that have been created.

This economy is doing the right thing. It is giving the Americans their own dreams, their dreams to not only have their own homes, the highest level ever of people who own their own homes, but it is also giving America to save for our future because our stock market is back.

Just a few years ago, after 9/11, everybody was worried about their retirement. Big worries. At that time, what did we hear from the Democrat Party? Raise taxes. But that is not what the Republican majority or President Bush did. We cut taxes; we grew our economy. We have a strong and great economy today.

The Republican Party stands forth today on this day in Washington, D.C., to say we will vote against the largest or second largest tax increase in the history of the United States of America.

This budget that comes from the Democrat Party will raise taxes and raise spending. The Republican Party disagrees with that. The Republican Party disagrees with saying that we will have taxpayers who will be without jobs in this country, because we will take away the investment and the opportunity that goes forth to make investment possible to where jobs are available. The Republican Party stands today and says we are opposed to this new bill because of what it does by having all sorts of special accounts, just spending opportunities that sit out there in the future, undefined, but ready to spend money if the money comes in.

We believe that we should have had more responsibility, as we have tried to do for years, to do something responsible about Social Security. But we have heard from the Democrats for the last 6 years, there is nothing wrong with Social Security. There is no problem. Mr. Speaker, we disagree with that. Republicans are going to oppose this today. I ask my Members to join me in defeating the previous question.

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

Ms. SUTTON. Mr. Speaker, I would like to begin my closing remarks by returning us to the painful reality of what we begin with today.

This administration and these past Congresses took a $5.6 trillion surplus and turned it into a $9 trillion debt. This Democratic budget, in contrast, reaches balance by 2012, and strictly adheres to PAYGO rules.

This budget contains not a dollar, not a quarter, not a dime, not a penny of tax increases. And you don't just have to take my word for it. The Concord Coalition says that the budget resolution does not have a tax increase. ''Thus to be clear, the budget resolution does not call for or require a tax increase,'' the Concord Coalition said on March 28. The Center on the Budget and Policy Priorities says the budget resolution does not have a tax increase. ''This claim is incorrect. The House plan does not include a tax increase,'' made on March 28, 2007. The Brookings Institution says, ''The Democratic budget would not raise taxes.'' ''The budget would not raise taxes.'' March 28.

Mr. Speaker, we have made it clear why passing this rule and passing this budget is so important for our Nation, so let me wrap up this debate by highlighting the facts about our budget.

The Democratic budget puts together the broken pieces left to us by the mismanagement of previous Congresses and this administration. Our budget returns fiscal responsibility to Congress, and allocates funding for some of our most important national priorities. Our children, our veterans, and our working families will be provided with the key resources they need and deserve. Our budget protects tax cuts for middle class families, and it does not raise taxes on anyone.

Mr. Speaker, this is the responsible budget that the American people have been calling for, and it deserves our support. I urge a ''yes'' vote on the previous question and on the rule.

The material previously referred to by Mr. SESSIONS is as follows:

AMENDMENT TO H. RES. 409 OFFERED BY REP. SESSIONS OF TEXAS

At the end of the resolution, add the following new section:

SEC. 2. Rule XXVII shall not apply with respect to the adoption by the Congress of the conference report to accompany the concurrent resolution (S. Con. Res. 21) setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012.

(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the

control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Democratic majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the definition of the previous question used in the Floor Procedures Manual published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information from Congressional Quarterly's ''American Congressional Dictionary'': ''If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business.''

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority's agenda and allows those with alternative views the opportunity to offer an alternative Plan.)

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

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SESSIONS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 224, nays 193, not voting 15, as follows:

[Roll No. 375]

YEAS—224

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—193

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—15

Baird
Cubin
Davis, Jo Ann
Engel
Harman
Hunter
Inglis (SC)
Jones (OH)
Kaptur
Knollenberg
Lewis (KY)
McMorris Rodgers
Olver
Shays
Smith (NJ)

□ 1402

Mr. YOUNG of Alaska and Ms. GINNY BROWN-WAITE of Florida changed their vote from ''yea'' to ''nay.''

Mr. COSTELLO changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SESSIONS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 225, noes 194, not voting 13, as follows:

[Roll No. 376]

AYES—225

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor

Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Duncan
Edwards
Ellison
Ellsworth
Emanuel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—194

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Tanner
Terry
Thornberry
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—13

Baird
Cubin
Davis, Jo Ann
Engel
Harman
Jones (OH)
Kaptur
Lewis (KY)
McMorris Rodgers
Reynolds
Shays
Tiahrt
Weldon (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes are remaining in this vote.

□ 1409

Mr. MARCHANT changed his vote from ''aye'' to ''no.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. TIAHRT. Mr. Speaker, on rollcall No. 376 I was unavoidably detained. Had I been present, I would have voted "no."

Mr. DUNCAN. Mr. Speaker, I inadvertently voted "aye" on rollcall No. 376, adoption of the rule for the Conf. Rpt. on the FY '08 budget. I would like the RECORD to reflect that I meant to vote "nay."

CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO BURMA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 110–35)

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 Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. I have sent the enclosed notice to the *Federal Register* for publication, stating that the Burma emergency is to continue beyond May 20, 2007.

The crisis between the United States and Burma arising from the actions and policies of the Government of Burma, including its policies of committing large-scale repression of the democratic opposition in Burma, that led to the declaration of a national emergency on May 20, 1997, has not been resolved. These actions and policies are hostile to U.S. interests and pose a continuing unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, I have determined that it is necessary to continue the national emergency and maintain in force the sanctions against Burma to respond to this threat.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 17, 2007*.

CONFERENCE REPORT ON S. CON. RES. 21, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008

Mr. SPRATT. Mr. Speaker, pursuant to House Resolution 409, I call up the conference report on the Senate concurrent resolution (S. Con. Res. 21) setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore (Mr. POMEROY). Pursuant to House Resolution 409, the conference report is considered read.

(For conference report and statement, see proceedings of the House of May 16, 2007, at page H5071.)

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. SPRATT) and the gentleman from Wisconsin (Mr. RYAN) each will control 30 minutes.

The Chair recognizes the gentleman from South Carolina.

Mr. SPRATT. Mr. Speaker, I yield myself such time as I may consume.

This budget resolution which we present today did not come easily. It comes from months of hard work, hearings, and negotiations. The end product is a good budget, not perfect, I will admit. Not complete but worthy of support. Indeed, it requires our support if we do not want the process to fail again, as it did last year when no concurrent resolution was passed and only two of 11 appropriation bills were enacted.

This budget moves us to balance over the next 5 years. Along the way, it posts smaller deficits than the President's budget. It adheres to the pay-as-you-go principle and contains no new

mandatory spending that is not paid for, and it funds ''program integrity initiatives'' to root out wasteful spending, fraud, and tax evasion.

Within this framework, our budget does more for veterans' health care, more for children's health care, and more for education. Here in a nutshell are the basics of this budget:

This budget comes to balance in 5 years and runs a surplus of $41 billion in the year 2012. Contrast that with the President's budget, which remains always in deficit. This budget allocates $954 billion to discretionary spending, or about $75 billion more than this year, of which about $50 billion is for national defense. This total includes $450 billion for nondefense discretionary, or about $23 billion more than this year.

This budget not only abides by the PAYGO principles, it extends them, establishing a Senate PAYGO rule and calling for statutory PAYGO as well.

The concurrent resolution before us, like the House resolution, sets defense spending at levels the President requested, though it targets resources to the troops and conventional forces. It provides more for homeland security than the administration requested, and it funds the recommendations of the 9/11 Commission. So it is strong on defense, internal and external.

This budget does all of the above, and I would emphasize this, it does all of the above without raising taxes. The tax cuts enacted in 2001 and 2003 all remain in force, unaffected in any way by this resolution. As originally written and enacted, most of the tax cuts expire on December 31, 2010. In our budget resolution, we separated out the middle income tax cuts and made it the policy of our resolution to extend those tax cuts when they expire.

□ 1415

In this concurrent resolution, we go even further. We install a trigger that facilitates the extension of these tax cuts so long as the House waives its PAYGO rule and so long as the tax cuts extended do not exceed 80 percent of the surplus projected by OMB for the year 2012.

This budget's basic objective is to get back to balance. That is the bottom line. In such a budget, we can't have everything we want, but we do believe that some promises should be kept above all others, for example, the promises we've made to our veterans. This resolution increases funding for veterans health care in 2008 by $6.7 billion, 18.3 percent above the current year.

We also do not believe that children's health care and education should be sidetracked while we seek to work out ways to balance the budget. This budget accommodates an increase of $50 billion to expand the Childrens Health Insurance Program, so-called SCHIP, and cover millions of uninsured children. This budget also provides $4.6 billion over current services for education, job training and employment services. That includes more money for No Child Left Behind, for special education and student loans.

Lacking any other arguments, our friends from across the aisle, our Republican adversaries, will claim that this budget resolution raises taxes, as they have repeatedly and wrongly. Let me answer that claim emphatically. This budget does not raise taxes by one penny. Period. Not by one penny.

On the contrary, the 2008 budget resolution accommodates the extension of the middle income tax cuts, pays for a 1-year patch to prevent the AMT from coming down on middle income taxpayers, and calls for reform of the AMT, consistent with PAYGO principles, to save middle income taxpayers from this stealthy tax.

This budget is fiscally sound, a solid framework, is balanced from the top line to the bottom, and I urge support for it.

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

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

I would like to start off by congratulating Chairman SPRATT and the majority staff on the Budget Committee for reaching this point in the budget process. This is not easy. And they are to be commended for getting the budget up to this point.

I have long believed that the budget resolution is an important statement of congressional policy and a critical act of governing. So in a sense, I am glad to see this conference report here today. And the gentleman from South Carolina deserves credit for that.

That said, the choices in this budget, or some would argue, the complete lack thereof, represents an enormous missed opportunity, an enormous missed bipartisan opportunity.

The Democrats' fiscal year 2008 budget sets off a vicious cycle, Mr. Speaker. Higher taxes fuel higher spending and greater spending demand. In order to meet this appetite for greater spending, we are going to have to raise taxes again and again and again. Let's take a look at how this will work.

First, the linchpin of this budget, and numbers do not lie, check with the Congressional Budget Office, its only one binding fiscal policy is the same one that Democrats have been bringing to the floor time and again, ''raise taxes.'' This budget will raise taxes on the American economy and American workers by at least $217 billion. That is the second largest tax increase in American history. And to be clear, their $217 billion tax increase is just an opening bid. It will last only until the majority can raise the ante.

As you may recall, Mr. Speaker, the House Democrats wanted and included in their budget a $400 billion tax increase. That would have been the largest in history. But the Senate made it clear by a vote of 97–1 that they would not accept the House's number. So from this conference report, it would initially appear that the House Democrats receded to the Senate's smaller tax number, the smaller tax increase, that's according to the CBO, that is, until you take a closer look at some of the procedures and gimmicks included in this report.

First let's look at the trigger. There is this so-called tax trigger. In short, this trigger will provide the majority with an immense loophole allowing them to renege on their promise to protect certain high-profile tax benefits, and they can do it without leaving any fingerprints because it would all be automatic. All the Democrats have to do, believe it or not, is spend too much money, and that will set off the trigger and raise those taxes.

Mr. Speaker, they are saying in this budget they want to extend marriage penalty relief, the child tax credit and the 10 percent bracket. But if they spend too much money, guess what happens automatically? Those tax cuts go away.

Then there is the $190 billion worth of unfunded spending increases promised in this budget's 23 reserve funds. If they actually deliver on these promised 23 wish list reserve funds, that's another tax hike.

Mr. Speaker, even their version of PAYGO, which they touted as proof of their commitment to fiscal discipline, is just a means to make it easier to raise taxes. What happens if they raise mandatory spending, Mr. Speaker? You guessed it. They have to raise taxes to pay for it.

So again, this $217 billion tax hike is just the starting bid. You can expect them to draw from that well again and again and again. Why is this a problem? Why do we have this huge difference of opinion, difference in philosophy of ideology of economic doctrines? Because the enormous tax increases will threaten the economic and fiscal progress our Nation has made these past several years.

As I have said many times before, the tax decreases, the tax cuts we passed in 2001 and 2003 have turned this economy around, it brought us out of recession. It improved job growth, GDP growth. It lowered the unemployment rate. Business investment and the entire market rebounded. And all that growth has led to surging revenues coming into the Federal Treasury. Three years of double digit revenue growth at these lower tax rates. The tax hikes contained in this budget threaten to reverse all of this.

And think of the impact this tax hike will have on the small businesses that it hits. Our small businesses, who are already paying the second highest tax burden in the industrialized world, will be told that they are just not paying enough. In this increasingly global economy, where these companies are struggling to compete with China and India, imposing an even larger tax burden will be crushing. It will severely threaten our ability to compete, and let alone lead, in the global economy.

So what will taxpayers get in return for sending Congress ever higher cuts of their paychecks? Better working, more efficient, less wasteful spending? No. The majority doesn't even pretend they are going to control spending.

There is no control on the existing trajectory of spending we have in this budget. We are only 5 months into this Congress, and at every opportunity the new majority has chosen the path of higher spending. They increased discretionary spending by $6 billion in the omnibus, another $20 billion or so of extraneous spending in the supplemental, and now they're increasing nondefense discretionary appropriations next year by another $23 billion.

For all we've heard about how the Democrats had to clean up the mess the Republicans gave them, their only response to this seems to be spend more and tax more. This formula has never worked for getting control of the budget in the past, and it won't work now. It's also the reverse of what's going on in the rest of the world. Across Europe, governments are moving away from their welfare state, big government tax policies and toward more market-oriented policies. For instance, the latest, most clear example. But here in the States, where we should be leading the tide toward free markets, Democrats are taking us in the other direction.

Finally, I think the biggest failure of this budget is not what it does do, it's what it doesn't do. This budget does nothing to reform entitlement programs, to extend their solvency. We had a parade of witnesses from the left and from the right, Democrat witnesses, Republican witnesses, the Chairman of the Federal Reserve, the OMB Director, the CBO Director, all come to us and say, you've got to get a handle on entitlements. You have to reform the entitlement programs to make them more solvent, to stop this enormous unfunded liability that is hitting American taxpayers.

Even with the Democrats' $400 billion tax increase, they had in the House-passed version, that would quickly outpace revenues, entitlements would swamp us.

So Mr. Speaker, even if we hit a temporary balanced budget, as this might achieve, it will be temporary because you can't raise taxes enough again and again to outpace the trajectory of entitlement spending growth. We will go back into deficits because this budget does nothing to control spending.

So why have the Democrats failed to even address this dire situation? Because as Senate Budget Chairman Senator CONRAD told 60 Minutes, ''It's always easier not to. It's always easier to defer, to kick the can down the road, to avoid making choices.'' ''You know, you get into trouble in politics when you make choices.'' I appreciate that sentiment, but we all know that is not what budgeting is about. Budgeting is about making choices even when they're tough, even when they are not politically popular because that is what we came here to do.

In closing, I believe this budget fails to make any real choices, let alone the right ones. It will impose on American families and businesses at least the second largest tax increase in American history, if not the largest, add immense new government spending, and put off critical entitlement reforms for at least another 5 years. Our House Republican budget proved we can balance the budget without raising taxes and stop the rate on Social Security.

It is my genuine hope that the House will vote today to change this dangerous course and send the Democrat budget back to the drawing board.

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

Mr. SPRATT. Mr. Speaker, before yielding to the majority leader, let me set the record straight with respect to revenue flows.

If you look in the Congressional Budget Office projections of revenues in the budget, you will see that for the period 2008 through 2012, cumulative revenues are projected to be $15.3 trillion. If you subtract 176 for that to account for the agreement we've made with the Senate, which will facilitate the adoption and extension of the middle income tax cuts adopted between 2001 and 2003, then our number for total revenues, according to CBO is $14.828 trillion. The President's budget, total revenues are $14.826 trillion. We are $14.828 trillion, the President is $14.826 trillion; $2 billion difference. This is the biggest tax increase in history? Give me a break.

And how about the Republican's own revenue stream. You start from the same baseline. They have to use CBO numbers too. $15.3 trillion. Deduct from that $447 billion, which they have in tax cuts during that period of time, the baseline number for them becomes $14.556 trillion. That is a difference of $272 billion over 5 years, less than $50 billion a year over that period of time. This is absurd. This has gone on and on and on, as the speeches claim, and we will refute it every time it's raised today.

Mr. Speaker, I now yield 1 minute to the gentleman from Maryland, the distinguished majority leader.

Mr. HOYER. I thank my friend for yielding.

As my friend from Wisconsin has heard me say so often, I am at once amused, and at the same time deeply disappointed because I have watched an unending series of young, earnest, very bright Republican leaders stand on this floor or stand in the OMB or in the White House, led by David Stockman, and then John Kasich, then Jim Nussle, and now PAUL RYAN, all very able representatives who served in this body, who come before us and assert, with a certitude that is unflappable, that they have the answer to bringing economic well-being to America.

During that 26 years that I have observed those serious, I believe, conscientious young men make that representation, without fail they have presented budgets that have put this country, without exception, every year of their budgets $4.1 trillion further in debt. And then they said in 1993, when we adopted an economic program sent down by President Clinton, ''this is going to destroy our country.'' They called it the largest tax increase in history. They were, of course, not telling the truth. That was not the fact.

In fact, the largest tax increase that has occurred in this country since I have been in Congress, in terms of real dollars, was the Dole-Reagan tax increase in the early 1980s.

So I come before this House to say I hope the American people will understand that the representation we have just heard has been made over and over and over again. And the results of the policies promoted by that rhetoric have been unending and inevitable large deficits. In fact, of course, the revenues are substantially below, as the gentleman knows, the projections that were made.

□ 1430

Mr. Speaker, today the Members of this House can proudly vote for a budget conference report that addresses our Nation's critical needs on national security, education, health care, the environment and many other areas, while also making a 180-degree turn away from the most reckless fiscal policies in the history of our Nation.

My young friend from Wisconsin knows well that spending over the last 6 years was twice the rate of spending in terms of percentage increase under the Clinton years. Twice. Of course, the Republicans controlled the House, the Senate and the presidency, and spending was at twice the rate of growth that it was during the Clinton years.

I urge every Member of this House, on both sides of the aisle, to vote for this responsible Democratic budget conference report. It will be a change from the past, because we will adopt a budget, and I say you are probably even going to adopt appropriations bills, unlike last year.

First and foremost, this Democratic budget provides robust defense spending levels, because our national security is our highest priority. This budget provides more homeland security funding than the Bush administration requested. It funds the 9/11 Commission recommendations, and it increases funding for veterans health care and services by $6.7 billion.

We talk about supporting our troops. If we support our troops, we need to honor our veterans, and we need to honor our veterans with more than just talk. We need to make sure that their health care is provided. This budget does that. In fact, this budget is $3.6 billion more than the President requested. Of course, he requested that before Walter Reed, before the long lines, before the American public was aware of how underfunded veterans health care is.

Furthermore, after 6 years of fiscal irresponsibility, this budget will bring our budget back into balance in 2012. President Reagan, President Bush I and the 7 years of Bush II, never one balanced budget year in those 19 years. During the Clinton administration, 4, half of the budget years had surpluses.

Now, the great falsehood, the great deceit, the great misrepresentation perpetrated by many of our friends on the other side of the aisle is that the budget somehow raises taxes. That is simply and absolutely untrue.

Now, the Republicans pride themselves on not raising taxes. They simply borrow money from the Chinese, the Japanese, the Saudis, the Germans. In fact, they borrowed over $1.2 trillion over the last 6½ years to fund their spending increases.

It is somewhat humorous, I think, that our Republican friends are claiming that this budget raises taxes by failing to extend cuts that the Republicans themselves designed to expire in 2010. By their logic, last year, when the Republicans still controlled both Chambers of this Congress and chose not to extend the taxes, in your budget proposal, remember that, my friends on the other side of the aisle, you did not suggest extending these tax cuts. It is ridiculous.

Don't take it from me, just listen to the Hamilton Project at the Brookings Institution, which yesterday stated, ''The budget conference report would not raise taxes. If anything, the budget resolution assumes that Congress will cut taxes.''

This is true. In fact, Mr. Speaker, the budget accommodates the extension of middle income tax cuts, as the chairman has said, and provides immediate relief for middle income taxpayers affected by the Alternative Minimum Tax. We want to fix the Alternative Minimum Tax. In fact we want to fix it by giving 81 million Americans a tax cut.

In addition, this budget increases funding for Head Start, LIHEAP, accommodates a $50 billion increase to cover millions of uninsured children, and rejects the administration's harmful cuts to environmental programs.

Finally, Mr. Speaker, for our friends on the other side to complain that this budget provides for an increase in the debt ceiling strains credibility. The rule that is in this bill was in your budgets repeatedly.

In just 6 years, this administration and Republican Congress turned a projected budget surplus of $5.6 trillion into an over $3 trillion deficit, an $8.6 trillion turnaround to the red side of the budget on your watch when you controlled all of the levers of this House. And you raised the debt ceiling 4 years in a row.

The new Democratic majorities in this Congress have inherited a fiscal debacle that today, through this conference report, we can begin to address and make right. This is a budget that we can be proud of, and it stands in stark contrast to the extraordinarily irresponsible policies of the last 6 years.

I urge all of my colleagues, vote for fiscal responsibility and a brighter future for our children and for our country. Vote for this Democratic budget.

Mr. RYAN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HOYER. I will be glad to yield to my friend from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Speaker, just a point of clarification. I think the gentleman said that our budget did not extend the tax cuts. It did. In fact, it extended all the 2001 and 2003 tax cuts. I just wanted to state that for the record. That is all.

Mr. HOYER. Mr. Speaker, reclaiming my time, I don't have it in front of me, but what your budget did was you assumed that the tax cuts were going to be extended. You did not extend them in your budget legally, which you could have done under the rules. You claim you didn't do it initially because of the rules in the Senate. I think that is accurate.

Mr. RYAN of Wisconsin. Well, I can go back into that, but I think we have belabored the point.

Mr. HOYER. Mr. Speaker, I thank the chairman for his work, I thank him for yielding me the time, and I urge a yes vote on this responsible, effective budget for our country.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 30 seconds simply to ask a rhetorical question, if the Democrats chose to extend some of the tax cuts in this budget and therefore not all of the others, how is this not a tax increase?

If the Senate said that the Democrat House budget raised taxes and they didn't want to raise them as much and they forced the conference to negotiate to keep some of the tax cuts at bay, how is this not a tax increase? If they are saying they are preserving some of the tax cuts, then by definition they are raising the other taxes.

You can't have it both ways.

Mr. Speaker, I yield 2 minutes to a young, earnest, conscientious Republican leader, the gentleman from Florida (Mr. PUTNAM).

Mr. PUTNAM. Mr. Speaker, I thank the young ranking member for yielding.

Mr. Speaker, unlike the majority leader, protocol does not allow me unlimited time to rebut his numerous inaccuracies, but let me lay out this fact first: The Democratic budget that we will vote on this evening raises taxes. And if you don't believe it, just wait until your tax bill comes due in a couple of years when you are asked to pay more then than you are today. And you will be asked to pay the largest tax increase in American history.

The marriage penalty will be back. The death tax, back. The bracket creep, back. Small businesses paying more than Fortune 100 companies. It will crimp the economy that is robust and strong and creating a record Dow as we speak.

The majority leader said national security is their highest priority. If it is your highest and first priority, why are we now in May with troops running out of funds, running out of resources, and a President begging for a supplemental for men and women who are in harm's way, if national security is your highest priority?

If you care to honor the veterans, then in addition to paying for veterans health care, in addition to dealing with veterans retirement, why are you not similarly honoring those veterans by reforming entitlements, so that when those young veterans come back, that every think tank in this town is in agreement that Social Security and Medicare will be bankrupt before those young veterans are eligible to receive those promised benefits, and you do nothing about it.

Why don't you honor those young veterans, why don't you honor those future generations, those first year teachers, this spring's graduates from high schools and colleges, why don't you honor them by dealing with the crisis that our country faces in Social Security, Medicare and Medicaid consuming the Federal budget? It already makes up over half of Federal expenditures.

This budget raises taxes, skyrockets the spending and does nothing to deal with the generational crisis we face in entitlements. I urge you to defeat this irresponsible document.

Mr. SPRATT. Mr. Speaker, I yield to the gentleman from Texas (Mr. GENE GREEN) for the purpose of making a unanimous consent request.

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, I support the conference committee report and thank both the chairman and the Budget Committee for their good work.

Mr. Speaker, I rise today in support of the conference report accompanying the fiscal year 2008 budget resolution. This budget resolution represents a return to fiscal soundness for our country, which has operated without a budget resolution in 3 of the last 5 years. This budget will help our country emerge from a sea of red ink and put us on a path toward a budget surplus in the next 5 years, with a $41 billion surplus projected for 2012.

Key to the fiscal responsibility in this budget is the inclusion of critical budget enforcement provisions known as PAYGO. This budget extends to the Senate the PAYGO rules adopted earlier this year in the House, which ensure that any future tax cuts or increases in mandatory spending are offset elsewhere in the budget. This budget hews to that principle and does not include any new mandatory spending that is not offset.

Mr. Speaker, I also applaud our House and Senate Budget Committee Chairmen for their attention to the domestic needs of this country and the resources this budget dedicates for health care programs and research that have suffered in previous budgets. The conference

report provides a reserve fund of up to $50 billion for the reauthorization of the State Children's Health Insurance Program. As a member of the Energy and Commerce Committee, which is working to reauthorize the SCHIP program, I want to make sure the program is available to the 6 million American children who are currently eligible but not enrolled in the program. The reserve fund in this budget will allow us to expand the program for these children while also maintaining fiscal discipline under PAYGO.

On the discretionary side, the budget resolution includes an additional $20 billion over last year's level for health programs. In years past, worthy health care programs like trauma systems funding, Emergency Medical Services for Children, Health Centers and NIH research funding have been forced to compete for funding that was not sufficient to meet our health care needs. This budget recognizes the importance of adequately funding domestic priorities like health care and education programs that are true investments in our country's future.

I thank our House conferees for their work on this budget resolution and congratulate them on this truly balanced budget, in terms of both the deficit and the needs of the American people.

Mr. SPRATT. I yield 2 minutes to the gentleman from California (Mr. GEORGE MILLER).

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, how remarkable and refreshing this budget is. Finally a budget that ends the Republican commitment to endless seas of red ink and deficit spending. Finally a budget that ends the Republicans' commitment to squandering the $5 trillion that they inherited from the Clinton administration.

But more remarkable about this budget is it takes us in a new direction. It takes us in a direction where once again we see ourselves as a country and a national government investing in young people in this country, investing in their education, investing in the effort to make college more affordable for families and students who have to borrow money. That is what this budget does.

With a $9 billion increase over and above the President's budget, for the first time we are able to change the trendlines from reducing the expenditure on behalf of students with disabilities, on behalf of the elementary and secondary education of America's students, on behalf of job training. That is what this money does. This is an investment in the future of our young people. This is an investment in the elementary-secondary education system of young people in this country. This is an investment in reducing the cost of college.

That is a markedly different direction than we have been going over the last 6 years, where we just headed headlong into seas of red ink, where it overwhelmed everything else the government was about to do, where it started taking its toll on the education budgets of this country, where we denied the opportunities for people to have an affordable student loan, where we now see in excess of a quarter of a million young people deciding they won't be able to borrow the money, they won't be able to pay it back, and so they have decided maybe they will have to postpone or defer a college education permanently.

This budget also gives us the opportunity to address in a comprehensive fashion the reducing of the cost of college, to remake the student loan program, to get rid of these mindless, endless subsidies that the previous budgets have contained for the lenders, subsidies that fueled the corruption that we have seen in the program.

This is a remarkably refreshing, exciting budget for this country, for its young people and for its future.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the ranking member of the Education and Labor Committee, the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Speaker, I thank the gentleman for yielding and I thank him for his work on this budget.

I rise in opposition to the second largest tax hike in American history. This agreement before us includes a tax hike of at least $217 billion by fiscal year 2012. Worse yet, the budget includes a troubling tax hike trigger that would automatically raise taxes even higher if surpluses do not materialize due to unrestrained Federal spending, a habit I don't expect Congressional Democrats will break any time soon.

This agreement also includes a reconciliation instruction for the Education and Labor Committee. I have supported reconciliation as a means to reduce the deficit in the past, in just the last Congress in fact. But clearly deficit reduction is not a priority in this budget. The fact that our committee is the only panel with this instruction reflects this. Instead, I am afraid this instruction might leave the door open for the majority to abuse the process in order to give Washington bureaucrats a greater stranglehold on student loans than ever before through a greater emphasis on the government-run direct loan program.

Let me be clear: I stand ready to strengthen Federal student aid programs by promoting competition among and within the loan programs while providing additional funds for low income students to attend college. This is just what we did through reconciliation in the last Congress.

However, Mr. Speaker, I won't stand idly by while the majority attempts to drive a stake through the heart of the market-based loan program. This would be terrible news for students and taxpayers alike, and I will do all I can to fight against it.

□ 1445

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I am proud that we have come together and finally agree on a fiscally responsible budget. And I am proud of the work that we have done to address our most urgent priorities as a Congress and as a Nation.

Last year, the previous majority failed to pass a budget and in the process left us without the framework to pass critical appropriations bills. In 1998, 2002, 2004, we also went without a budget resolution. We have to do better, and that begins today. We have a responsibility in this Congress to do our jobs and to put our Nation back on track.

At last we are beginning to get our House in order with a real commitment to spend our tax dollars wisely and with fiscal responsibility, finally honoring our long-standing commitments and making a modest investment in our future. By balancing our budget and even providing for a slight $41 billion surplus by the year 2012 without raising taxes, this plan reflects our priorities and takes our Nation in a new direction.

Today we have a budget that makes an investment in children and families for the first time in 6 years. We have a budget that expands SCHIP, the hugely successful children's health insurance program to give kids without coverage the attention and care that they need.

We have a budget that ensures new resources for No Child Left Behind to make student achievement a reality, and a new commitment for Pell Grants to make college education more affordable.

We have a budget that honors our veterans with the resources our VA facilities need to handle increased patient load, and provide the care our servicemembers deserve.

We face great challenges, challenges that the Federal Government has the ability, the capacity, the resources and the moral obligation to help us meet. Let us embrace that obligation, create real opportunity today, and give people the tools they need to grow and to thrive tomorrow.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the gentleman from South Carolina (Mr. BARRETT).

Mr. BARRETT of South Carolina. Mr. Speaker, I rise today in opposition to conference report S. Con. Res. 21, the Democratic congressional budget for 2008.

By not addressing the Bush tax cuts, the Democratic budget resolution conference report calls for at least a $217 billion tax hike, the second highest in American history.

This budget resolution also includes a trigger which would automatically turn the tax increase into the largest in American history.

Mr. Speaker, the government spends too much money. We have serious challenges facing this Nation and spending more money is not a solution. The conference report increases non-defense appropriations by $22 billion above

2007, and $21 billion above the President's request.

It fails to maintain emergency funds included in last year's budget resolution. Also, emergency spending is loosely defined in this budget resolution and does not prevent future abuses in emergency supplemental appropriations.

The conference report has 23 reserve funds which include the promise of more than $190 billion in additional spending which I can only assume will be paid by additional taxes.

The House Budget Committee listened to many testimonies from budget experts, indicating our Nation was facing a fiscal crisis when it comes to entitlement spending; yet the conference report does nothing to address this issue. We cannot simply raise taxes and hope our entitlement problems will solve themselves.

Mr. Speaker, I hoped at least some of the commonsense solutions put forth in the Republican substitute would have been settled, and I urge my colleagues to vote against this budget resolution.

Mr. SPRATT. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Pennsylvania (Ms. SCHWARTZ).

Ms. SCHWARTZ. Mr. Speaker, as a member of the Budget Committee, I first want to recognize the leadership of Chairman SPRATT. It is under his leadership that we have a budget before us that is both responsible and attentive to America's priorities. It reaches balance in 5 years, and it does so without raising taxes, and it meets our obligations while making important investments in America's future.

First, it provides for our national defense. It targets resources to the most urgent military and security concerns, including implementation of the 9/11 Commission recommendations.

Second, our budget honors our commitment to our servicemen and women. It provides funding that will enable the Veterans Administration to provide for the increasing needs of our veterans.

Third, our budget recognizes the priorities of hardworking Americans. It provides tax relief to middle-income families by fixing the AMT, extending lower tax rates, and continuing the earned income and child tax credits. And it expands SCHIP to provide health coverage to 7 million uninsured children in this country of middle-income families.

Fourth, our budget enhances our Nation's economic competitiveness and makes key investments to ensure that our future workforce has the education and skills needed to compete in the global economy.

Our budget is fiscally disciplined. It ends the unsustainable borrow-and-spend policies of the last 6 years, and it balances the budget in 5 years, setting us on a course to pay down our debt while meeting our Nation's obligations.

We should all be proud of this budget. It is a new direction, and it is the right direction for America.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HERGER), a member of the Ways and Means Committee.

Mr. HERGER. Mr. Speaker, I recently served on the Budget Committee for 8 years, during which time we had the only four balanced budgets in recent history. I am sad to see, however, that today's budget envisions what could amount to the largest tax increase in American history to pay for higher spending.

The budget would increase discretionary spending at roughly three times the inflationary rate while failing to achieve real savings for taxpayers. Taxes will grow by at least $217 billion as pro-growth tax relief is allowed to expire. Even the child tax credit and marriage penalty relief may not be extended. I urge Members to reject this budget.

Mr. SPRATT. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Mr. Speaker, I rise in strong support of this conference report. We can be proud that this budget finally produces a vision for our future that reflects our hopes and dreams and the promise of economic prosperity and security in the years ahead.

I commend my distinguished chairman and his staff for their hard work, which has resulted in a balanced budget within 5 years, and restoration of middle-class priorities to the budget process. While restoring fiscal responsibility, we also raise funding for veterans, for health care, and for education.

This budget contains reconciliation instructions regarding education expenditures. I believe we have the opportunity to use these instructions to the benefit of students and their families. This budget guarantees that increasing college access and affordability are paramount goals of our majority, and prove that we have followed through on our promise to set a new direction for America.

As our chairman has said repeatedly, if you can't budget, you can't govern. With this budget conference report today, we demonstrate our commitment to govern.

Mr. Speaker, I urge my colleagues to vote for this conference report.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. CONAWAY), a member of the Budget Committee.

Mr. CONAWAY. Mr. Speaker, I want to speak to one issue in this budget, and that is the tax trigger. I believe this is a ruse to hide behind a tax increase.

I know my colleagues on the other side will argue it is not a tax increase, but I can assure you that American families in 2010 whose financial circumstances are similar in 2011, will pay more in taxes in 2011 than they pay in 2010. Call that what you may, but I believe it is a tax increase.

It is a ruse, Mr. Speaker, because it is built on a foundation of brittle clay. One of the pillars of the foundation is that spending will be restrained. This Democratic majority can spend their way to a point where these tax cuts won't be triggered.

They have already shown a great penchant for spending, a wanton disregard for fiscal restraint. There is $6 billion extra in the omnibus bill, $20 billion extra on the supplemental that is yet to pass, and another $23 billion of new spending in this bill. So they will spend their way.

The other thing it is built on the good graces of the Secretary of the Treasury and the director of OMB, both of whom have to agree that the tax cuts can in fact go forward.

I believe this is a ruse to hide behind the fact that American families will pay more taxes in 2011 and 2012 than they do in 2010 because rates will go up. I urge my colleagues to vote against this budget.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, last November, American voters sent a very clear message that they wanted to change the status quo in Washington. That is exactly what this budget does.

It represents a positive change that reflects the solid values of American families. To begin with, this budget puts the higher priority on national defense and homeland security because we understand that defending our Nation and families is the Federal Government's first responsibility.

We match the President's defense budget, and invest even more to make our airlines, seaports and communities safer from terrorist attacks. This budget, importantly, honors America's veterans by providing for the largest single increase in VA health care services in the 77-year history of the Veterans Administration, a $6 billion increase, and our veterans deserve every dollar of that commitment.

Why did we do this? Because we understand that we cannot have a strong and secure America unless we keep our promises to our servicemen and women and veterans who have defended America.

Make no mistake, a vote against this budget is a vote against the most significant increase in veterans health care in VA history. A vote against this budget is a vote against hiring hundreds of new VA claim processors who are needed to reduce the huge backlog of combat-wounded American veterans who are having to wait far too long to get their earned benefits approved.

Mr. Speaker, let me say I have heard some partisan criticism, let's call it, of this bill. Let me point out the source of that criticism is from the same Members of Congress who wrote partisan budgets for the last 6 years, the 6 years of budgets that took this Nation and the largest surpluses in American history to turn them into the largest deficits in American history. These are the

same folks who in 3 of the last 5 years couldn't even pass a budget resolution through the House and Senate.

We are putting America on a new course, the right course for our country and for our veterans.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. CAMPBELL), a member of the Budget Committee.

Mr. CAMPBELL of California. Mr. Speaker, I have been listening to this debate and listening to the arguments on the Democratic side of the aisle, and I am waiting for David Copperfield to show up as a member of their Budget Committee because what they are doing is magic. They are over here bragging about all of the additional money they are spending. And bragging, which they are, and bragging that they are balancing the budget, which they say they are, but then saying they are not raising taxes. Which they are.

This budget contains over $200 billion in tax increases. That is about $1,000 for every taxpayer in America. And oddly enough, isn't it strange that it also contains about $200 billion in additional spending over the President's proposed budget.

So they want to raise Americans' taxes by $1,000 a taxpayer so they can spend it on new spending. Make no mistake about it, a vote for this budget is a vote for at least the second largest tax increase in American history, if not the largest.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, the defense spending in this budget is much, much, much higher than I would like. But I rise today in support of this conference report and the very good work of Chairman SPRATT, of his committee, and his staff.

□ 1500

Thanks go to Chairman SPRATT and the conferees for including my language in this bill to steer more defense dollars to military personnel for their health care, including Walter Reed and TRICARE, and away from outdated, misguided, and unneeded weapons systems that are still being built to fight the threat of the Soviet Union, to protect against the Cold War.

This budget also takes on waste at the Pentagon, insisting that DOD presses ahead in implementing over 1,300 unaddressed suggestions from the GAO to reduce waste, fraud and abuse.

Mr. Speaker, whenever any Member of this Congress has to stand on the floor and defend what they did in years past, you know it's pretty sure that they made some big mistakes. This budget is a big step in correcting the fiscal mess that the Democratic majority inherited, and I urge my colleagues to support its passage.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. HENSARLING), a member of the Budget Committee.

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding, and when my friends from the other side of the aisle do something that I think is laudatory, I want to laud them for it.

They have taken a budget that contained the single largest tax increase in American history and turned it into a budget that has the second largest tax increase in American history, but before I get too effusive with my praise, they have something in there called a trigger which tells the American people that somehow, if you can prevent us from spending all of your money, maybe, maybe you can get a little of it back. So I suspect, Mr. Speaker, we are again looking at the single largest tax increase in American history.

Now, speaker after speaker on the other side get up and tell us, oh, we're balancing the budget, we're increasing spending that they call investments, but no, no, no, we're not raising taxes. Mr. Speaker, this is Orwellian doublespeak. The numbers don't add up. I have got a 5-year-old daughter who can perform better math than that, and she's not very good at it. You can't balance the budget, increase spending and then claim you're not raising taxes. It's shameful.

Mr. Speaker, this is an easy conclusion that the Americans should draw. If they believe that the growth of the Federal budget is more important than the growth of their family budget, they should support this Democrat budget. And if they can sleep well at night knowing that this budget is going to double the taxes of their children and grandchildren, they should embrace that budget. But if they want freedom and opportunity for the next generation, reject this budget.

Mr. SPRATT. Mr. Speaker, I yield 2½ minutes to the gentleman from Illinois (Mr. EMANUEL), the distinguished chairman of our caucus.

Mr. EMANUEL. Mr. Speaker, I'd like to thank my colleague from South Carolina for his leadership and, most importantly, his leadership because the Democrats promised in November that we're going to bring a new direction and new priorities to Washington.

We've accomplished in 6 months what my colleagues have failed to do in 6 years and that is produce a budget that produces a surplus.

Let me say what a surplus is since you've had such a recognition of not being able to produce one. Surpluses are the fact when the government puts its fiscal house in order and matches up its needs with the American people and produces a surplus, because your financial legacy is $4 trillion of new debt.

When it comes to economic policy, the one thing that can be said about the Republicans' fiscal mess is that we will forever be in your debt. That is the one thing that's for sure. $4 trillion in 6-years, the largest increase in the Nation's debt in the shortest period of time is your legacy, and I don't think you've quite gotten the recognition for what you've done to America, left it nothing but red ink.

This budget is not only in balance, but it's in balance with our values, our values that ensures that 8 million children who do not have health care but parents work full-time, they will get health care; in balance with our values to make sure that we're not subsidizing the financial industry by making sure that middle class parents have the financial resources to send their kids to college; making sure that when it comes to our veterans that in fact we are rewarding our veterans who have fought for this country and say the proper recognition for their service to America, that they get taken care of. And every step of the way, this budget is not only in balance fiscally but is in balance with our values.

The entire legacy in 6 years of the Republican stewardship was one of $400 trillion of debt left for the Americans to clean up that mess, and we have produced in 6 months a budget that's balanced, and at the end of the process also creates a surplus.

There are different and stark choices. President Kennedy once said, To govern is to choose. We've made the choices to make sure that middle class families get a tax cut, kids get health care, veterans get the respect and the resources that they need to move on with their life, and our families who know that an education and a college education in an era like this where you earn what you learn, that a middle class family does not need a second mortgage or a third job to send their kids to college.

I commend my colleagues for this new direction budget, a budget that is in balance and is also in balance with our values.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 10 seconds simply to say that's correct, the majority did make choices. They chose to raise taxes, they chose to raise spending, and they chose to violate their own PAYGO rules.

With that, Mr. Speaker, I yield 1½ minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART), a member of the Budget Committee.

Mr. MARIO DIAZ-BALART of Florida. Mr. Speaker, to borrow an old cliche, the more things change, the more they remain the same.

The speaker who spoke a little while ago from the Democrats said that the Democrats in just 6 months have achieved what the Republicans did not do in 6 years. That's true.

In 6 months they've achieved increasing the taxes on the American people, the second largest tax increase in the history of this country. Again, $217 billion in additional taxes. Mr. Speaker, that's going to hit everybody, middle income families, low income earners, families with children, small businesses. Every American who pays Federal taxes is going to get a huge tax increase.

Mr. Speaker, the American people do not deserve a $217 billion tax increase

to fund more bureaucracy and more bureaucrats in Washington, D.C. If you think that there are not enough bureaucracy, enough bureaucrats in D.C., vote for this budget. If you think the American people deserve a tax cut, reject this high spending, highly irresponsible tax raising budget.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

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

Mr. ANDREWS. Mr. Speaker, I thank my friend from South Carolina, the chairman, for producing an excellent budget for which every Member should vote.

Responsible people do not pay their bills by borrowing from their children. Responsible people analyze what they can afford, spend only that and save what they can.

For too long, this Congress has labored under a culture of irresponsibility: focus on the next election, spend what you want to, hand out tax cuts to your supporters, and let someone else worry about it down the line.

This budget ends that culture of irresponsibility, and it stands for one clear principle over and over again. We will not run this government on borrowed money, period. We wish to double the number of children covered by the children's health insurance program and we will. But when we do so, we will pay for it without borrowing more money.

Most of us absolutely are committed to extending the tax breaks for middle class families that help them survive, but when we do so, we will do so without borrowing more money from the Chinese, from the Germans, and from our grandchildren.

The easy thing to do around here is to spend more, tax less and borrow more. What it gets you is higher mortgage rates, higher car loan rates, more unemployment, more debt and no explanation whatsoever to the next generation in this country.

Today marks a turning point away from the culture of irresponsibility, toward a culture of responsibility for the future of people of this country.

I urge both Republican and Democratic Members to vote ''yes'' on this budget.

PARLIAMENTARY INQUIRIES

Mr. RYAN of Wisconsin. Mr. Speaker, given the stated concerns about borrowing by the majority, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. POMEROY). The gentleman may state his inquiry.

Mr. RYAN of Wisconsin. Mr. Speaker, it's my understanding that pursuant to rule XXVII of the rules of the House, upon adoption of the conference report by both the House and the Senate, the Clerk of the House will be instructed to prepare a joint resolution adjusting the public debt limit; is that correct?

The SPEAKER pro tempore. That is correct.

Mr. RYAN of Wisconsin. Further inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. RYAN of Wisconsin. Am I further correct, that by operation of rule XXVII, upon adoption of this conference report by both the House and the Senate, this joint resolution adjusting the debt limit will be considered as passed by the House and transmitted to the Senate?

The SPEAKER pro tempore. The gentleman is correct.

Mr. RYAN of Wisconsin. Further inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman may state his inquiry.

Mr. RYAN of Wisconsin. Will there be a separate vote in the House on passing this joint resolution adjusting upwards the debt limit?

The SPEAKER pro tempore. Not by operation of rule XXVII.

Mr. RYAN of Wisconsin. Further inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. RYAN of Wisconsin. Mr. Speaker, by operation of this rule, will the vote by which the conference report is passed by the House be considered the vote on passage of the joint resolution adjusting the debt limit?

The SPEAKER pro tempore. That is correct.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, what we have just learned is that if a Member votes for this conference report, and it is adopted by the Senate, then they will be recorded as having voted for the joint resolution raising the public debt limit to $9.815 trillion, an increase in the public debt of borrowing of $850 billion. If a Member votes against this conference report, and it is adopted by the Senate, then they will not be recorded as having voted to increase the debt limit or borrowing by $850 billion.

So it's very clear that the passage of this budget increases borrowing by $850 billion and that is, in fact, the effect of this.

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

Mr. SPRATT. Mr. Speaker, could I inquire of the Chair how much time is left and who has the right to close?

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. SPRATT) has 8 minutes left and will have the right to close. The gentleman from Wisconsin (Mr. RYAN) has 9½ minutes remaining.

Mr. SPRATT. Mr. Speaker, I yield myself 3½ minutes.

We can't have this debate without having a few charts on the floor, and it always bears reminding what's happened over the last 6 years because it is truly a fiscal phenomenon.

When President Bush came to office in 2001, he had an advantage that few Presidents in recent history have enjoyed, a budget in surplus. I'm talking big-time surplus, $5.6 trillion by his estimate, over the next 10 years, $5.6 trillion. That was the year 2001. In the previous year, a Clinton year, we ran a surplus of $236 billion.

By the year 2004, under the stewardship of this administration and this Congress, because Republicans controlled the House, controlled the Senate and controlled the White House, under their stewardship, the $5.6 trillion surplus was converted to a $2.8 trillion deficit, enormous swing of $8 trillion in the wrong direction, and that $236 billion surplus in the year 2004 became a deficit of $412 billion.

Incredible, but that is what we have had for the last 6 years. That's the record over the last 6 years which cannot be denied. Here it is right here.

As a consequence of the deficits that have been run, this simple little chart that I bring down here again and again, because it bears reminding everybody what's happened over the last 6 years, shows that when Bush came into office we had a debt of $5.7 trillion. The debt today is over $8 trillion, $8.8 trillion. That means there's been an increase in the national debt of $3.1 trillion, and if we continue upon the fiscal path that this administration has taken, by the time they leave office the debt of the United States will be $90.6 trillion.

Look at the accumulation of debt over this 8-year period of time. We've never seen anything like it. These are the people who would criticize what we are doing.

□ 1515

Now, there has been a lot of talk about tax increases. Let me show you this little chart here, because it shows graphically, and emphatically, something called debt service. The increase in the interest on the national debt that has to be paid, talk about entitlement reform, this is the one true entitlement. It's obligatory, it has to be paid. Interest on the national debt has increased from about $156 billion a couple of years ago to $256 billion, and it's on its way north to $300 billion in a short period of time. This is a debt tax.

Yes, you may have cut taxes in 2001 and 2003, but, because you have borrowed to make up for the loss of revenues and added to the debt of the United States, you, we, our children and their children, will be paying this debt for years to come, and compare this huge mountain of debt service, interest on the national debt, to other priorities.

Education, the light blue block; veterans health care, the green block; Homeland Security, the blue block, all of them are dwarfed by interest on the national debt. So here is the debt tax that you have left us owing, left our children owing, left generations to come owing.

This is the debt tax that will have to be paid because it simply cannot be cut. That's what we are struggling with today because of the fiscal management of this government over the last 6 years.

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

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 30 seconds to the gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. I want to thank Mr. RYAN.

There is a group of Democrats here who came to be fiscal conservatives. They call themselves the Blue Dogs. They have a budget reform plan, a good budget reform plan. Point 7 of the Blue Dogs 12-point budget reform plan calls for not hiding votes on the debt limit increase.

Yet a vote for this conference report is a vote to automatically raise, without a separate vote, the national debt by $850 billion. Where are the Blue Dogs today? They are not here on the floor talking for this. Where will they be when we have this vote?

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

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 2½ minutes to our distinguished minority whip, Mr. BLUNT.

Mr. BLUNT. I thank the gentleman for yielding.

Mr. Speaker, we will be talking about this budget for a long time. Everybody has their own view of this, but you can't have your own view of the facts. One of my good friends got up a minute ago and talked about the size of the deficit.

This budget is going to add $850 billion this year to the deficit. I think that's almost $1 trillion, though I am sure people who are listening to this here in the Chamber and anywhere else are confused now by all these numbers they are hearing. This budget, without a single other vote, adds to the national debt.

It raises the debt ceiling. In spite of the many Members in this Chamber who ran for office saying they would never try to hide this vote on the debt, that's exactly what this vote does today.

Entitlement reform, one of my other friends said, we hadn't passed a budget. Well, my friend, you can't have entitlement reform unless you pass a budget. You can't have reconciliation.

We cut the growth of the entitlement spending $40 billion in the last Congress. By definition, to do that, we had to have a budget. So somebody who suggested we hadn't had a budget also was the person who had some explanation as to why this budget doesn't do entitlement reform.

In fact, then we even make entitlement reform somehow the interest on the national debt. The programs that are growing out of control are the programs that this budget refuses to address.

Then the very interesting topic of tax cuts, tax policies in 2001 and 2003 that have produced record levels of income to the Federal Government; 2005, 14.5 percent more income than 2004; 2006, 11.8 percent, more income than 2005. These tax cuts grew the economy. That grew Federal income. If you raise the wrong taxes, you will reduce Federal income.

This whole budget debate, our friends in the majority have said, there is no tax increase in this budget. But suddenly, in the budget report, we are told that, well, we have accepted the Senate levels of tax increases, so we are only raising tax revenue by $217 billion for sure instead of $400 billion.

This is a huge tax increase. It doesn't deal with entitlements. It raises, without a vote, the national debt ceiling. I urge a ''no'' vote on this budget. Let's get a blueprint that really works for the future.

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

Mr. RYAN of Wisconsin. Mr. Speaker, may I inquire of the chairman, the gentleman from South Carolina, is he the last speaker on their side? You are reserving the right to close?

Mr. SPRATT. I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, may I inquire how much time is remaining on both sides?

The SPEAKER pro tempore. The gentleman from Wisconsin has 6½ minutes remaining. The gentleman from South Carolina has 4½ minutes remaining.

Mr. RYAN of Wisconsin. At this time I would like to yield 2 minutes to the distinguished chief minority whip from Virginia (Mr. CANTOR).

Mr. CANTOR. I thank the ranking member, Mr. RYAN.

Mr. Speaker and Members of the House, you know, when I sit here in almost astonishment and thinking, it's the fact that even though we are witnessing the massive tax hikes that are embedded in the Democrat budget, in fact, the largest tax increase in American history, what the majority's budget fails to do, it fails to stop the raid on Social Security.

In the year 2012, the Social Security fund will be running a surplus of $99 billion. As we know, the Federal Government has experience and has collected more in Social Security taxes than it pays out in benefits since 1984. Instead of using this money to shore up Social Security, instead of using it to do something to honor the contract that this government has made with the seniors, the Democrat budget spends that cash surplus on other programs.

What is astonishing is the fact that this very House, last week, in a vote on the Republican motion to recommit to stop the raid on Social Security, this House, in an overwhelmingly bipartisan vote, supported the end of that raid. But here we have the Democrat budget that goes back on that word represented by the bipartisan vote and starts again with the raid on Social Security surplus.

In contrast, the Republican budget that was offered several weeks ago does just the opposite, and, in fact, uses the surplus that will exist in 2012 to begin to shore up the Social Security system and to improve and enhance the vitality of that program for today's seniors.

Mr. Speaker, I strongly recommend a ''no'' vote on this conference budget report.

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

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 3½ minutes.

Mr. Speaker, let's just be really clear. You are hearing this debate about taxes. Nowhere is the difference between the two parties ever clear than it is right now. We brought a budget to the floor that not only did not raise taxes, it kept taxes low, and it reduced spending, and it balanced the budget, and it finally stopped the raid of the Social Security Trust Fund.

That's what we proposed. We are not in the majority. Our view did not prevail. The Democrat budget did prevail. What did that budget do? It passed the largest tax increase in American history. That's not what we say, that's what the Congressional Budget Office says, our scorekeepers.

So what did they do in conference? They decided to accede to the Senate and have a slightly smaller tax increase. They started off with the red line, largest tax increase in American history as measured by the Congressional Budget Office. No matter what you say, the numbers in the budget just don't lie.

Then they said, let's have a trigger. If we don't spend too much money, and if the surplus is big enough in 2010, then maybe some taxpayers could get some tax relief, and we won't raise all of their taxes. We will extend the marriage penalty and the child tax credit, 10 percent bracket, but will all the other tax increases occur? So we will have the second highest tax increase in American history.

That's what their proposal does. They simply cannot have it both ways. They cannot say there is no tax increase in this budget and then say we are preserving some of the tax cuts and not others. You can't have it both ways.

Here is what this budget does. It puts us on a vicious cycle of taxing and spending. They start off by spending $24 billion, next year, brand new spending.

Then they have a $217 billion tax increase. Then they have 23 reserve funds, 23 wish lists, which equal $190 billion in new spending. Then they have no entitlement reforms, which means our entitlement programs are going to grow and grow and grow at unsustainable rates. Guess what, $190 billion in wish lists, 23 new wish lists of spending. What do they get? If they get the spending, they get another $190 billion tax increase to pay for it, a vicious cycle of new spending.

The trigger tax says we would like to give some people some tax relief, but if we continue to whet our appetite, taxpayers won't get it. All this trigger says is it puts the taxpayer at the back of the line and the government and spending at the front of line. We have a different core set of values.

We believe the money that people make is their money, not the government's money. If you are making money, working hard and paying taxes, that's your money, not ours. We have a different set of beliefs. They believe the opposite. They believe that more and more and more money ought to come out of workers' paychecks. They believe that they can spend your money better than you can.

That is not what we believe. The reason that we don't believe it is because if you have more money in your paycheck, you have more for yourself and more freedom for your family, we know, by golly, the American economy grows. We succeed. We improve in the global economy.

We created 7 million new jobs since this last run of tax cuts. We increased revenues to the Federal Government from these lower tax raises, 3 years in a row, double digit revenue growth. Let's not turn that recipe upside down. Let's not ruin a good thing.

Defeat this budget.

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

Mr. RYAN of Wisconsin. Mr. Speaker, I yield the remainder of our time to the distinguished minority leader, Mr. BOEHNER.

Mr. BOEHNER. Mr. Speaker and my colleagues, here we go again, a higher spending, higher taxes, and people don't think there is a difference between the two major political parties. One only has to look at what's happened so far this year. We have the continuing resolution that was passed in February, there was $6 billion worth of excess spending in it.

Now we have got an emergency supplemental to fund our troops in Afghanistan and Iraq that has another $22 billion worth of excess spending in it. If you look at the discretionary spending levels in this budget for this next fiscal year, we have another $22 billion worth of additional spending that's outlined.

Now if that's not bad enough, we are only 4½ months into this calendar year, and my friends across the aisle have authorized an additional $62.5 billion of additional spending. How much spending and how many taxes do we want to impose on the American people?

We all know that the tax cuts of 2001 and the tax cuts of 2003 have led us to one of the most robust economies that we have seen in our history. Why? Because we lowered tax rates, we gave people reasons to invest in our economy. Jobs were created, 5 million new jobs were created, more people were earning money, raising their families, paying their bills, and, guess what else they are doing? They are also paying more in taxes.

□ 1530

That is why revenues to the Federal Government over the last 3 years have increased at over 12 percent per year. They are likely to do the same again this year if we don't impose upon this economy the largest tax increase in American history. It is coming. There is $200 billion worth of tax increases needed to fill this hole. There is this reserve fund, all these promises: If we can raise taxes somewhere, we will give you this extra spending. And so we are going to see the largest tax increase in our Nation's history once again.

I was listening to this debate earlier in my office and I began to ask myself, what is the essence of this? Let me go back to the 1970s.

I grew up in a household with 11 brothers and sisters; my dad owned a bar, and we were Democrats, all of us. And I remember starting a new business in 1975; I remember paying taxes. I remember not owing many taxes because I was starting a new business. But in 1978, as my small business was beginning to grow, the top tax rate in our country was 70 percent. That means 70 cents out of every dollar over that minimum, which was about $75,000, 70 cents of every dollar I got to give to the Federal Government. That is when I began to realize that maybe I wasn't a Democrat any longer.

Here I was trying to grow a small business; I was a subchapter S, so everything that my business made, I had to pay taxes on personally. That meant I could only leave 30 cents of every dollar in my business to help make it grow. And even under those tax rates that were suffocating, I was able to succeed.

But let's think about the last 25 years. When Ronald Reagan got elected in 1980, in 1981 in a bipartisan way we started a process of lowering tax rates. Over the last 25 years, by and large we have lowered tax rates dozens of times, only a couple of bumps, a couple increases along the way. The result of all of that over the last 25 years has been a growing economy. Better jobs in America, more jobs in America, and more revenues to the Federal Government. It is a prescription that has worked.

Look again at the 2003 and the 2001 tax cuts. We reduced tax rates, and the result was more investment, more jobs, and more revenue to the Federal Government.

Now, at some point there is a point of diminishing returns, but I will suggest to all of you that we are nowhere close to it yet.

Ladies and gentlemen, I became a Republican and I came to Congress because I thought that we paid too much in taxes and that government was too big. The heart and core of who I am and why I am here is to fight for a smaller, less costly, more accountable government here in Washington, D.C. This budget represents every reason that I decided to become a Republican, and every reason I decided to come to Washington and to do something about it.

The big difference is simple right here. My friends across the aisle believe that government knows best what to do with the American people's money. More of my colleagues on my side believe that the money that the American people earn is theirs, and that they can make better decisions on behalf of themselves and their family and their future if we allow them to keep more of the hard-earned money that they make.

I can't just sit back and be quiet about higher taxes and higher spending. This is the largest tax increase in American history. This will in fact disinvest money from our economy, will put people out of work, and put us on a path to higher deficits.

And if the largest tax increase in American history isn't the saddest part of this bill, I will tell you what it is: No entitlement reform.

There is an economic tsunami coming at us; it is Social Security, it is Medicare, and it is Medicaid. And while Republicans over the last years have made several attempts and made some changes, and I would argue not nearly as many changes as we should have, there is no entitlement reform in this bill. That means that the amount of debt that will build up over the next 5 years, as outlined in this budget, will far surpass the debt that accumulated over the last 5 years.

You all know what is happening. There is not a Member in this Chamber that doesn't understand that if we don't deal with entitlement our kids and our grandkids can never afford the benefits that we have promised ourselves. We can look the other way, we can act like it doesn't exist, but we have made promises to ourselves as baby boomers that our kids and grandkids can't afford. And yet, we see the tsunami coming at us, we can measure it; we can measure the speed and the size of it, and yet we do nothing about it.

My colleagues, this is not the direction that I believe we should go in. I would ask all my colleagues to stand up and do the right thing and to say ''no'' to this budget resolution.

Mr. SPRATT. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this is a good budget. I would be the first to say it is not a perfect budget, but I would be the first to argue that it is worthy of our support.

Indeed, I think it requires our support if we don't want to see the budget process fail abjectly once again, as it did last year under Republican control when no concurrent budget resolution was ever enacted, passed, and only two of 11 appropriation bills were passed.

The bottom line, this budget moves us to balance over the next 5 years. Along the way, it posts smaller deficits than the President proposes, it adheres to the pay-as-you-go principle, which is the rule of this House, contains no new mandatory spending that is not paid for, and it funds five program integrity initiatives to root out wasteful spending and fraud and tax evasion.

Within this framework, it does more for veterans health care, far more, more for children's health care, far

more, and more for education, lots more.

Here in a nutshell are the basics of the budget: This budget runs to surplus of $41 billion in the year 2012. Contrast that with the President's budget which is always in deficit. This budget not only abides by pay-as-you-go principles, it enhances them by establishing a new Senate PAYGO rule and calling for reinstatement of the statutory PAYGO rule as well. This budget does all of the above, I will say this emphatically one last time, does all of the above without raising taxes.

The tax cuts that were enacted in 2001 and 2003 remain in full force and effect, unaffected in any way by this budget resolution. As enacted and originally written, most of these tax cuts expire on December 31, 2010, and that has nothing to do with our budget resolution.

But in our budget resolution, we identified all of the middle income tax cuts, many of which we supported at the time passed, and we made it the policy of our resolution to extend these tax cuts when they expire.

In this concurrent resolution, we go even further. We install a trigger that will facilitate the extension of these tax cuts so long as, number one, the House waives PAYGO; and, number two, the tax cuts extended do not exceed 80 percent of the surplus projected by OMB by the year 2012.

This concurrent resolution in other respects sets defense spending levels that the President requested. Why is spending so high? It contains $145 billion in supplemental expenditures.

And let me say one thing about the argument one of the leaders of the other party made on the House floor just a few minutes ago about the amount of debt that is being added to the national debt. What we are talking about is taking a big battleship and turning it around slowly. We have inherited the basics of this budget. Much of the spending that we are carrying forward was dictated over the last 6 years. The same for the revenue flow of the budget we are undertaking. It is going to take time to turn this big battleship around. But as we do, the best we can do is, number one, have a concurrent budget resolution with the binding effect of budget law for the first time in a long time; and, secondly, this concurrent resolution which will put us back on the path to a balanced budget.

For those for whom a balanced budget is something of a moral imperative because of the debt we are leaving our children, the right vote today, the only vote today is the vote for this budget resolution, and I commend it to every Member of this House, Democrat and Republican, and urge their support.

Mr. CONYERS. Mr. Speaker, today is a historic day. After years of rising deficits and draconian Republican budgets, the vote on the Budget Conference Report finally puts us on the right course. The Democratic budget will take America in a new direction by funding national priorities such as health care services, educational programs, and veterans services while providing middle class tax assistance. The Democratic budget rejects the Administration's attempts to cut funding to many social programs that support American children and families such as State Children's Health Insurance Program (S–CHIP), Pell grants, Medicare, and Medicaid. This forward looking budget will help all Americans progress towards social and economic security.

The Democratic budget will also provide tax relief for middle-income workers and will extend popular tax credits such as the child tax credit, marriage penalty relief, and more deductions for state and local sales taxes.

After our troops have defended our great country, we need to give our servicemen and veterans the best possible health care. The budget provides sufficient funds to treat traumatic injuries and improve health care facilities for veterans, as well as to treat the more than twenty-six thousand service members who have been wounded in Iraq and Afghanistan. Funding measures to veterans healthcare is a well deserved and necessary expense providing $3.6 billion above the President's proposal.

Mr. Speaker, many Americans have economic concerns, and are seeking leadership from us, the people's House, the United States Congress. After six years of misplaced priorities, the Democratic budget resolution seeks to provide services and support that are essential to the well-being of the American people; millions who are hard working tax paying citizens that deserve some well justified and reasonable assistance. This legislation is clearly the people's budget.

Mr. HOLT. Mr. Speaker, a budget is a moral document that demonstrates our values and priorities. This budget Conference Report, brought to us by Chairman JOHN SPRATT represents values I can be proud of. This budget makes real investments in education, healthcare, housing and research and development while bringing the budget back to surplus by 2012.

At a time when more than ten percent of students drop out of high school before graduating and only four out of ten children eligible for Head Start are able to participate, this budget reverses the Administration's policy of under-investing in education for our children. The budget rejects the President's proposal to cut funding for the Department of Education by $1.5 billion below the 2007 enacted level and to eliminate 44 entire programs. It instead provides for substantial new investments in vital programs such as Head Start, special education (IDEA), Title I and other programs under the No Child Left Behind Act. The bill also funds an increase in Pell Grants so that high school students will know that if they work hard, they can go to college.

The budget rejects the President's proposal to cut funding for the Community Development Block Grant program by $1.1 billion below last year's level, and instead provides for the first CDBG increase since 2005. The cut advocated by the President would endanger job creation, economic development, and affordable housing efforts, cutting CDBGs for nearly 1,200 state and local governments.

This budget rejects the President's proposal to cut Child Care Development Block Grants and Social Services Block Grants by $520 million below the 2007 level. The President's budget would lead to a decline in valuable assistance for child care that allows many working parents to earn a living. The Conference Report would allow for the first increase in this funding since 2002.

Further, knowing that we now have more uninsured Americans than six years ago, this budget blocks the President's proposed cuts to Medicare and Medicaid. These cuts would have made healthcare less affordable and accessible for millions of Americans. This budget ensures that up to $50 billion over the next five years will be devoted to the State Children's Health Insurance Program (SCHIP) so that millions of uninsured children can be covered. New Jersey is a national leader in covering children through the SCHIP program and this additional funding is desperately needed to ensure our state's good work, and that of other states, can continue.

This budget reverses the President's dangerous cuts to our nation's first responders. What sense would it make to cut the Local Law Enforcement Terrorism Prevention program, Firefighter assistance grants, Byrne Justice Assistance Grants, or the Community Oriented Policing Services (COPS) program? Our budget stands up for first responders and ensures that each of the programs receives appropriate levels of funding.

Mr. Speaker, I commend Mr. SPRATT and the Budget Committee conferees for demonstrating that we can provide for our nation's defense in a responsible way—both fiscally and from a policy standpoint. This budget will provide $507 billion in Department of Defense budget authority, an $18 billion increase over the President's request. This budget also emphasizes the right priorities for meeting our security needs.

For example, this resolution opposes TRICARE fee increases and calls for a substantial increase in the veterans' health care system. The budget resolution notes the upcoming recommendations of the President's Commission on Care for America's Returning Wounded Warriors and other government investigations in connection with the Walter Reed scandal, and allows funds for action when those recommendations are received. To help protect our nation from a terrorist-sponsored nuclear attack, non-proliferation programs such as the Cooperative Threat Reduction program are given greater priority and higher funding.

This budget also helps us keep our promises to our nation's veterans. I'm pleased the committee has recommended increasing discretionary funding for the Department of Veterans Affairs from $36.5 billion to $43.1 billion—a $6.6 billion (18.1%) increase over FY07, and a $3.5 billion increase (8.9%) over the Administration request for FY08. This budget provides a far more realistic spending plan than the President's proposal. Our proposed increase in this area will help meet critical needs, including ensuring that medical inflation does not erode VA's ability to deliver quality health care to our veterans.

In order to maintain American competitiveness, we must make substantial investments in scientific research and education. The budget provides funding for initiatives to educate new scientists, engineers, and mathematicians in the next four years, and places more highly-qualified teachers in math and science K–12 classrooms. It makes critical investments in basic research, putting us on the

path to doubling funding for the National Science Foundation, and bolstering investments in research and development throughout the budget.

America's dependence on oil endangers our environment, our national security, and our economy. A sustained investment in research and development is crucial to creating cutting-edge technologies that allow us to develop clean, sustainable energy alternatives and capitalize on America's vast renewable natural resources. The budget provides increased funding for basic and applied energy research.

For the first time in 6 years, the Budget Resolution reflects a real commitment to protecting our most valuable natural resources by providing needed funding for our National Parks, the Land and Water Conservation Fund, and the national wildlife refuge system. H. Con. Res. 99 provides a total of $31.4 billion for environmental programs, which is $2.6 billion more than the President's request. I have been an advocate for the Land and Water Conservation Fund since I came to Congress eight years ago and I am pleased that we are finally at a place where the budget includes adequate funding for both the state-side grant program and the federal program. LWCF and the Forest Legacy program have done tremendous work in states across the country, including New Jersey, to protect open space, restore wetlands, and conserve forests lands. In the face of mounting evidence on the perilous state of our environment, it continues to amaze me why President Bush continues to turn a blind eye to our growing needs in this area. Finally, we have a budget that realizes how important this investment is to preserving our natural resources and promoting conservation.

This budget achieves all of these objectives and investments without an increase in taxes. The budget would accommodate immediate relief for the tens of millions of middle income households who would otherwise be subject to the Alternative Minimum Tax (AMT), while supporting the efforts of the Committee on Ways and Means to achieve permanent, revenue-neutral AMT reform. Unless the AMT is reformed, 19 million additional families will have to pay higher taxes in 2007. The budget would also accommodate extension of other middle-income tax relief provisions, consistent with the Pay-As-You-Go principle that include: the child tax credit, marriage penalty relief, the 10 percent bracket, and the deduction for state and local sales taxes.

The past 6 years of fiscal irresponsibility have caused America's national debt to increase by 50 percent, an amount of nearly $9 trillion, or $29,000 for every American. Our ability to invest in the Nation's shared priorities is constrained by the cost of the debt run up over the last 6 years, when the administration and its partners in previous Congresses turned the largest surplus in American history into a record debt. About 75 percent of America's new debt has been borrowed from foreign creditors such as China, making our fiscal integrity a matter of national security. Over the last 6 years, President Bush has borrowed more money from foreign nations than the previous 42 U.S. Presidents combined.

Mr. Speaker, this budget reflects values that we can all be proud of. It meets the basic needs of Americans, invests in priorities important to our future while putting us on the path to fiscal responsibility. I ask my colleagues to vote for the Budget Conference Report.

Mr. UDALL of Colorado. Mr. Speaker, I support this conference report because it will begin the process of changing our budgetary course. While it is not identical to the version passed by the House earlier this year, like that resolution it is clearly preferable to budgets adopted by the House in previous years.

For the 6 years before the convening of this 110th Congress, the administration and the Republican leadership insisted on speeding ahead with misguided fiscal and economic policies. Ignoring all warning lights, they plowed ahead, taking us from projections of surpluses to the reality budgets deep in deficit and heaping higher the mountain of debt that our children will have to repay.

Many of us said it was urgent to stop persisting in that error and voted for alternatives, including those proposed by the Blue Dog Caucus.

But year after year our Republican colleagues insisted on taking their marching orders from the White House, moving in lockstep to endorse the Bush administration's insistence that its economic and fiscal policies must continue without change.

I admired their discipline, but I could not support their insistence on driving us deeper into the swamp of fiscal irresponsibility that has left a debt burden of more than $30,000 for a typical middle-income family of four in Colorado.

But that was then—and now, in this new Congress under new management, by passing this conference report we can begin to undo the damage they have done. The conference report is better in its fiscal responsibility and in its priorities.

It follows the tough ''pay as you go'' budget rules to begin to reverse the budget deficits and to put us onto the path to a balanced budget. And under this plan, by 2012, domestic discretionary funding would fall to the lowest level, as a share of the economy, in at least a half century while spending as a percentage of GDP will be lower in 2012 than it has been in any budget adopted under President Bush—1 percent lower than it will be this year and lower than it has been in any year since 2001.

Despite assertion by its critics, the conference report does not include any tax increases. To the contrary, it supports tax relief that would benefit the middle class—including extension of the child tax credit, 10 percent bracket, and marriage penalty relief—and provides for estate tax reform.

And it provides for immediate Alternative Minimum Tax relief, preventing more than 20 million middle-class taxpayers from being hit by the tax. This is important because while in 2004 only 32,000 Colorado families were subject to the AMT, if nothing is done, this year that number will rise to 234,000 families in Colorado and hundreds of thousands more in other States.

At the same time, it takes steps to crack down on wasteful or fraudulent spending in Social Security, Medicare, and Unemployment Insurance programs and it supports actions to collect unpaid taxes as well as providing additional resources to reduce claims backlogs in the Veterans Administration, Social Security Administration, and other agencies.

Further, it directs House committees to identify wasteful and lower priority spending that can be cut. As a member of the Armed Services Committee, I am particularly glad to note that the conference report is also realistic and responsible about the need to maintain our national defense and honor our promises to our troops and veterans.

In addition to meeting the needs of the active-duty force, it allows for increasing funding for veterans' health care and services by $6.7 billion above the 2007 enacted level, and $3.6 billion above the President's budget.

This is a priority for me, because it will help ensure that the 427,957 veterans in Colorado receive care worthy of their sacrifice. It is also critical for the 17,419 Coloradans, who have served their country in Afghanistan and Iraq since September 2001, many of whom will need VA health care services.

It also provides more funding for urgent homeland security needs and to implement the 9/11 Commission recommendations. In doing so, it rejects cuts to vital first responder and terrorism prevention programs that would happen if we adopted the President's budget for fiscal 2008.

Like the House-passed version, it recognizes the importance of research, development, and education in keeping our economy strong and our country secure. As a member of the Science and Technology Committee and chairman of its Subcommittee on Space and Aeronautics, I am particularly supportive of it for that reason—and as one of the Chairs of the Renewable Energy and Energy Efficiency Caucus, I welcome its support for research and development of renewable and alternative energy technologies.

As for education, the conference report allows for substantially more funding for helping Colorado's public elementary, middle and high schools educate the 768,600 children now enrolled, with more resources to implement the No Child Left Behind Act, special education and Head Start. By contrast, if we followed the President's budget, 31,296 Colorado children would not receive promised help in reading and math and the Head Start program—which serves 9,820 Colorado children—would be cut by 1.5 percent below the 2007 level.

These investments to a growing economy for America's families are needed because, according to the Census Bureau, family income in Colorado has dropped by $4,041 since 2000, while health care and energy prices are climbing. But still more is needed.

So, I am glad that the conference report provides for increasing funding for State Children's Health Insurance Program (SCHIP)—to help cover the 176,230 of Colorado's children who do not have health insurance. And because it is so important for Colorado's ranchers, farmers, and rural communities, I strongly support the part of the conference report that supports policies to strengthen the farm bill's economic benefits.

Mr. Speaker, I can understand why the Bush Administration does not like this conference report. After all, it rejects the Administration's misguided priorities. But it's disappointing that so many of our Republican colleagues still are so willing to unquestioningly follow the President's lead. And, while I suppose it's to be expected, it's particularly unfortunate that they have decided to attack this conference report by resorting to recycling the old, tired and false claim that it is ''the largest tax increase in history.''

But the facts are otherwise. The conference report does not affect the top-heavy tax cuts

the Bush administration and the Republican leadership pushed through since 2001—they remain in place as they stand, which means they will not expire for 4 years.

I did not vote for all of those tax cuts, but I did support some that are most important for middle-income Coloradans. So, I am glad that the conference report provides for extensions of those in 2011, including an extension of the child tax credit, marriage penalty relief, and the ten percent individual income tax bracket. And when the rest of the tax cuts come up for reconsideration, Congress can and should consider whether to extend them, as they are now or in modified form.

I support that approach, which is quite different from the alternative approach that would have been taken by the Republican alternative that the House rightly rejected earlier this year. It would have insisted on locking in all of the Bush tax cuts—the ones I did not support as well as those I did—and would have put top priority on making them all permanent.

I did like some things in the Republican alternative—including a constitutionally-sound line-item veto similar to my Stimulating Leadership in Cutting Expenditures (''SLICE'') legislation—but overall I thought it was not a responsible approach and I could not support it, just as I could not support the other alternatives debated in the House.

Regarding one of those alternatives, in reviewing the formal record of rollcall 209, the vote on the Kilpatrick substitute, I found I am recorded as having voted ''yes.'' However, I had intended to vote ''no,'' and my recollection is that I did vote ''no.''

Unlike all those alternatives, and like the resolution passed by the House, this conference report is well balanced in its combination of fiscal responsibility and refocusing priorities. I will support it and I urge its approval by the House.

Mr. FOSSELLA. Mr. Speaker, I rise today in opposition to this budget, which significantly raises taxes on the American people. The Conference Report represents an enormous tax increase on hard-working American families—families that cannot afford to send more of their money for politicians and bureaucrats to spend.

My staff analyzed the original House budget resolution and determined that it would cost an average family on Staten Island or Brooklyn nearly $4,000 more a year in Federal taxes. My friends across the aisle hail this resolution because they say it raises taxes less than the budget Resolution—as if that is an achievement to be proud of. The simple truth is that this Budget still raises taxes when we should instead be working to reduce them.

In fact, the reduced tax increase is only achieved if certain triggers are hit—triggers that are based on projected surpluses. But you don't need a degree in economics to know that surpluses will only be hit by restraining spending, which this Resolution most certainly does not do.

How are we supposed to have a surplus large enough to avoid raising taxes when this Resolution does nothing to reign in spending—and also includes hundreds of billions of dollars in new spending without proper offsets? The math does not add up.

I cannot support a budget resolution that will ultimately cost families on Staten Island and Brooklyn $4,000 more every year in Federal taxes or a New York City Police Officer $1,300 more, a New York City public school teacher $1,500 more, and a New York City Firefighter $2,000 more.

The other side claims to support a ''Pay As You Go'' system when, in reality, this budget Resolution amounts to ''Buy Now, Pay $400 Billion More in Taxes Later.''

I urge my colleagues to vote against what is one of the largest tax increases—if not the largest tax increase—in American history.

The SPEAKER pro tempore. All time for debate has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 214, nays 209, not voting 10, as follows:

[Roll No. 377]

YEAS—214

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Ellison
Emanuel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stupak
Sutton
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—209

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boren
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly
Doolittle
Drake
Dreier
Duncan
Ehlers
Ellsworth
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
Matheson
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)
Murphy, Patrick
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Taylor
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—10

Baird
Cubin
Davis, Jo Ann
Engel
Harman
Jones (OH)
Lewis (KY)
McMorris Rodgers
Shays
Stark

□ 1601

Mr. GOHMERT and Mrs. BACHMANN changed their vote from ''yea'' to ''nay.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

EXPRESSING APPRECIATION TO COMMITTEE ON THE BUDGET STAFF

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

Mr. SPRATT. Mr. Speaker, I speak for myself, as the chairman of the Budget Committee, and for Mr. RYAN, as the ranking member, expressing our appreciation to our staff, who have done a marvelous job on both sides of the aisle in working together on this budget resolution that ultimately prevailed today.

I place into the RECORD the names of the staffers who have been key participants in the effort on our side of the aisle.

HOUSE BUDGET COMMITTEE STAFF

Tom Kahn
Sarah Abernathy
Ellen Balis
Arthur Burris
Linda Bywaters
Barbara Chow
Marsha Douglas
Stephen Elmore
Chuck Fant
Jose Guillen
Jennifer Hanson-Kilbride
Chris Long
Sheila McDowell
Richard Magee
Diana Meredith
Mark Middaugh
Gail Millar
Morna Miller
Namrata Mujumdar
Ifeoma Okwuje
Kimberly Overbeek
Kitty Richards
Diane Rogers
Scott Russell
Nicole Silver
Naomi Stem
Meaghan Strickland
Lisa Venus
Greg Waring
Andrea Weathers
Jason Weller

LEADERSHIP STAFF

Ed Lorenzen
Wendell Primus

PERMISSION TO REDUCE TIME FOR ELECTRONIC VOTING DURING CONSIDERATION OF H.R. 1427, FEDERAL HOUSING FINANCE REFORM ACT OF 2007

Mr. SPRATT. Mr. Speaker, I ask unanimous consent that, during consideration of H.R. 1427, pursuant to House Resolution 404, the Chair may reduce to 2 minutes the minimum time for electronic voting under clause 6 of rule XVIII and clauses 8 and 9 of rule XX.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

GENERAL LEAVE

Mr. FRANK of Massachusetts. 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. 1427 and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FEDERAL HOUSING FINANCE REFORM ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 404 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. 1427.

□ 1608

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. 1427) to reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes, with Mr. ROSS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to begin by again asking the indulgence of the House for my less than usual sartorial splendor, but the cast on my left arm would misalign my jacket, and I wouldn't want to wear a suit unless I could do it full justice. So I am wearing a sweater that Mr. ROGERS no longer needs.

The bill before us today is a version of a bill that came before this House in October of 2005 after a lot of work by the former chairman, the gentleman from Ohio (Mr. OXLEY), and many of us now on the committee. That bill passed the House by a vote of 331–90. Many of those who voted in opposition, myself included, were motivated to it by a specific provision regarding the affordable housing fund that is no longer in the bill.

Mr. Chairman, the bill has two major components. First, it significantly increases the strength of the regulator of the two major Federal housing government-sponsored enterprises, Fannie Mae and Freddie Mac. It also deals with the Federal Home Loan System. That was seen as less in need of drastic change. There is, in fact, less change there. There will be an amendment regarding that offered by the gentleman from Pennsylvania (Mr. KANJORSKI), which I strongly support, to increase public participation in that system. But this is a bill fundamentally about Fannie Mae and Freddie Mac.

There is general agreement among a wide range of parties that this bill, building on the bill that Mr. OXLEY brought to the floor, does do what needs to be done in creating a strong regulator. There are some controversial elements here, but very few deal with the powers of the regulator that we have set up. And I am pleased that the Treasury Department, Under Secretary Paulson and Under Secretary Steel, has agreed. In fact, this is a bill which, with regard to regulation and the regulator, is a little bit stronger than the one we passed a few years ago. We had some negotiations. They were useful, and we have a fully empowered regulator here, independently funded and empowered to do whatever needs to be done to deal with any safety and soundness issues that arise from Fannie Mae and Freddie Mac.

The most controversial areas of the bill involve a provision that was also in the bill when it last passed, and that is an affordable housing fund. A number of people have argued over the years that Fannie Mae and Freddie Mac receive from the Federal Government advantages which help them borrow money cheaply in the market, and that is true. There is a connection between Fannie Mae and Freddie Mac and the Federal Government. Those who borrow that money thinking that the Federal Government guarantees it are wrong. There is no Federal guarantee implicit, explicit, or any other way. But it is the case that the market does see these entities in a very favorable light and lends them money at a somewhat lower rate than other entities can borrow. The reason for its having been set up that way was to try to help housing, especially home ownership because these entities buy the mortgages and help bring down the cost of mortgages, but they have also been given for years goals by the law where they are particularly to help lower income housing.

Now, a number of people have argued over the years that Fannie Mae and Freddie Mac's shareholders, and in the past some of their executives, received too large a share of those benefits. The argument was, with some accuracy, that Fannie Mae and Freddie Mac benefited very much and not enough of that reached the public.

There are two ways you could deal with that. You could reduce the benefits that Fannie Mae and Freddie Mac get. Some people have advocated that. Alternatively, you could do what this bill does: leave the existing situation which provides some benefits to them but increase the share of those benefits that go for public purposes. We do that in two ways in this bill: First of all, and this does not appear to be terribly controversial, Fannie Mae and Freddie Mac have statutorily imposed goals. Some people have said these are private corporations and you shouldn't tell them what to do. Well, we have been doing that for a very long time. They are told that they must, in purchasing mortgages in the secondary market, make certain purchases that

help certain goals, low income housing, et cetera. We increase those goals. Secretary Jackson at HUD had been critical of them for not doing enough. We increase both the mechanism by which they held to those goals and the goals themselves.

□ 1615

But the newly controversial element to this is the Affordable Housing Fund. I say newly controversial because an affordable housing fund virtually identical to this one, financed through a different formula, but essentially the same in the amount of money and in the function, was in the bill that passed the House in October of 2005. At that time, the Republicans in the House voted for it 209–15. Now Members having once had an opinion are not required to hold it forever. But I do note that in October of 2005, 209 Republicans voted for the bill that had an affordable housing fund. Now that the fund has been, in the minds of some, transmogrified into all kinds of things which it is not. In economic terms, it very likely reduces the return, not by a huge amount, to Fannie and Freddie shareholders. Some have argued that it is going to raise the cost of mortgages. But ironically, many of those who argued that this will raise the cost of mortgages have supported even greater restrictions on Fannie Mae and Freddie Mac, particularly by limiting their portfolios, which would have many, many times greater impact on Fannie Mae and Freddie Mac's profitability, and therefore, their ability to help mortgages, than the Affordable Housing Fund.

The affordable housing fund takes some of the profit that Fannie and Freddie make, arguably a part of what they get from their Federal benefits, and said that it will be used for the construction of affordable housing. We have a serious crisis in America and a lack of affordable housing. We have been dealing with this for years by vouchers. Vouchers add to the demand for housing, but an annual voucher cannot create new housing, it does not add to the supply. We have a mechanism here where, without impinging on the Federal budget, without adding a penny to the deficit, in an entirely self-paid way, we take some money from Fannie and Freddie which reflects some of the benefit they get from their Federal arrangements and we recycle it into affordable housing. In the first year, all of that money, maybe $500 million, will go to Louisiana and Mississippi under this bill to replace the severe destruction of housing that has not yet been replaced a year and a half after the terrible hurricanes there.

For the future, the bill says it should be used for affordable housing annually, but leads to a later decision by this House and the Senate, I say optimistically, hoping we can get a decision from the Senate, and then to be signed by the President as to how to further distribute it. It creates the concept of an affordable housing fund. But we had in our committee various arguments. Some people wanted it to go through HUD, some through the State housing agencies. I believe that is a decision that we should make collectively, first in our committee, and then on the floor.

But we are not here doing anything other than saying the money will be available for a subsequent decision by the House that it will be spent. We do say that it has to be spent for housing, for bricks and mortar.

And there are going to be amendments that are going to be offered, let me say we tried to put safeguards in here against abuse. There are several amendments being offered, the minority whip has one, the gentleman from Texas, Mr. MCCAUL, has one, and some others have amendments, that will further tighten the constraints on this fund. I intend to argue for the acceptance of several of those amendments, at least three, that further tighten up the use of the fund. And I believe we will have accomplished that.

The question then will be, given that Fannie and Freddie get great benefits from the Federal Government, given that we have a housing shortage and a budget crunch in this country, does it make sense to take several hundred million dollars of the profits of Fannie and Freddie, which are enhanced by their Federal regulations and rules, and make them available for affordable housing? I believe the answer should be yes.

Virtually every entity involved with housing in America, from low-income housing advocates to the nonprofit and religious groups that help build housing, to the home builders and the realtors and the mortgage bankers, all support the notion of beginning to get the Federal Government back in the business of trying to do some affordable housing.

I hope that we can go forward with the bill. I do note we had 36 amendments; a couple I believe will be ruled nongermane. Nine or 10 I hope will be accepted without any controversy, including about five from each party. I did note that many of the others, about 18 of the others, are various ways of accomplishing three essential goals, making sure that illegal immigrants don't get the housing, either abolishing the fund altogether or restricting it.

I would hope that we could work out among ourselves some kind of representational thing so that we don't have to vote on all 18 amendments, many of which are duplicative of the others. And if we are able to work that out, I believe we will be able to get the bill through.

There is an important decision to be made about affordable housing. I believe many of the other issues the House previously voted on, I don't think there's a lot of controversy. We do have an important, legitimate, philosophic discussion about affordable housing. I am hoping that between us, we can structure things so we will have a couple of strong votes on that and we can send the bill forward.

Mr. Chairman, I submit the following correspondence:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, April 25, 2007.

Hon. BARNEY FRANK,
Chairman, Financial Services Committee, Rayburn House Office Building, Washington, DC.

DEAR BARNEY, I am writing regarding H.R. 1427, the Federal Housing Reform Act of 2007, which was reported to the House by the Committee on Financial Services on Wednesday, March 28, 2007.

As you know, a provision within section 144 of H.R. 1427 would provide an exemption for a limited-life enterprise from Federal taxes, an authority which falls within the jurisdiction of the Committee on Ways and Means. The Ways and Means Committee has jurisdiction over all matters concerning taxes and the Internal Revenue Code of 1986.

In order to expedite this legislation for floor consideration, the Committee will forgo action on this bill, and will not oppose the inclusion of tax provisions within H.R. 1427. This is being done with the understanding that it does not in any way prejudice the Committee or its jurisdictional prerogatives on this or similar legislation in the future.

I would appreciate your response to this letter, confirming this understanding with respect to H.R. 1427, and would ask that a copy of our exchange of letters on this matter be included in the Record.

Sincerely,

CHARLES B. RANGEL,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, April 25, 2007.

Hon. CHARLES B. RANGEL,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHARLIE: Thank you for your letter concerning H.R. 1427, the ''Federal Housing Finance Reform Act of 2007''. This bill was ordered reported by the Committee on Financial Services last month. It is my expectation that this bill will be scheduled for floor consideration in the near future.

I acknowledge your committee's interest in a provision contained in section 144 of the bill which would provide an exemption for a limited-life enterprise from Federal taxes. Such matters concerning Federal taxation fall under the jurisdiction of the Committee on Ways and Means. However, I appreciate your willingness to forego action on H.R. 1427 in order to allow the bill to come to the floor expeditiously. I agree that your decision to forego further action on this bill will not prejudice the Committee on Ways and Means with respect to its jurisdictional prerogatives on this or similar legislation.

I will include this exchange of correspondence in the committee report and in Congressional Record when this bill is considered by the House. Thank you again for your assistance.

Sincerely,

BARNEY FRANK,
Chairman.

HOUSE OF REPRESENTATIVES, COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC, April 27, 2007.

Hon. BARNEY FRANK,
Chairman, Committee on Financial Services, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN FRANK: I am writing about H.R. 1427, the Federal Housing Financing Reform Act of 2007, which the Committee on Financial Services ordered reported to the House on March 29, 2007.

I appreciate your effort to consult with the Committee on Oversight and Government Reform regarding those provisions of H.R. 1427 that fall within the Oversight Committee's jurisdiction. These provisions involve the federal civil service and the Freedom of Information Act.

In the interest of expediting consideration of H.R. 1427, the Oversight Committee will not request a sequential referral of this bill. I would, however, request your support for the appointment of conferees from the Oversight Committee should H.R. 1427 or a similar Senate bill be considered in conference with the Senate.

This letter should not be construed as a waiver of the Oversight Committee's legislative jurisdiction over subjects addressed in H.R. 1427 that fall within the jurisdiction of the Oversight Committee.

Finally, I request that you include our exchange of letters on this matter in the Financial Services Committee Report on H.R. 1427 and in the Congressional Record during consideration of this legislation on the House floor.

Thank you for your attention to these matters.

Sincerely,

HENRY A. WAXMAN,
Chairman.

COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, April 27, 2007.

Hon. HENRY WAXMAN,
Chairman, Committee on Oversight and Government Reform, House of Representatives, Washington, DC.

DEAR CHAIRMAN WAXMAN: Thank you for your letter concerning H.R. 1427, the ''Federal Housing Finance Reform Act of 2007,'' which the Committee on Financial Services has ordered reported. This bill will be considered by the House shortly.

I want to confirm our mutual understanding with respect to the consideration of this bill. I acknowledge that portions of the bill as reported fall within the jurisdiction of the Committee on Oversight and Government Reform and I appreciate your cooperation in moving the bill to the House floor expeditiously. I further agree that your decision to not to proceed on this bill will not prejudice the Committee on Oversight and Government Reform with respect to its prerogatives on this or similar legislation. I would support your request for conferees on those provisions within your jurisdiction in the event of a House-Senate conference.

I will include a copy of this letter and your response in the Congressional Record and in the Committee on Financial Services report on the bill. Thank you again for your assistance.

BARNEY FRANK,
Chairman.

COMMITTEE ON THE JUDICIARY,
Washington, DC, May 16, 2007.

Hon. BARNEY FRANK,
Chairman, Committee on Financial Services, Washington, DC.

DEAR MR. CHAIRMAN: This is to advise you that the Committee on the Judiciary has now had an opportunity to review the provisions in H.R. 1427, the Federal Housing Finance Reform Act of 2007, as approved by your Committee, that fall within our Rule X jurisdiction. I appreciate your consulting with us on those provisions. The Judiciary Committee has no objection to your including them in the bill for consideration on the House floor, and to expedite that consideration is willing to waive sequential referral, with the understanding that we do not thereby waive any future jurisdictional claim over those provisions or their subject matters.

In the event a House-Senate conference on this or similar legislation is convened, the Judiciary Committee reserves the right to request an appropriate number of conferees to address any concerns with these or similar provisions that may arise in conference.

Please place this letter into the Congressional Record during consideration of the measure on the House floor. Thank you for the cooperative spirit in which you have worked regarding this matter and others between our committees.

Sincerely,

JOHN CONYERS, Jr.,
Chairman.

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

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

Mr. Chairman, first let me thank the chairman of the Financial Services Committee, Mr. FRANK, for his openness throughout this whole process. We have engaged in committee, in both hearings and in markup, in quite a long discussion. On most occasions, we came together; there was a consensus. And that's good. On other issues in this legislation we parted company, we had disagreements. That was the bad. There were one or two occasions where we had strong disagreements. Let's first talk about the things we agree as a body, both Republicans and Democrats.

I think we all agree that the government-sponsored entities, Fannie Mae, Freddie Mac, Federal home loan banks, that they play an important role in the American economy, and more importantly and more specifically, in homeownership.

Homeownership in America is at an all-time high. You go to any country in the world and homeownership rates come nowhere near what they are in America. I think it was the legislation that this Congress, many, many years ago, passed in setting up these GSEs that has resulted in more affordable housing, readily available opportunities to own a home and realize the American Dream.

Now, in recent years, the growth of our government-sponsored entities has been astounding. In fact, let me give you three figures. And if you hear nothing else that I say out here today in support of establishing a strong independent regulator over these entities, it is this fact: Fannie Mae and Freddie Mac, excluding the Federal home loan banks, but those two entities hold $3 trillion worth of debt. When you add mortgage base security obligations, it is $5.2 trillion. Now, you may say well, what is $5.2 trillion? I can't visualize that. And I don't know any of us that could get our arms around that. I'm not sure any of us appreciate how big that is. But let me compare it to the public debt held by the U.S. Treasury. The entire public debt of the U.S. treasure is $4.9 billion. In other words, the debt of Fannie Mae and Freddie Mac is greater than the debt of the U.S. Treasury. That is an astounding number.

We came together, both in 2005 and again this year, and we said we must establish a strong, independent regulator with power to make changes and oversight, and if necessary, forbid it to ever be the case that these entities became illiquid, to step in and prevent what would be, in either occasion, a devastating blow to the U.S. economy.

In 2005, we brought a bill to the floor and we passed a bill establishing a small regulator. Now, the chairman has pointed out that this is almost the same bill that we had in 2005, yet many Republicans who are going to vote no today voted yes then. That appears to be a contradiction. He has pointed that out. The lady from California has mentioned 2 years ago I was in support of the bill that came out of this floor. I voted to send it to the Senate. They pointed out earlier today, in debate on the rule, that the gentleman from Texas (Mr. SESSIONS), he voted for the bill, now he is voting against the bill. There are differences.

Now, the gentleman from Massachusetts says there are no differences. If you are voting against the bill today, why did you vote for it 2 years ago? He asked that question a few minutes ago. Why did we? Why did we vote for it 2 years ago and vote against it today? Different circumstances.

Two years ago, I will remind the chairman, the gentleman from Massachusetts, the gentlelady from California, the ranking member of the subcommittee, the gentleman sitting there from Texas, Mr. GREEN, Mrs. MALONEY, who is here, the gentlelady from New York, they have all said why in the world are you changing your vote? Well, let me say to the entire body, there is a change in circumstances. And let me offer this as proof.

Two years ago, this was ''the same bill.'' The chairman, the gentleman from Massachusetts, voted against the bill 2 years ago. The gentlelady from California, who says why are you changing your position, she voted against the bill 2 years ago. The gentleman from Texas voted against the bill. The gentlewoman from New York voted against the bill. Let me tell you what some of those circumstances are.

Let me say this to the gentleman: This bill, in many respects, is better than the bill 2 years ago, and we need to pass this bill. And I predict, the gentleman from Massachusetts, the gentlelady, the subcommittee chair from California, this bill is going to go to the Senate. But we do have objections to this bill, and we are going to protest those objections by voting against the bill.

Two years ago, this is exactly, when you all were in the minority, the reason you voted against it. You voted against it. It's not the same bill.

Now, what is it that we find uncomfortable about this bill? It is not that we are establishing a strong regulator. It's that we are doing things that run contradictory, counter to what we are trying to do here today. And what are we trying to do? We are trying to assure the safety and the soundness of Fannie Mae and Freddie Mac. We are also trying to make them more independent and not beholding on the government. We are saying, quote, this implicit guarantee that the government will stand behind the GSEs, that we are going to establish an independent regulator and we are going to try to move in a direction where they are more independent and they function more like a private corporation, which was as originally conceived. But then, right in the midst of saying that, we established additional costs on Fannie and Freddie. And they are opposed to that, they are opposed to the additional costs.

We say we are going to make them sounder, more independent, more stable, and then we put on them an obligation of $3 billion, a cost. We say that we are going to take this occasion, the reason for this bill is because we are going to establish a strong regulator. We are going to do that to make them safer. And yet at the same time you say, we're going to increase their costs by $3 billion over the next 5 years.

□ 1630

We are going to make them pay a part of their profits into a fund.

Yes, let me say this: There is a problem in our country, a problem of the lowest income Americans, and I have said this, I have said this in committee, I will say it on the floor of the House; probably the group of Americans most in need of shelter are the lowest income Americans. And they, and the chairman and I are in agreement on this, are the ones who need affordable rental properties. We need to do something about that. We need to address that. We have presently 50 or 60 housing programs, and part of their responsibility is to address that need.

Now, what we ought to do before we establish yet another Affordable Housing Fund, we ought to see why the 50 or 60 that we have that are spending hundreds of billions of dollars, why they are not meeting this need, why money is being wasted, why there is still an unacceptable amount of fraud. Why don't we clean up and make more effective and efficient those housing programs that address those needs, instead of turning around and creating yet another housing program?

Not only do we address a goal that we have 50 or 60 other Federal programs which are supposed to address this, but how do we address it? First, we talk about how important the financial stability of the GSEs are, but yet we say that over the next 5 years we are going to make you pay $3 billion, $500 million a year, into yet another Federal housing program.

Then we do something else, because there is a chain reaction. Where does this money come from? Well, it comes from middle and low income American homeowners that Fannie Mae and Freddie Mac are holding their mortgages or mortgage-backed securities. So where do Fannie and Freddie get that money? Because they don't print money. Well, they will have to get it from only one place, and that is their customers, their clients. That is every low and middle income American that takes out a mortgage. They will pay into this fund.

Now, who won't pay into this fund? Upper class Americans, and many upper-middle class Americans, they won't. There will be no obligation on their part on this $3 billion. In fact, what is the mission of Fannie and Freddie? It is to promote affordable housing for low and middle income Americans. And yet those are the very Americans that you are going to make it not quite as affordable for, because you create a $3 billion obligation.

Mr. BLUNT, the gentleman from Missouri, calls it a tax on middle class Americans. Now, I would say it is not a tax on all middle class Americans, it is a tax on middle class American homeowners, and he has said that. But we probably should, in fairness, include the low income Americans who will pay into this fund. We probably ought to include them.

Because we are establishing a $3 billion obligation, on behalf of American homeowners, low and middle income, we are going to offer an amendment to take out what is really an extraneous provision in this bill, and that is a bill to create yet another Federal Affordable Housing Fund.

We are going to do a second thing. We are going to offer amendments that say if there are benefits to this Affordable Housing Fund, and if it does pass, it ought to inure to the benefit of American citizens, those who live in America and who are citizens of America. There will be four or five amendments to do that.

We are going to oppose this fund. We are going to lose later tonight when the vote is taken. It will move over to the Senate, and, if it passes the Senate, there will be another $3 billion Federal housing program.

We are particularly concerned about, because when the FHA bill came up 3 weeks after this bill came up and we created in committee a $3 billion new Federal housing program, we raised FHA fees and we created another placeholder in that bill that will move out here, we created another Federal housing program to add to the tens of programs we have, or maybe it is over 100 programs. I am not sure. I have quit counting.

But in every bill that we bring out of the Financial Services Committee, are we going to establish a new multi-billion dollar plan to help low income Americans with affordable housing? And if we do, if we do, are we going to raise the cost to low and middle income Americans to purchase a home, the cost of that mortgage? Or are we going to increase their FHA fees when they do use and utilize FHA, have an FHA-backed mortgage?

What we said in committee during this whole subprime situation, and I will say the chairman and I tried to address that last year, and I really wish we had, we both have seen this coming for a long time. He and I are both happy that the regulators have started moving, and we will just see if that is enough.

But with all these problems in subprime lending and a reduction in liquidity in the mortgage market, we have said many times people are going to need to avail themselves of the FHA. But yet, just like we did in this bill, we increase the cost to those homeowners. It simply does not make sense.

Now, the chairman from Massachusetts says, oh, no, we are not increasing the cost to those who avail themselves of an FHA mortgage. We are not increasing the cost for the tens of millions of Americans who depend on Fannie and Freddie to reduce the cost of their mortgage. We are not getting it from them. We are getting it from Fannie. We are getting it from Freddie. We are getting it from the FHA.

Where do they get their money? They get it all from the homeowners. They don't get it from the Treasury. They get it from the homeowners, and these are the people we are going to tax when we pass this bill today.

So we are opposed to this bill. We are protesting the inclusion in this bill of yet another Federal housing assistance program, and we are taxing low and middle income Americans.

Now, in fairness to the chairman, a lot of this money will go to Louisiana and Mississippi over the first 2 or 3 years. In fact, because of that, there were Republicans, particularly 2 years ago, that rushed into helping on this bill because a lot of it was going to Katrina. But just 3 months ago we passed a massive bill in this House in Katrina relief. We agreed on the number it would take and we passed it.

Yet, here we go again with more money for Katrina, if we need more money for Katrina relief, and that relief is going to go into 2009 now, we are going to pay for years in the future for people who are displaced by that to continue to have shelter. We keep saying, well, 6 more months. Then we extend it another 6 months and another 6 months. And here we go again. Three months ago we passed what we said would probably be an amount we pretty much all agreed on, I thought, for Katrina relief. But yet here we go again.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I am disappointed frankly at a number of inaccuracies in my colleague's statement. In the first place, with regard to Katrina, the bill that we passed had zero money for new construction, and if he will go back, he apparently forgot, he will see we constantly said during the Katrina bill that we intended to provide the new housing construction money through this bill.

His assertion that there is some duplication could not be more wrong. We were very clear then. The Katrina bill dealt with vouchers. It had one 4,500-unit section with regard to some project vouchers. But throughout the Katrina bill, it was clear that it was a two-step process. This was the second step. There is zero duplication. Nothing in that Katrina bill did any significant increase in housing construction.

Secondly, he notes that I and the gentleman from California and the others voted against the bill last time, as I said earlier today, for one specific reason. The Rules Committee, over the objection of the Committee on Financial Services at that time, injected into the housing fund amendments that would have kept the Catholic Church and the Methodists and all the other religious organizations that were interested in building housing from participating.

We had one very specific objection. At that time the fund was going to be administered directly by Fannie and Freddie. There was a fear that they would use it politically. So one specific amendment was put in by the Rules Committee, we weren't even allowed to vote on it on the floor, and it would have restricted religious groups from participating. For that reason only, we voted against the bill. Since this does not allow Fannie and Freddie to spend the funds, that is out there. That is why we are being perfectly consistent in now voting for it.

The gentleman from Alabama, everything he said about the housing fund was in the bill he and 208 other Republicans voted for in 2005. Every single thing.

The gentleman has told me that he is philosophically opposed to the Housing Trust Fund. Then why did they all vote for it, those who share that opposition, 2 years ago?

The final thing, the gentleman from Illinois is here. The gentleman from Alabama inaccurately said we were raising FHA fees. In fact, the FHA under the Bush administration asked us to raise fees. Last year, the House passed a bill that would have allowed them to raise fees. The gentleman from California and I objected to some of those increases. Our bill restricts the FHA's ability to raise fees above what they wanted. In fact, what we got was an amendment at that markup from the gentleman from Illinois substituting last year's bill that most of the Republicans voted for. That would have allowed the FHA to raise fees far more than us.

So I don't understand how the gentleman from Alabama, who voted with the gentleman from Illinois to allow the FHA to raise fees further now blames us when we passed a bill that would have restricted their ability to raise fees above what they wanted. Maybe people got to go back and look at what they voted for and look at what they offered. The staff will have time. We have time to do that.

Mr. Chairman, I yield 3 minutes to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I rise in support of this legislation, and I commend the chairman for the work that he has done, the leadership he has provided and the hard work of the Members of this committee to get this bill to the floor.

There are no great issues that separate us on this bill. We have worked out all of those issues. We all agree there should be stronger oversight. We all agree that we had to get rid of OFHEO, we had to have a stronger agency. We were all concerned about the tremendous debt of the GSEs. So that is all behind us. There is only one thing that separates us, and that is the Housing Trust Fund, and that is philosophical.

We believe that given the housing crisis in America we have a responsibility to assist those who cannot afford decent housing, who are living on the streets, who are paying much more than 30 percent of their income. We believe we have a responsibility to assist them, to help them.

□ 1645

The other side of the aisle does not believe that government should play any role in helping the least of these get into public housing.

The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened, and often have difficulty affording necessities such as food, clothing, transportation and medical care.

We are not talking about housing for any one section of this country. It is all over this country. In Mr. BOEHNER's district, the Eighth District: 64,759 renter households, including 14,713 extremely low-income households. Of these extremely poor households, 57 percent are paying more than half of their incomes for housing. In the Eighth District, there is a deficit of 7,497 units that are affordable and available to extremely poor households.

In Mr. BLUNT's district, the Seventh District of Missouri: 76,034 rental households, including 13,885 extremely low-income households. Of these extremely poor households, 57 percent are paying more than half of their incomes for housing. In the Seventh District, there is a deficit of 7,580 units that are affordable and available to extremely poor households.

But let's not stop there. In Mr. BACHUS' district, in the Sixth District of Alabama: 55,217 renter households, including 9,525 extremely low-income households. Of these extremely poor households, 50 percent are paying more than half of their incomes for housing. In the Sixth District, there is a deficit of 4,141 units that are affordable and available to extremely poor households.

I could go on and on. This is about the housing trust fund. I would ask my colleagues to support the least of us in America, and reject the argument from the other side of the aisle.

Mr. BACHUS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Chairman, I thank the gentleman for yielding. I rise to talk about this bill and I will hold the debate on FHA until that bill comes to the floor.

I would like to thank Chairman FRANK and Mr. BAKER for introducing this year's GSE bill to establish a new and stronger regulator for the GSEs and the Federal Home Loan Banks.

Like last year's legislation, this bill aims to give the new regulator clear direction about its authority, available tools and mission. With this enhanced authority and guidance, the new GSE regulator can guide the GSEs to be most effective for homeowners, market participants, financial institutions, and taxpayers.

The overall purpose of the GSE reform bill is to create a strong, world-class regulator, and I think in this bill we direct the new regulator to review and set portfolio limits, establish minimum capital requirements, and review new programs and products.

However, unlike last year's legislation, I think this year's bill introduces a new, extraneous provision that does not permit the new regulator to focus solely on these very important duties. This bill does not isolate this regulator from political influence, but rather establishes a stream of cash that is financed on the backs of the American homeowners. Why do I say this? What is the affordable housing trust fund; does anyone know? And why would we allow GSE money to be diverted to an unknown, non-existent entity? This was not in last year's bill.

Last year's bill permitted Fannie Mae and Freddie Mac to manage an affordable housing fund. This year's bill permits the new regulator to establish and regulate the fund. I don't think that it is appropriate for this new regulator to manage the affordable housing fund.

The provision establishes a formula to allocate funds to States and Indian tribes which would in turn determine which organizations receive the funds. The new GSE regulator is tasked with establishing regulations to determine the prescription for States to distribute the funds. And as stated in

House Report 110–142, ''This bill provides that funds allocated for the affordable housing fund, may be transferred at a later date to a national affordable housing trust fund that may be subsequently enacted into law.''

We just don't know what is going to be the amount of money, where it is coming from, except if we determine that it is estimated that it would extract $3 billion in assessments from Fannie Mae and Freddie Mac over a 5-year period. There is no dollar limit as to how large this fund can become. Where will this money for the fund ultimately come from? It will come from low and middle income Americans seeking to purchase a home or refinance an existing mortgage. Hardworking, low income and middle income Americans who are trying to have their part of the American dream will ultimately be footing the bill for a national housing trust fund, the purpose of which has not yet been determined in law. Taxing hardworking American homeowners is not the way to fund new affordable housing.

I share the chairman's commitment to increasing the stock of affordable housing for low-income Americans, but this fund is the wrong way to achieve this objective.

Therefore, I would urge my colleagues to take a look at the Bachus amendment to strike the affordable housing fund section of this bill. I think we have a really good bill here. It is similar to last year's bill. I know that we have talked about this in the committee, we should have hearings and further discussions on the need to build more affordable housing in this country, how it can be done and how it can be financed, and particularly what this new affordable housing fund means.

So with that, I urge my colleagues to, at this time, not support this bill.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the chairman of the Subcommittee on Capital Markets, the gentleman from Pennsylvania (Mr. KANJORSKI).

Mr. KANJORSKI. Mr. Chairman, I would like to extend my congratulations to Chairman FRANK and to Ranking Member BACHUS, two individuals that may sound more in disagreement today than they really are.

I want to talk about, particularly, the passage of this bill, and let us understand that since March of 2000, we have had hearings and have attempted to get to a new regulator for the government-sponsored enterprises of Fannie Mae and Freddie Mac, and ultimately the Federal Home Loan Banks. We came very close 2 years ago. We passed it through this House. It didn't make it through the other body. We have an opportunity in this Congress to accomplish that.

As a matter of fact, one of the compliments to Mr. FRANK is he didn't run out there wholesale and create all kinds of new gadgets in this bill. Basically, this bill is 99.44 of 100 percent the same as we did in 2005.

What will it accomplish? It is going to get us a world-class independent regulator, as the ranking member said, for $4.9 trillion worth of securities. I think that is important.

Here the major opposition that is being discussed is really philosophical in nature. I think MAXINE WATERS was very correct in that analysis. We are arguing over $500 million a year, and we are talking about an institution that has $4.9 trillion that we have to regulate, and know that in the last several years, there were errors and mistakes and potentially even fraud committed in these organizations as a result of the weakness of our regulators.

So we went to great lengths in a bipartisan way to have these hearings over the last 7 years and to say, let's create a regulator that we can all be proud of. But more than being proud of, that we can be relatively certain that the securities market and the investments of the United States in the real estate area are going to be safe and secure, and I think this bill does that.

Now this little argument that we have over the trust fund, $500 million a year potentially, if you think about it, it amounts to about a day and a half of what we spend in Iraq every damn day. A day and a half.

Now you can argue that we don't need any housing in the United States, and I think you can credibly make that argument if you are of that philosophical bent. And of course, on this side of the aisle, because we probably are closer to the people who do need that housing, we can make the argument that there is need. But never in anybody's mind should an argument of that minute an amount stop the passage of legislation which will allow us to get control and containment over $4.9 trillion of American taxpayer money.

Mr. BACHUS. Mr. Chairman, I thank the gentleman from Pennsylvania for his sincerity, and I yield 2 minutes to the gentleman from California (Mr. GARY G. MILLER).

Mr. FRANK of Massachusetts. Mr. Speaker, I will yield an additional 2 minutes to the gentleman from California.

Mr. BACHUS. I appreciate that. That really is evidence again of the bipartisan approach we have had on this committee.

Mr. FRANK of Massachusetts. Well, it will be if you vote with him.

Mr. GARY G. MILLER of California. Mr. Chairman, I want to thank the chairman and Mr. BACHUS for yielding me this time.

I know this has been an issue that they have been working on for years, the same as I have. For the last 3 years, this has been a focus for us dealing with this issue that has been impacting and in many ways very beneficial to the housing market.

I commend Chairman FRANK and Secretary Paulson for their hard work to strike an agreement so we can move this important reform legislation forward.

We must provide for a strong regulator for the GSEs so that investors and the markets are assured that these companies are sound and that their investments in America's housing markets are safe.

This bill recognizes that strong regulation provides a means to achieve our ultimate goal of expanding supply of affordable mortgage credit throughout this Nation.

The goal in the process we have taken today is to preserve the mission while strengthening the authority of the regulator. We have been working on this issue for a number of years. Through this lengthy legislative process, I have asked my colleagues to be mindful that as we addressed deficiencies in GSE supervision, we must not lose sight of Congress's original intent that chartered the GSEs. The mission of Fannie Mae and Freddie Mac is to provide stability and on ongoing assistance to the secondary market for residential mortgages, and to promote access to mortgage credit and homeownership throughout the United States.

The bill before us today builds upon the bill that passed the House under the leadership of former Chairman Oxley in 2005. That bill passed by an overwhelming vote of 331–90. As I was looking back at the RECORD at that point in time, it surprised me that based on the comments made by the administration at that time, they are saying that the bill today creates a stronger regulator than the one we passed in 2005.

And I was surprised to read that the bill before us today, the administration, unlike the bill passed in 2005, which Treasury opposed then because it failed to provide a strong regulator that could protect the safety and soundness of the housing financial system, today the bill they say ''provides for a fully empowered, independent world-class regulator that can deal with any safety and soundness issue that might arise.'' I had no idea back at that time they opposed it; but I knew they supported it today.

The affordable housing fund, I vote repeatedly to strike that. I have never supported it. I didn't support it when Chairman Oxley put it in the original bill. I know many Members on my side oppose this. However, I continue to share the view of former Chairman Oxley that a stronger, more effective regulator of the housing GSEs is absolutely critical and outweighs our philosophical opposition to the fund.

I voted for that bill then, and I am going to vote for this bill tonight. This legislation provides for a strong regulator for the GSEs so that investors and the markets are assured that those companies are sound and an investment in the American housing markets are safe.

Improved regulation will provide a means to achieve our ultimate goal of expanding the supply of affordable mortgage credit across this country.

GSEs have been at the forefront of creating affordable housing opportunities for families, and we must ensure that they are successful in the future.

This bill does something that I am very supportive of, and I worked on for 3 or 4 years now. It deals with conforming loan limits in high-cost areas. If you happen to live in Hawaii, Alaska, Guam or the Virgin Islands, you can get a loan for 150 percent of conforming today. But if you live in a high-cost area of California or other parts of this country, you cannot. If you look at the benefit on the marketplace today, especially in California, we are having severe problems in the jumbo market area where the foreclosures and defaults are excessive, and I believe if the conforming marketplace were there today, we would have less problem than we are seeing today.

□ 1700

The foreclosure rates are out of control. If you look at the jumbo market in California, the problem we're facing is that only 18.1 percent of the jumbo loans that are made are fixed, 30-year loans; compared to conforming marketplace, 82 percent are fixed 30-year loans. In the jumbo marketplace, 34.9 percent of the jumbo loans are interest-only ARMs.

I thank you.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY), the chairwoman of the Financial Institutions Subcommittee.

Mrs. MALONEY of New York. Mr. Chairman, I thank the gentleman for yielding and for his strong and creative leadership in the passage of this tremendously important bill for American homeowners and for those who are in desperate need of affordable housing.

I wish to be associated with the comments of Mr. FRANK and Mr. GARY MILLER on these conforming loan limits in high income areas such as the area I represent in New York City. It's very important for affordable housing.

Keeping with the bipartisan spirit of the Financial Services Committee, this bill was reported out with a strong bipartisan vote of 45–19, and when it passes today, it will completely overhaul and strengthen the regulatory oversight of the GSEs, the government-sponsored enterprises, of Fannie Mae, Freddie Mac and the Federal Home Loan Banking System, and it will create a new independent regulator with broad powers, similar to those of current banking regulators.

It also requires Fannie and Freddie to establish an Affordable Housing Fund, something that should have been done long ago. It's important for affordable housing in our country, and I congratulate the leadership of Mr. FRANK and Mr. BAKER and Mr. Oxley in moving this fund forward. Contributions will be based on the average total mortgage portfolio which will include all mortgages, whether held for investment or securitized. It will be distributed through the States.

And very importantly, the first year the money will go to the ravaged area of Katrina and Rita where people are living without housing. It is tremendously important. It is creative and it addresses a desperate need in our country.

In addition to the affordable housing goals that apply to Fannie and Freddie, we enhanced the bill in a number of ways, including a provision that I sponsored along with Mr. BAKER, to encourage the creation of home-based child care centers. My Kiddie Mac amendment will do that. It will make day care more affordable and available.

I congratulate everyone. Please vote for this bill.

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

Let me close by acknowledging the many positive aspects of this bill and just reiterate that had it not been for the creation of our new Affordable Housing Fund, a new government program, we would have had consensus here. But that should not distract from the fact that we do need a strong independent regulator, as the gentleman from Pennsylvania said.

Mr. Chairman, with that I yield the balance of my time to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I thank the ranking member for yielding, and I thank him for his leadership on this bill.

I also wish to thank our chairman who, although I have deep philosophical differences with, was certainly fair in his deliberations and more than fair in the amendments that he has allowed here this evening.

Indeed, I think that the conflict today comes down to the so-called Affordable Housing Fund. Many on this side of the aisle do not feel that in this bill, which is supposed to provide a strong regulator for Fannie and Freddie, that we need to be expanding big government.

And regardless of the rhetoric on the other side, according to OMB, Federal housing assistance has grown 73.8 percent in the last 10 years. Yet, this bill creates another new housing program on top of the 90 other HUD programs ostensibly designed to make housing more affordable.

Meanwhile, the Democrat majority earlier this afternoon made housing less affordable by imposing the single largest tax increase in American history on the American people, threatening the home ownership of millions.

Next, this fund is supposed to be transferred to some shadowy, amorphous, ill-defined housing trust fund, which to many of us appears nothing less than a new entitlement spending program for the 21st century. This is on top of the entitlement spending that threatens to bankrupt the next generation, will force them to double their taxes, will shatter their dreams of home ownership, and yet we appear to be adding yet another entitlement spending program.

Next, the fund represents a dangerous precedent and another surreptitious tax increase. On top of the single largest tax increase in American history, now our friends from the other side of the aisle are going to impose a home mortgage tax on the American people, using the Federal nexus to levy a special tax on Fannie and Freddie, which due to their duopoly status in the marketplace they can effectively pass on to home buyers in the way of higher mortgage interest so that this can be conduited into third party groups.

This bill ignores the greatest affordable housing program known in this country, a good job and a low tax rate. The bill imposes new mortgage taxes on Americans and must be rejected.

Mr. FRANK of Massachusetts. Mr. Chairman, may I inquire how much time remains on my side?

The CHAIRMAN. The gentleman from Massachusetts has 9 minutes remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. WATT), the Chair of the Oversight and Investigations Subcommittee.

Mr. WATT. Mr. Chairman, I thank the chairman of the committee for yielding time.

I rise in support of the bill. The bill deserves our support for two important reasons. First of all, it establishes a strong regulator in an area that has cried out for greater regulation, and I think we understand that looking back on what has happened at Fannie Mae and Freddie Mac over the last several years.

Second of all, the bill establishes a trust fund that is very similar to the housing trust fund for which over 200 of the Republicans voted last year. So I really am surprised to find that this year all of the sudden there is all of this opposition to the trust fund.

So I want to spend a minute talking about the trust fund. First of all, it is a housing trust fund, and Fannie Mae and Freddie Mac are designed to incentivize more housing for middle income and low income people. So it's absolutely consistent with the purposes for which they were founded.

Second, the ranking member of our committee made it sound like this is going to increase the cost of housing for middle income people and low income people. In fact, what we need to focus on is that this money will either go to the stockholders of Fannie and Freddie or it will go to the purpose for which Fannie and Freddie was originally formed.

So this is not a choice between raising taxes or not. This is fulfilling the purpose of these two entities.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey (Mr. SIRES), a member of the committee.

Mr. SIRES. Mr. Chairman, I first would like to thank Chairman FRANK for his efforts in bringing this bill to

the floor today, and it's because of him this bill is supported by the Treasury Department and the very government-sponsored entities the bill impacts.

I rise today in strong support of H.R. 1427. It creates a single regulator of the three government-sponsored entities. By having one regulator, future problems in the housing economy will be prevented by providing real and strong oversight of the secondary mortgage market.

Secondly, this bill creates an Affordable Housing Fund. This fund will provide an opportunity for millions of working Americans to afford housing that will allow them to raise their families in a safe and stable environment. Some will even be able to buy a home because of this new fund.

Hardworking Americans want a safe and stable place to call their own. We have the opportunity here today to support the American dream of home ownership by passing H.R. 1427. And just as important, we can do this with proper oversight.

I urge all my colleagues to join me in supporting H.R. 1427.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1½ minutes to the gentleman from New Hampshire (Mr. HODES), another very able freshman member of the committee.

Mr. HODES. Mr. Chairman, I thank the gentleman for yielding and for his tremendous leadership on this committee.

I rise in support of H.R. 1427. This bill provides an overhaul of the government-sponsored entities, and it creates a much-needed, unified regulator for all GSEs.

Now, it was the high-profile accounting scandals at Fannie and Freddie in recent years that demanded that Congress restore accountability and strengthen oversight in these institutions.

So this bill creates a strong, independent regulator at Fannie Mae, Freddie Mac and the Federal Home Loan Bank System with broad powers comparable to those of Federal bank regulators. The bill also creates an Affordable Housing Fund to be managed by the new GSE regulator.

I want to thank Chairman FRANK for creating the Energy Efficiency Task Force on the Financial Services Committee. I am pleased to serve on this task force, chaired by my colleague from Colorado, Mr. PERLMUTTER. The task force is dedicated to greening the financial services community, and in connection with H.R. 1427, we included an important provision that would incentivize Fannie and Freddie to purchase green mortgages. This provision is a great first step toward our goal.

This is a bipartisan bill, and it is widely supported by financial institutions, lenders, housing industry participants, housing groups and other financial service providers.

So when I hear the colleagues on the other side of the aisle speaking against the unified regulator, they are standing against accountability and oversight. And when I hear them speaking against an Affordable Housing Fund, they are standing against poor people in this country who need our help.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. LEE), an alumni of our committee who despite having left us still thinks of us from time to time, and she's one of the originators of the notion of an Affordable Housing Trust Fund.

Ms. LEE. Mr. Chairman, let me first of all thank our Chair, Congressman FRANK, for his leadership and for yielding; also, Congresswoman Maxine Waters for her very diligent and hard work in crafting this bill.

The American dream of home ownership is quickly turning into a nightmare for many, and this bill really does begin to turn this around. And yes, as a former member of the Financial Services Committee, I had the opportunity to work with our Chair. This was when I was first elected, probably in my first or second term, to really craft a housing trust fund, along with our former colleague, now-Senator, BERNIE SANDERS, and this bill incorporates and would authorize and create a new Affordable Housing Trust Fund.

For many years, housing has been a big issue for many of us here. Many of our districts are unaffordable, and this American dream of home ownership is turning into a nightmare.

This bill, the Federal Housing Reform Act of 2007, will really help accomplish the objective of our first national housing trust fund. It increases home ownership for extremely low and very low income families. It provides for increasing investment in housing in low income areas; for increasing and preserving the supply of rental and owner-occupied housing for extremely low and very low income families. It also increases investments in our public infrastructure and development in connection with housing assistance. And it also leverages investments from other sources in affordable housing and in public infrastructure development.

I want to commend our colleagues again for engaging with our 5,200 national, State and local organizations and leaders that worked for many, many years to create a national housing trust fund. Just yesterday, I met with my board of realtors from Oakland, California.

I just want to say thank you again to Mr. FRANK for making sure that this is real.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Ohio (Ms. KAPTUR), another dedicated advocate for housing in many capacities.

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Ms. KAPTUR. Thank you very much, Mr. Chairman.

Mr. Chairman, I want to express deep appreciation to Chairman FRANK, Ranking Member BACHUS and certainly to Congresswoman MAXINE WATERS of California and CAROLYN MALONEY of New York, who really fashioned a bill that deals with the prolonged housing market slump, due in large measure to increasing rates of foreclosure.

The State of Ohio welcomes this measure. We have been particularly hard hit. The credit gap in Ohio is estimated between $14 and $21 billion, as over 200,000 more mortgages will reset at higher rates over the next 2 years. We don't need any more vacant units depressing the housing market in our region.

Government-sponsored entities can and should play a major role in reversing this trend. This bill does that. I would oppose any amendments designed to weaken or eliminate the much-needed National Housing Trust Fund. Homeownership is the most important savings account that any American family accumulates.

In passing this legislation, we assure that this Congress understands that as well as the necessity of keeping our housing market strong as fundamental to bolstering the economy of our entire country and helping it grow.

Chairman FRANK, I deeply thank you on behalf of the Governor of Ohio and all the people of Ohio who are looking to us for leadership to help them hold on to their most important asset, their home.

Mr. FRANK of Massachusetts. All the people of Ohio are welcome. How much time do I have remaining, Mr. Chairman?

The CHAIRMAN. The gentleman from Massachusetts has 30 seconds remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I would take it to say that we often focus on what we disagree on. Let's be clear.

We agree on the strongest regulator that you could possibly have and still be workable. The gentleman from Louisiana is here, he was one of those who started on it; the gentleman from Ohio who has left, Mr. Oxley. Many of us worked on this. We will be arguing about the housing fund.

But let's be clear that what this House will be doing overwhelmingly is create a strong regulator. As to the affordable housing fund, I would just say this, the notion that all of this comes out of the mortgages and not out of the shareholders is bad economics. Fannie and Freddie do not have monopoly power such that they can pass on every cost to the customer and absorb none of it themselves.

Mr. HOLDEN. Mr. Chairman, I rise in support of H.R. 1427, the Federal Housing Finance Reform Act of 2007.

Appropriate regulation for Fannie Mae, Freddie Mac and the Federal Home Loan Banks is crucial to the overall health of housing and communities throughout America. I commend both Chairman FRANK and GSE Subcommittee Chairman KANJORSKI for their diligent and thoughtful work on this legislation.

An issue of concern to me and many in my district is the effect of the legislation on the

FHLBank System. Their inclusion in this bill is not due to a perceived lack of proper regulation, but from a widely held desire to place the three housing GSEs under one ''world-class'' regulator capable of monitoring their complex financial information. Despite their similar benefit to the housing market and use of complex hedging transactions, the GSEs are different, and I believe the new regulator must recognize the differences in their business models, products, and missions.

This legislation recognizes these differences by creating separate divisions within the new regulator: one for the FHLBanks, and for Fannie Mae and Freddie Mac. In fact, the bill also makes clear that the mission of FHLBanks is different, and not only deals with housing finance but economic and community development as well.

In addition to the Affordable Housing Program (AHP), which has provided $5 million in funds supporting over 1,000 units of housing in my district, the FHLBank of Pittsburgh operates a number of programs that support community and economic development.

Their ''Banking on Business'' (BOB) program helps eligible small businesses with start-up and expansion costs. Each dollar in BOB funding typically leverages an additional six dollars in financial resources to small businesses in the region, thereby creating or retaining jobs. Since 2000, FHLBank Pittsburgh has funded more than $27.5 million in BOB funding to assist small businesses in their three-state region, creating or retaining more than 3,821 jobs.

In my district alone, the FHLBank Pittsburgh has provided over $1.5 million in BOB financing, supporting 18 small businesses and leveraging over $17 million in additional funding. The BOB program works in partnership with leading community banks in a number of very important efforts. For example, Leesport Bank used BOB to provide $180,000 for Hamburg Industries, Inc. to assist in expansion costs. Hamburg Industries, Inc. is a manufacturer of brooms, mops and brushes in Hamburg, PA. Legacy Bank used BOB to lend $21,000 to Math Inc. to assist in start-up costs. Math Inc. is engaged in manufacturing countertops, cabinets and architectural millwork for commercial applications. Further, First National Community Bank provided $200,000 in BOB funds to Keystone Potato Products, LLC to assist in start-up costs. Keystone Potato Products, LLC. is a dehydrated food producer in Hegins, PA.

The Pittsburgh Bank also operates the Community Lending Program (CLP), an $825 million non-competitive revolving loan pool that offers loans to member financial institutions for community and economic development projects that create housing, improve business districts, and strengthen neighborhoods. In my district, CLP has provided over $40 million for 16 projects. One of these involved Mid-Penn Bank, a leading community bank in my district, using the CLP to provide $4.5 million in low-cost FHLBank funds for the rehabilitation of Cole Crest: a low income elderly, disabled, and family apartment complex in Steelton, PA. The funds were provided through Mid-Penn Bank as an alternative to traditional bond financing, saving the Dauphin County Housing Authority significant costs over the life of the loan.

As a Member of Congress representing a rural region with community and economic development needs, I appreciate the partnership between the Federal Home Loan Banks and the community banks of my district. The mission of the Federal Home Loan Banks in the area of economic and community development is vital, and I applaud the clarification of that mission in H.R. 1427.

I want to add my voice to those in the Congress advocating that the new regulator encourage this mission by applying a new emphasis on community and economic development to all Federal Home Loan Banks' activities. I see this language as fostering a statutory and regulatory environment that will support and encourage further development of new ways to support economic development, public finance and infrastructure in a partnership with Federal Home Loan Banks, their members, and local governments that will bring needed help to the small and rural communities of my district.

Mr. CONYERS. Mr. Chairman, I rise in support of passage of H.R. 1427, ''The Federal Housing Finance Reform Act.''

I believe this legislation is one of the most cost effective ways to provide cities across the country with desperately needed federal funding so they can construct, or renovate housing stock for working families on public housing waiting lists, homeless veterans, homeless Katrina victims, and homeless working families.

I believe that passage of this legislation is a ''historic'' moment in this Congress, and makes me proud to be a member of this body.

In Detroit, there are thousands of working individuals and families living in homeless shelters or staying with friends and extended family members because they can not afford the skyrocketing costs of private market housing.

We have a homeless shelter in Detroit where hundreds of veterans live each year, and most are working minimum wage jobs, or work in low to moderate wage employment.

It is a moral outrage that soldiers who have fought in wars and served their country honorably come home to cities like Detroit, only to find out that they can not afford an apartment or a home.

This bill will help reduce these problems, and provide decent affordable housing to more veterans and working families without raising taxes.

It will also help victims of Katrina who are currently living in hotels or homeless shelters in other cities to return to the Gulf Coast, or remain where they are, because there will be expanded housing opportunities due to passage of H.R. 1427.

Passage of ''The Federal Housing Finance Reform Act'' will provide billions of dollars to cash starved cities across the Nation to successfully build new affordable housing units for working families by utilizing existing non-profit housing developers, public housing agencies, and for-profit housing developers.

Passage of H.R. 1427 will help hundreds of thousands of Americans across this Nation who are currently on waiting lists for public housing to be able to get out of homeless shelters and into homes or apartments, since there will now be more federal funding for affordable housing production.

Passage of ''The Federal Housing Finance Reform Act'' will provide $600 million per year to cash starved cities across the Nation and could create approximately 8,000 new affordable housing units for working families by utilizing existing non-profit housing developers, public housing agencies, and for-profit housing developers.

If America is ever to be a great nation, we must ensure that all Americans, as a basic human right, have decent and affordable housing. Passage of H.R. 1427 will get our Nation on the road to having a real national affordable housing policy; which we currently do not have.

The United States, the wealthiest country in the world, shamefully has one million homeless children, and over 40% of those living in homeless shelters are working in jobs. Our current affordable housing problem is building more homeless shelters where there is a lack of affordable housing.

I ask this question, Mr. Chairman. How many Members of Congress would want to come home after a hard day's work, and sleep in a homeless shelter? Probably nobody! We need affordable housing for all now.

I urge this body to pass H.R. 1427 with all deliberate speed.

Mr. BACA. Mr. Chairman, I rise to support H.R. 1427 and thank my friend, Chairman FRANK, for leading the bipartisan effort in the Financial Services Committee on this important legislation.

This bill restores accountability by creating a modern, world-class regulator of the GSEs. It will also help us meet the critical shortage of affordable housing across the country through the creation of an Affordable Housing Fund.

In addition, Representatives BEAN, NEUGEBAUER, MOORE and MILLER have offered an amendment which I support. It clarifies that the new GSE regulator does not have the power to reduce the portfolios of Fannie Mae and Freddie Mac based on artificial, so-called ''systemic risk.''

This bill already gives the new regulator the FULL authority to supervise the GSE portfolios for safety, soundness and mission. I am not convinced that we should give it powers that bank regulators don't already have. I'm also not convinced that this amendment would in any way weaken the regulator's ability to make sure these companies operate safely and soundly.

It is critical that we do not limit the GSE's ability to provide homeownership for low, middle income, and minority families.

With their help, the GSEs have been able to increase homeownership rates across this country to a record level of 68 percent. That's impressive, but there is still much work to be done.

Homeownership rates in our minority communities are still far below the national average and nearly 2.2 million American families across the country are facing foreclosures.

This issue has a great deal of personal meaning for me. I grew up in a family of 15 children without a lot of money. I have been lucky enough to have worked hard and been able to achieve the American dream of owning a home.

Yet the dream of homeownership remains unattainable for millions of families. And many other families stand to lose their homes this year.

The new affordable housing fund created by H.R. 1427 will go far to help these families. And the new regulator created by this bill will ensure the safety and soundness of the GSEs so that they can continue their important mission in underserved communities for many years to come.

I urge my colleagues to support this bill.

Mr. ENGEL. Mr. Chairman, I rise today in support of H.R. 1427, the Federal Housing Finance Reform Act of 2007. This legislation is many years in the making, and its consideration today is timely, given the problems we face in the mortgage industry.

In recent years, we have seen serious problems in the subprime mortgage market. Without an effective regulator in the mortgage market, these problems will continue to grow, and we will continue to see more families losing their home to foreclosure.

In addition, H.R. 1427 creates an affordable housing fund for low income individuals and families. This fund will receive a percentage of the investments that Fannie Mae and Freddie Mac hold, totaling approximately $500 million a year. This money will help those with low incomes purchase a new home.

The recent problems in the mortgage market have hit those with low incomes harder than any other income bracket. This is exactly the group of people who will be helped most by this bill. And for the first year, the entire reserve fund will be dedicated to those affected by Hurricane Katrina in Louisiana and Mississippi. These hurricane stricken areas are in desperate need of assistance, and this bill will provide at least a portion of what they need.

Having a strong regulatory body overseeing Fannie Mae, Freddie Mac and the Federal Home Loan Banks will give consumers and markets confidence that the housing market is safe. When housing lenders started going under due to the increased number of foreclosures, consumers became increasingly reluctant to invest hundreds of thousands of dollars into a new home. If people are confident that a strong regulator will be overseeing the GSEs, it will help to increase consumer confidence in the housing market.

This bill is specifically good for my District in the Bronx, Rockland County and Westchester County in New York. The price of purchasing a home there is staggering, and Fannie Mae and Freddie Mac are limited in the amount of money they can loan for a new home. This limitation makes it more difficult for people in my District to buy their first home. This legislation will help to fix this problem by increasing the limit on loans.

Even though H.R. 1427 will put additional money into low low-income housing assistance, I am proud to say that this bill will not add a single dollar to the national deficit. The majority in this Congress has consistently stuck to the pay-as-you-go rules that we created as one of our first acts of the year.

Madam Chairman, the Federal Housing Finance Reform Act is eight years in the making, and it is long overdue. I am happy to support this bill, and I urge my colleagues to support it as well. I yield back the balance of my time.

Mr. LOEBSACK. Mr. Chairman, I rise today in support of H.R. 1427, the Federal Housing Finance Reform Act of 2007. Specifically, I rise in support of Section 139, establishing the Affordable Housing Fund.

In Congress we often talk about the American dream. Many believe that if an individual works hard and plays by the rules they are able to provide for their families, and keep a roof over their heads. Unfortunately, it isn't always that easy. Access to affordable, safe, and clean housing is often difficult to come by. According to the National Low Income Housing Coalition, in Iowa the Fair Market Rent for a two-bedroom apartment is $594. The estimated average wage for a renter is $9.62 per hour, meaning a renter must work 47 hours per week, 52 weeks a year in order to afford a two-bedroom apartment. If you earn the minimum wage, which remains only $5.15 an hour, you would need to work 89 hours per week, 52 weeks per year to afford a two-bedroom home in Iowa.

Thankfully, this bill establishes the Affordable Housing Fund which provides greater access for our neediest citizens to pursue the American dream and raise their families in a safe environment, which ultimately leads to greater productivity and a better life for themselves and their children.

I was raised in poverty and know first hand the every-day struggle to survive that millions of Americans face on a low or very-low income. Not only will this legislation help those individuals find and afford adequate housing, it will also encourage investment and infrastructure improvements in some of the most underserved areas of our country.

This term "underserved" applies to both low-income urban areas and to the many rural areas in our country. Many rural areas of Iowa have seen good-paying jobs leave our towns at an astonishing rate, in turn devastating our communities. Affordable and accessible housing helps keep communities whole.

In 1949, The U. S. Housing Act established the admirable goal of "a decent home and a suitable living environment for every American Family." I believe the Federal Housing Finance Reform Act remains true to this goal. It is an important step in improving and reviving our cities and rural areas. I urge my colleagues to vote yes on this legislation.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill, modified by the amendment printed in House Report 110–152, shall be considered as an original bill for the purpose of amendment under the 5-minute rule by title, and each title shall be considered read.

No amendment to that amendment shall be in order except those printed in the portion of the CONGRESSIONAL RECORD designated for that purpose before the beginning of consideration of the bill and pro forma amendments for the purpose of debate. Each amendment so printed may be offered only by the Member who caused it to be printed or his designee and shall be considered read.

Mr. FRANK of Massachusetts. Mr. Chairman, I ask unanimous consent that the bill be printed in the RECORD and open to amendment at any point.

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

There was no objection.

The text of the bill is as follows:

H.R. 1427

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 "Federal Housing Finance Reform Act of 2007".

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

Sec. 1. Short title and table of contents.
Sec. 2. Definitions.

TITLE I—REFORM OF REGULATION OF ENTERPRISES AND FEDERAL HOME LOAN BANKS

Subtitle A—Improvement of Safety and Soundness

Sec. 101. Establishment of the Federal Housing Finance Agency.
Sec. 102. Duties and authorities of Director.
Sec. 103. Federal Housing Enterprise Board.
Sec. 104. Authority to require reports by regulated entities.
Sec. 105. Disclosure of income and charitable contributions by enterprises.
Sec. 106. Assessments.
Sec. 107. Examiners and accountants.
Sec. 108. Prohibition and withholding of executive compensation.
Sec. 109. Reviews of regulated entities.
Sec. 110. Inclusion of minorities and women; diversity in Agency workforce.
Sec. 111. Regulations and orders.
Sec. 112. Non-waiver of privileges.
Sec. 113. Risk-Based capital requirements.
Sec. 114. Minimum and critical capital levels.
Sec. 115. Review of and authority over enterprise assets and liabilities.
Sec. 116. Corporate governance of enterprises.
Sec. 117. Required registration under Securities Exchange Act of 1934.
Sec. 118. Liaison with Financial Institutions Examination Council.
Sec. 119. Guarantee fee study.
Sec. 120. Conforming amendments.

Subtitle B—Improvement of Mission Supervision

Sec. 131. Transfer of product approval and housing goal oversight.
Sec. 132. Review of enterprise products.
Sec. 133. Conforming loan limits.
Sec. 134. Annual housing report regarding regulated entities.
Sec. 135. Annual reports by regulated entities on affordable housing stock.
Sec. 136. Revision of housing goals.
Sec. 137. Duty to serve underserved markets.
Sec. 138. Monitoring and enforcing compliance with housing goals.
Sec. 139. Affordable Housing Fund.
Sec. 140. Consistency with mission.
Sec. 141. Enforcement.
Sec. 142. Conforming amendments.

Subtitle C—Prompt Corrective Action

Sec. 151. Capital classifications.
Sec. 152. Supervisory actions applicable to undercapitalized regulated entities.
Sec. 153. Supervisory actions applicable to significantly undercapitalized regulated entities.
Sec. 154. Authority over critically undercapitalized regulated entities.
Sec. 155. Conforming amendments.

Subtitle D—Enforcement Actions

Sec. 161. Cease-and-desist proceedings.
Sec. 162. Temporary cease-and-desist proceedings.
Sec. 163. Prejudgment attachment.
Sec. 164. Enforcement and jurisdiction.
Sec. 165. Civil money penalties.
Sec. 166. Removal and prohibition authority.
Sec. 167. Criminal penalty.
Sec. 168. Subpoena authority.
Sec. 169. Conforming amendments.

Subtitle E—General Provisions

Sec. 181. Boards of enterprises.
Sec. 182. Report on portfolio operations, safety and soundness, and mission of enterprises.
Sec. 183. Conforming and technical amendments.
Sec. 184. Study of alternative secondary market systems.

TITLE II—FEDERAL HOME LOAN BANKS
Sec. 201. Definitions.
Sec. 202. Directors.
Sec. 203. Federal Housing Finance Agency oversight of Federal Home Loan Banks.
Sec. 204. Joint activities of Banks.
Sec. 205. Sharing of information between Federal Home Loan Banks.
Sec. 206. Reorganization of Banks and voluntary merger.
Sec. 207. Securities and Exchange Commission disclosure.
Sec. 208. Community financial institution members.
Sec. 209. Technical and conforming amendments.
Sec. 210. Study of affordable housing program use for long-term care facilities.
Sec. 211. Effective date.
TITLE III—TRANSFER OF FUNCTIONS, PERSONNEL, AND PROPERTY OF OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT, FEDERAL HOUSING FINANCE BOARD, AND DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Subtitle A—Office of Federal Housing Enterprise Oversight
Sec. 301. Abolishment of OFHEO.
Sec. 302. Continuation and coordination of certain regulations.
Sec. 303. Transfer and rights of employees of OFHEO.
Sec. 304. Transfer of property and facilities.
Subtitle B—Federal Housing Finance Board
Sec. 321. Abolishment of the Federal Housing Finance Board.
Sec. 322. Continuation and coordination of certain regulations.
Sec. 323. Transfer and rights of employees of the Federal Housing Finance Board.
Sec. 324. Transfer of property and facilities.
Subtitle C—Department of Housing and Urban Development
Sec. 341. Termination of enterprise-related functions.
Sec. 342. Continuation and coordination of certain regulations.
Sec. 343. Transfer and rights of employees of Department of Housing and Urban Development.
Sec. 344. Transfer of appropriations, property, and facilities.

SEC. 2. DEFINITIONS.

Section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502) is amended—

(1) in paragraph (7), by striking ''an enterprise'' and inserting ''a regulated entity'';

(2) by striking ''the enterprise'' each place such term appears (except in paragraphs (4) and (18)) and inserting ''the regulated entity'';

(3) in paragraph (5), by striking ''Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' and inserting ''Federal Housing Finance Agency'';

(4) in each of paragraphs (8), (9), (10), and (19), by striking ''Secretary'' each place that term appears and inserting ''Director'';

(5) in paragraph (13), by inserting '', with respect to an enterprise,'' after ''means'';

(6) by redesignating paragraphs (16) through (19) as paragraphs (20) through (23), respectively;

(7) by striking paragraphs (14) and (15) and inserting the following new paragraphs:

''(18) REGULATED ENTITY.—The term 'regulated entity' means—

''(A) the Federal National Mortgage Association and any affiliate thereof;

''(B) the Federal Home Loan Mortgage Corporation and any affiliate thereof; and

''(C) each Federal home loan bank.

''(19) REGULATED ENTITY-AFFILIATED PARTY.—The term 'regulated entity-affiliated party' means—

''(A) any director, officer, employee, or agent for, a regulated entity, or controlling shareholder of an enterprise;

''(B) any shareholder, affiliate, consultant, or joint venture partner of a regulated entity, and any other person, as determined by the Director (by regulation or on a case-by-case basis) that participates in the conduct of the affairs of a regulated entity, except that a shareholder of a regulated entity shall not be considered to have participated in the affairs of that regulated entity solely by reason of being a member or customer of the regulated entity;

''(C) any independent contractor for a regulated entity (including any attorney, appraiser, or accountant), if—

''(i) the independent contractor knowingly or recklessly participates in—

''(I) any violation of any law or regulation;

''(II) any breach of fiduciary duty; or

''(III) any unsafe or unsound practice; and

''(ii) such violation, breach, or practice caused, or is likely to cause, more than a minimal financial loss to, or a significant adverse effect on, the regulated entity; and

''(D) any not-for-profit corporation that receives its principal funding, on an ongoing basis, from any regulated entity.''.

(8) by redesignating paragraphs (8) through (13) as paragraphs (12) through (17), respectively; and

(9) by inserting after paragraph (7) the following new paragraph:

''(11) FEDERAL HOME LOAN BANK.—The term 'Federal home loan bank' means a bank established under the authority of the Federal Home Loan Bank Act.'';

(10) by redesignating paragraphs (2) through (7) as paragraphs (5) through (10), respectively; and

(11) by inserting after paragraph (1) the following new paragraphs:

''(2) AGENCY.—The term 'Agency' means the Federal Housing Finance Agency.

''(3) AUTHORIZING STATUTES.—The term 'authorizing statutes' means—

''(A) the Federal National Mortgage Association Charter Act;

''(B) the Federal Home Loan Mortgage Corporation Act; and

''(C) the Federal Home Loan Bank Act.

''(4) BOARD.—The term 'Board' means the Federal Housing Enterprise Board established under section 1313B.''.

TITLE I—REFORM OF REGULATION OF ENTERPRISES AND FEDERAL HOME LOAN BANKS

Subtitle A—Improvement of Safety and Soundness

SEC. 101. ESTABLISHMENT OF THE FEDERAL HOUSING FINANCE AGENCY.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 (12 U.S.C. 4501 et seq.) is amended by striking sections 1311 and 1312 and inserting the following:

''SEC. 1311. ESTABLISHMENT OF THE FEDERAL HOUSING FINANCE AGENCY.

''(a) ESTABLISHMENT.—There is established the Federal Housing Finance Agency, which shall be an independent agency of the Federal Government.

''(b) GENERAL SUPERVISORY AND REGULATORY AUTHORITY.—

''(1) IN GENERAL.—Each regulated entity shall, to the extent provided in this title, be subject to the supervision and regulation of the Agency.

''(2) AUTHORITY OVER FANNIE MAE, FREDDIE MAC, AND FEDERAL HOME LOAN BANKS.—The Director of the Federal Housing Finance Agency shall have general supervisory and regulatory authority over each regulated entity and shall exercise such general regulatory and supervisory authority, including such duties and authorities set forth under section 1313 of this Act, to ensure that the purposes of this Act, the authorizing statutes, and any other applicable law are carried out. The Director shall have the same supervisory and regulatory authority over any joint office of the Federal home loan banks, including the Office of Finance of the Federal Home Loan Banks, as the Director has over the individual Federal home loan banks.

''(c) SAVINGS PROVISION.—The authority of the Director to take actions under subtitles B and C shall not in any way limit the general supervisory and regulatory authority granted to the Director.

''SEC. 1312. DIRECTOR.

''(a) ESTABLISHMENT OF POSITION.—There is established the position of the Director of the Federal Housing Finance Agency, who shall be the head of the Agency.

''(b) APPOINTMENT; TERM.—

''(1) APPOINTMENT.—The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who are citizens of the United States, have a demonstrated understanding of financial management or oversight, and have a demonstrated understanding of capital markets, including the mortgage securities markets and housing finance.

''(2) TERM AND REMOVAL.—The Director shall be appointed for a term of 5 years and may be removed by the President only for cause.

''(3) VACANCY.—A vacancy in the position of Director that occurs before the expiration of the term for which a Director was appointed shall be filled in the manner established under paragraph (1), and the Director appointed to fill such vacancy shall be appointed only for the remainder of such term.

''(4) SERVICE AFTER END OF TERM.—An individual may serve as the Director after the expiration of the term for which appointed until a successor has been appointed.

''(5) TRANSITIONAL PROVISION.—Notwithstanding paragraphs (1) and (2), the Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development shall serve as the Director until a successor has been appointed under paragraph (1).

''(c) DEPUTY DIRECTOR OF THE DIVISION OF ENTERPRISE REGULATION.—

''(1) IN GENERAL.—The Agency shall have a Deputy Director of the Division of Enterprise Regulation, who shall be appointed by the Director from among individuals who are citizens of the United States, and have a demonstrated understanding of financial management or oversight and of mortgage securities markets and housing finance.

''(2) FUNCTIONS.—The Deputy Director of the Division of Enterprise Regulation shall have such functions, powers, and duties with respect to the oversight of the enterprises as the Director shall prescribe.

''(d) DEPUTY DIRECTOR OF THE DIVISION OF FEDERAL HOME LOAN BANK REGULATION.—

''(1) IN GENERAL.—The Agency shall have a Deputy Director of the Division of Federal Home Loan Bank Regulation, who shall be appointed by the Director from among individuals who are citizens of the United States, have a demonstrated understanding of financial management or oversight and of the Federal Home Loan Bank System and housing finance.

''(2) FUNCTIONS.—The Deputy Director of the Division of Federal Home Loan Bank Regulation shall have such functions, powers, and duties with respect to the oversight of the Federal home loan banks as the Director shall prescribe.

''(e) DEPUTY DIRECTOR FOR HOUSING.—

''(1) IN GENERAL.—The Agency shall have a Deputy Director for Housing, who shall be appointed by the Director from among individuals who are citizens of the United States, and have a demonstrated understanding of the housing markets and housing finance and of community and economic development.

''(2) FUNCTIONS.—The Deputy Director for Housing shall have such functions, powers, and duties with respect to the oversight of the housing mission and goals of the enterprises, and with respect to oversight of the housing finance and community and economic development mission of the Federal home loan banks, as the Director shall prescribe.

''(f) LIMITATIONS.—The Director and each of the Deputy Directors may not—

''(1) have any direct or indirect financial interest in any regulated entity or regulated entity-affiliated party;

''(2) hold any office, position, or employment in any regulated entity or regulated entity-affiliated party; or

''(3) have served as an executive officer or director of any regulated entity, or regulated entity-affiliated party, at any time during the 3-year period ending on the date of appointment of such individual as Director or Deputy Director.

''(g) OMBUDSMAN.—The Director shall establish the position of the Ombudsman in the Agency. The Director shall provide that the Ombudsman will consider complaints and appeals from any regulated entity and any person that has a business relationship with a regulated entity and shall specify the duties and authority of the Ombudsman.''.

(b) APPOINTMENT OF DIRECTOR.—Notwithstanding any other provision of law or of this Act, the President may, any time after the date of the enactment of this Act, appoint an individual to serve as the Director of the Federal Housing Finance Agency, as such office is established by the amendment made by subsection (a). This subsection shall take effect on the date of the enactment of this Act.

SEC. 102. DUTIES AND AUTHORITIES OF DIRECTOR.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 (12 U.S.C. 4513) is amended by striking section 1313 and inserting the following new sections:

''SEC. 1313. DUTIES AND AUTHORITIES OF DIRECTOR.

''(a) DUTIES.—

''(1) PRINCIPAL DUTIES.—The principal duties of the Director shall be—

''(A) to oversee the operations of each regulated entity and any joint office of the Federal Home Loan Banks; and

''(B) to ensure that—

''(i) each regulated entity operates in a safe and sound manner, including maintenance of adequate capital and internal controls;

''(ii) the operations and activities of each regulated entity foster liquid, efficient, competitive, and resilient national housing finance markets that minimize the cost of housing finance (including activities relating to mortgages on housing for low- and moderate- income families involving a reasonable economic return that may be less than the return earned on other activities);

''(iii) each regulated entity complies with this title and the rules, regulations, guidelines, and orders issued under this title and the authorizing statutes; and

''(iv) each regulated entity carries out its statutory mission only through activities that are consistent with this title and the authorizing statutes.

''(2) SCOPE OF AUTHORITY.—The authority of the Director shall include the authority—

''(A) to review and, if warranted based on the principal duties described in paragraph (1), reject any acquisition or transfer of a controlling interest in an enterprise; and

''(B) to exercise such incidental powers as may be necessary or appropriate to fulfill the duties and responsibilities of the Director in the supervision and regulation of each regulated entity.

''(b) DELEGATION OF AUTHORITY.—The Director may delegate to officers or employees of the Agency, including each of the Deputy Directors, any of the functions, powers, or duties of the Director, as the Director considers appropriate.

''(c) LITIGATION AUTHORITY.—

''(1) IN GENERAL.—In enforcing any provision of this title, any regulation or order prescribed under this title, or any other provision of law, rule, regulation, or order, or in any other action, suit, or proceeding to which the Director is a party or in which the Director is interested, and in the administration of conservatorships and receiverships, the Director may act in the Director's own name and through the Director's own attorneys, or request that the Attorney General of the United States act on behalf of the Director.

''(2) CONSULTATION WITH ATTORNEY GENERAL.—The Director shall provide notice to, and consult with, the Attorney General of the United States before taking an action under paragraph (1) of this subsection or under section 1344(a), 1345(d), 1348(c), 1372(e), 1375(a), 1376(d), or 1379D(c), except that, if the Director determines that any delay caused by such prior notice and consultation may adversely affect the safety and soundness responsibilities of the Director under this title, the Director shall notify the Attorney General as soon as reasonably possible after taking such action.

''(3) SUBJECT TO SUIT.—Except as otherwise provided by law, the Director shall be subject to suit (other than suits on claims for money damages) by a regulated entity or director or officer thereof with respect to any matter under this title or any other applicable provision of law, rule, order, or regulation under this title, in the United States district court for the judicial district in which the regulated entity has its principal place of business, or in the United States District Court for the District of Columbia, and the Director may be served with process in the manner prescribed by the Federal Rules of Civil Procedure.

''SEC. 1313A. PRUDENTIAL MANAGEMENT AND OPERATIONS STANDARDS.

''(a) STANDARDS.—The Director shall establish standards, by regulation, guideline, or order, for each regulated entity relating to—

''(1) adequacy of internal controls and information systems, including information security and privacy policies and practices, taking into account the nature and scale of business operations;

''(2) independence and adequacy of internal audit systems;

''(3) management of credit and counterparty risk, including systems to identify concentrations of credit risk and prudential limits to restrict exposure of the regulated entity to a single counterparty or groups of related counterparties;

''(4) management of interest rate risk exposure;

''(5) management of market risk, including standards that provide for systems that accurately measure, monitor, and control market risks and, as warranted, that establish limitations on market risk;

''(6) adequacy and maintenance of liquidity and reserves;

''(7) management of any asset and investment portfolio;

''(8) investments and acquisitions by a regulated entity, to ensure that they are consistent with the purposes of this Act and the authorizing statutes;

''(9) maintenance of adequate records, in accordance with consistent accounting policies and practices that enable the Director to evaluate the financial condition of the regulated entity;

''(10) issuance of subordinated debt by that particular regulated entity, as the Director considers necessary;

''(11) overall risk management processes, including adequacy of oversight by senior management and the board of directors and of processes and policies to identify, measure, monitor, and control material risks, including reputational risks, and for adequate, well-tested business resumption plans for all major systems with remote site facilities to protect against disruptive events; and

''(12) such other operational and management standards as the Director determines to be appropriate.

''(b) FAILURE TO MEET STANDARDS.—

''(1) PLAN REQUIREMENT.—

''(A) IN GENERAL.—If the Director determines that a regulated entity fails to meet any standard established under subsection (a)—

''(i) if such standard is established by regulation, the Director shall require the regulated entity to submit an acceptable plan to the Director within the time allowed under subparagraph (C); and

''(ii) if such standard is established by guideline, the Director may require the regulated entity to submit a plan described in clause (i).

''(B) CONTENTS.—Any plan required under subparagraph (A) shall specify the actions that the regulated entity will take to correct the deficiency. If the regulated entity is undercapitalized, the plan may be a part of the capital restoration plan for the regulated entity under section 1369C.

''(C) DEADLINES FOR SUBMISSION AND REVIEW.—The Director shall by regulation establish deadlines that—

''(i) provide the regulated entities with reasonable time to submit plans required under subparagraph (A), and generally require a regulated entity to submit a plan not later than 30 days after the Director determines that the entity fails to meet any standard established under subsection (a); and

''(ii) require the Director to act on plans expeditiously, and generally not later than 30 days after the plan is submitted.

''(2) REQUIRED ORDER UPON FAILURE TO SUBMIT OR IMPLEMENT PLAN.—If a regulated entity fails to submit an acceptable plan within the time allowed under paragraph (1)(C), or fails in any material respect to implement a plan accepted by the Director, the following shall apply:

''(A) REQUIRED CORRECTION OF DEFICIENCY.—The Director shall, by order, require the regulated entity to correct the deficiency.

''(B) OTHER AUTHORITY.—The Director may, by order, take one or more of the following actions until the deficiency is corrected:

''(i) Prohibit the regulated entity from permitting its average total assets (as such term is defined in section 1316(b)) during any calendar quarter to exceed its average total assets during the preceding calendar quarter, or restrict the rate at which the average total assets of the entity may increase from one calendar quarter to another.

''(ii) Require the regulated entity—

''(I) in the case of an enterprise, to increase its ratio of core capital to assets.

''(II) in the case of a Federal home loan bank, to increase its ratio of total capital (as such term is defined in section 6(a)(5) of the Federal Home Loan Bank Act (12 U.S.C. 1426(a)(5)) to assets.

''(iii) Require the regulated entity to take any other action that the Director determines will better carry out the purposes of this section than any of the actions described in this subparagraph.

''(3) MANDATORY RESTRICTIONS.—In complying with paragraph (2), the Director shall take one or more of the actions described in clauses (i) through (iii) of paragraph (2)(B) if—

''(A) the Director determines that the regulated entity fails to meet any standard prescribed under subsection (a);

''(B) the regulated entity has not corrected the deficiency; and

''(C) during the 18-month period before the date on which the regulated entity first failed to meet the standard, the entity underwent extraordinary growth, as defined by the Director.

''(c) OTHER ENFORCEMENT AUTHORITY NOT AFFECTED.—The authority of the Director under

this section is in addition to any other authority of the Director.''.

(b) INDEPENDENCE IN CONGRESSIONAL TESTIMONY AND RECOMMENDATIONS.—Section 111 of Public Law 93–495 (12 U.S.C. 250) is amended by striking ''the Federal Housing Finance Board'' and inserting ''the Director of the Federal Housing Finance Agency''.

SEC. 103. FEDERAL HOUSING ENTERPRISE BOARD.

(a) IN GENERAL.—Title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4501 et seq.) is amended by inserting after section 1313A, as added by section 102 of this Act, the following new section:

''SEC. 1313B. FEDERAL HOUSING ENTERPRISE BOARD.

''(a) IN GENERAL.—There is established the Federal Housing Enterprise Board, which shall advise the Director with respect to overall strategies and policies in carrying out the duties of the Director under this title.

''(b) LIMITATIONS.—The Board may not exercise any executive authority, and the Director may not delegate to the Board any of the functions, powers, or duties of the Director.

''(c) COMPOSITION.—The Board shall be comprised of 5 members, of whom—

''(1) one member shall be the Secretary of the Treasury;

''(2) one member shall be the Secretary of Housing and Urban Development;

''(3) one member shall be the Director, who shall serve as the Chairperson of the Board; and

''(4) two members, who shall be appointed by the President, by and with the advise and consent of the Senate, who are experts or experienced in the field of financial services, housing finance, affordable housing, or mortgage lending.

The members pursuant to paragraph (4) shall be appointed for a term of four years. The Board may not, at any time, have more than three members of the same political party.

''(d) MEETINGS.—

''(1) IN GENERAL.—The Board shall meet upon notice by the Director, but in no event shall the Board meet less frequently than once every 3 months.

''(2) SPECIAL MEETINGS.—Either the Secretary of the Treasury or the Secretary of Housing and Urban Development may, upon giving written notice to the Director, require a special meeting of the Board.

''(e) TESTIMONY.—On an annual basis, the Board shall testify before Congress regarding—

''(1) the safety and soundness of the regulated entities;

''(2) any material deficiencies in the conduct of the operations of the regulated entities;

''(3) the overall operational status of the regulated entities;

''(4) an evaluation of the performance of the regulated entities in carrying out their respective missions;

''(5) operations, resources, and performance of the Agency; and

''(6) such other matters relating to the Agency and its fulfillment of its mission, as the Board determines appropriate.''.

(b) ANNUAL REPORT OF THE DIRECTOR.—Section 1319B(a) of the Housing and Community Development Act of 1992 (12 U.S.C. 4521 (a)) is amended—

(1) in paragraph (3), by striking ''and'' at the end; and

(2) by striking paragraph (4) and inserting the following new paragraphs:

''(4) an assessment of the Board or any of its members with respect to—

''(A) the safety and soundness of the regulated entities;

''(B) any material deficiencies in the conduct of the operations of the regulated entities;

''(C) the overall operational status of the regulated entities; and

''(D) an evaluation of the performance of the regulated entities in carrying out their missions;

''(5) operations, resources, and performance of the Agency;

''(6) a description of the demographic makeup of the workforce of the Agency and the actions taken pursuant to section 1319A(b) to provide for diversity in the workforce; and

''(7) such other matters relating to the Agency and its fulfillment of its mission.''.

SEC. 104. AUTHORITY TO REQUIRE REPORTS BY REGULATED ENTITIES.

Section 1314 of the Housing and Community Development Act of 1992 (12 U.S.C. 4514) is amended—

*(1) in the section heading, by striking ''**ENTERPRISES**'' and inserting ''**REGULATED ENTITIES**'';*

(2) in subsection (a)—

(A) in the subsection heading, by striking ''SPECIAL REPORTS AND REPORTS OF FINANCIAL CONDITION'' and inserting ''REGULAR AND SPECIAL REPORTS'';

(B) in paragraph (1)—

(i) in the paragraph heading, by striking ''FINANCIAL CONDITION'' and inserting ''REGULAR REPORTS''; and

(ii) by striking ''reports of financial condition and operations'' and inserting ''regular reports on the condition (including financial condition), management, activities, or operations of the regulated entity, as the Director considers appropriate''; and

(C) in paragraph (2), after ''submit special reports'' insert ''on any of the topics specified in paragraph (1) or such other topics''; and

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

''(c) REPORTS OF FRAUDULENT FINANCIAL TRANSACTIONS.—

''(1) REQUIREMENT TO REPORT.—The Director shall require a regulated entity to submit to the Director a timely report upon discovery by the regulated entity that it has purchased or sold a fraudulent loan or financial instrument or suspects a possible fraud relating to a purchase or sale of any loan or financial instrument. The Director shall require the regulated entities to establish and maintain procedures designed to discover any such transactions.

''(2) PROTECTION FROM LIABILITY FOR REPORTS.—

''(A) IN GENERAL.—If a regulated entity makes a report pursuant to paragraph (1), or a regulated entity-affiliated party makes, or requires another to make, such a report, and such report is made in a good faith effort to comply with the requirements of paragraph (1), such regulated entity or regulated entity-affiliated party shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such report or for any failure to provide notice of such report to the person who is the subject of such report or any other person identified in the report.

''(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as creating—

''(i) any inference that the term 'person', as used in such subparagraph, may be construed more broadly than its ordinary usage so as to include any government or agency of government; or

''(ii) any immunity against, or otherwise affecting, any civil or criminal action brought by any government or agency of government to enforce any constitution, law, or regulation of such government or agency.''.

SEC. 105. DISCLOSURE OF INCOME AND CHARITABLE CONTRIBUTIONS BY ENTERPRISES.

Section 1314 of the Housing and Community Development Act of 1992 (12 U.S.C. 4514), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsections:

''(d) DISCLOSURE OF CHARITABLE CONTRIBUTIONS BY ENTERPRISES.—

''(1) REQUIRED DISCLOSURE.—The Director shall, by regulation, require each enterprise to submit a report annually, in a format designated by the Director, containing the following information:

''(A) TOTAL VALUE.—The total value of contributions made by the enterprise to nonprofit organizations during its previous fiscal year.

''(B) SUBSTANTIAL CONTRIBUTIONS.—If the value of contributions made by the enterprise to any nonprofit organization during its previous fiscal year exceeds the designated amount, the name of that organization and the value of contributions.

''(C) SUBSTANTIAL CONTRIBUTIONS TO INSIDER-AFFILIATED CHARITIES.—Identification of each contribution whose value exceeds the designated amount that were made by the enterprise during the enterprise's previous fiscal year to any nonprofit organization of which a director, officer, or controlling person of the enterprise, or a spouse thereof, was a director or trustee, the name of such nonprofit organization, and the value of the contribution.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) the term 'designated amount' means such amount as may be designated by the Director by regulation, consistent with the public interest and the protection of investors for purposes of this subsection; and

''(B) the Director may, by such regulations as the Director deems necessary or appropriate in the public interest, define the terms officer and controlling person.

''(3) PUBLIC AVAILABILITY.—The Director shall make the information submitted pursuant to this subsection publicly available.

''(e) DISCLOSURE OF INCOME.—Each enterprise shall include, in each annual report filed under section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m), the income reported by the issuer to the Internal Revenue Service for the most recent taxable year. Such income shall—

''(1) be presented in a prominent location in each such report and in a manner that permits a ready comparison of such income to income otherwise required to be included in such reports under regulations issued under such section; and

''(2) be submitted to the Securities and Exchange Commission in a form and manner suitable for entry into the EDGAR system of such Commission for public availability under such system.''.

SEC. 106. ASSESSMENTS.

Section 1316 of the Housing and Community Development Act of 1992 (12 U.S.C. 4516) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) ANNUAL ASSESSMENTS.—The Director shall establish and collect from the regulated entities annual assessments in an amount not exceeding the amount sufficient to provide for reasonable costs and expenses of the Agency, including—

''(1) the expenses of any examinations under section 1317 of this Act and under section 20 of the Federal Home Loan Bank Act;

''(2) the expenses of obtaining any reviews and credit assessments under section 1319;

''(3) such amounts in excess of actual expenses for any given year as deemed necessary by the Director to maintain a working capital fund in accordance with subsection (e); and

''(4) the wind up of the affairs of the Office of Federal Housing Enterprise Oversight and the Federal Housing Finance Board under title III of the Federal Housing Finance Reform Act of 2007.'';

(2) in subsection (b)—

(A) in the subsection heading, by striking ''ENTERPRISES'' and inserting ''REGULATED ENTITIES'' ;

(B) by realigning paragraph (2) two ems from the left margin, so as to align the left margin of

such paragraph with the left margins of paragraph (1);

(C) in paragraph (1)—

(i) by striking ''Each enterprise'' and inserting ''Each regulated entity'';

(ii) by striking ''each enterprise'' and inserting ''each regulated entity''; and

(iii) by striking ''both enterprises'' and inserting ''all of the regulated entities''; and

(D) in paragraph (3)—

(i) in subparagraph (B), by striking ''subparagraph (A)'' and inserting ''clause (i)'';

(ii) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii) and (ii), respectively, and realigning such clauses, as so redesignated, so as to be indented 6 ems from the left margin;

(iii) by striking the matter that precedes clause (i), as so redesignated, and inserting the following:

''(3) DEFINITION OF TOTAL ASSETS.—For purposes of this section, the term 'total assets' means as follows:

''(A) ENTERPRISES.—With respect to an enterprise, the sum of—''; and

(iv) by adding at the end the following new subparagraph:

''(B) FEDERAL HOME LOAN BANKS.—With respect to a Federal home loan bank, the total assets of the Bank, as determined by the Director in accordance with generally accepted accounting principles.'';

(3) by striking subsection (c) and inserting the following new subsection:

''(c) INCREASED COSTS OF REGULATION.—

''(1) INCREASE FOR INADEQUATE CAPITALIZATION.—The semiannual payments made pursuant to subsection (b) by any regulated entity that is not classified (for purposes of subtitle B) as adequately capitalized may be increased, as necessary, in the discretion of the Director to pay additional estimated costs of regulation of the regulated entity.

''(2) ADJUSTMENT FOR ENFORCEMENT ACTIVITIES.—The Director may adjust the amounts of any semiannual payments for an assessment under subsection (a) that are to be paid pursuant to subsection (b) by a regulated entity, as necessary in the discretion of the Director, to ensure that the costs of enforcement activities under this Act for a regulated entity are borne only by such regulated entity.

''(3) ADDITIONAL ASSESSMENT FOR DEFICIENCIES.—If at any time, as a result of increased costs of regulation of a regulated entity that is not classified (for purposes of subtitle B) as adequately capitalized or as the result of supervisory or enforcement activities under this Act for a regulated entity, the amount available from any semiannual payment made by such regulated entity pursuant to subsection (b) is insufficient to cover the costs of the Agency with respect to such entity, the Director may make and collect from such regulated entity an immediate assessment to cover the amount of such deficiency for the semiannual period. If, at the end of any semiannual period during which such an assessment is made, any amount remains from such assessment, such remaining amount shall be deducted from the assessment for such regulated entity for the following semiannual period.'';

(4) in subsection (d), by striking ''If'' and inserting ''Except with respect to amounts collected pursuant to subsection (a)(3), if''; and

(5) by striking subsections (e) through (g) and inserting the following new subsections:

''(e) WORKING CAPITAL FUND.—At the end of each year for which an assessment under this section is made, the Director shall remit to each regulated entity any amount of assessment collected from such regulated entity that is attributable to subsection (a)(3) and is in excess of the amount the Director deems necessary to maintain a working capital fund.

''(f) TREATMENT OF ASSESSMENTS.—

''(1) DEPOSIT.—Amounts received by the Director from assessments under this section may be deposited by the Director in the manner provided in section 5234 of the Revised Statutes (12 U.S.C. 192) for monies deposited by the Comptroller of the Currency.

''(2) NOT GOVERNMENT FUNDS.—The amounts received by the Director from any assessment under this section shall not be construed to be Government or public funds or appropriated money.

''(3) NO APPORTIONMENT OF FUNDS.—Notwithstanding any other provision of law, the amounts received by the Director from any assessment under this section shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.

''(4) USE OF FUNDS.—The Director may use any amounts received by the Director from assessments under this section for compensation of the Director and other employees of the Agency and for all other expenses of the Director and the Agency.

''(5) AVAILABILITY OF OVERSIGHT FUND AMOUNTS.—Notwithstanding any other provision of law, any amounts remaining in the Federal Housing Enterprises Oversight Fund established under this section (as in effect before the effective date under section 185 of the Federal Housing Finance Reform Act of 2007), and any amounts remaining from assessments on the Federal Home Loan banks pursuant to section 18(b) of the Federal Home Loan Bank Act (12 U.S.C. 1438(b)), shall, upon such effective date, be treated for purposes of this subsection as amounts received from assessments under this section.

''(6) TREASURY INVESTMENTS.—

''(A) AUTHORITY.—The Director may request the Secretary of the Treasury to invest such portions of amount received by the Director from assessments paid under this section that, in the Director's discretion, are not required to meet the current working needs of the Agency.

''(B) GOVERNMENT OBLIGATIONS.—Pursuant to a request under subparagraph (A), the Secretary of the Treasury shall invest such amounts in government obligations guaranteed as to principal and interest by the United States with maturities suitable to the needs of Agency and bearing interest at a rate determined by the Secretary of the Treasury taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturity.

''(g) BUDGET AND FINANCIAL MANAGEMENT.—

''(1) FINANCIAL OPERATING PLANS AND FORECASTS.—The Director shall provide to the Director of the Office of Management and Budget copies of the Director's financial operating plans and forecasts as prepared by the Director in the ordinary course of the Agency's operations, and copies of the quarterly reports of the Agency's financial condition and results of operations as prepared by the Director in the ordinary course of the Agency's operations.

''(2) FINANCIAL STATEMENTS.—The Agency shall prepare annually a statement of assets and liabilities and surplus or deficit; a statement of income and expenses; and a statement of sources and application of funds.

''(3) FINANCIAL MANAGEMENT SYSTEMS.—The Agency shall implement and maintain financial management systems that comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and that uses a general ledger system that accounts for activity at the transaction level.

''(4) ASSERTION OF INTERNAL CONTROLS.—The Director shall provide to the Comptroller General an assertion as to the effectiveness of the internal controls that apply to financial reporting by the Agency, using the standards established in section 3512(c) of title 31, United States Code.

''(5) RULE OF CONSTRUCTION.—This subsection may not be construed as implying any obligation on the part of the Director to consult with or obtain the consent or approval of the Director of the Office of Management and Budget with respect to any reports, plans, forecasts, or other information referred to in paragraph (1) or any jurisdiction or oversight over the affairs or operations of the Agency.

''(h) AUDIT OF AGENCY.—

''(1) IN GENERAL.—The Comptroller General shall annually audit the financial transactions of the Agency in accordance with the U.S. generally accepted government auditing standards as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where accounts of the Agency are normally kept. The representatives of the Government Accountability Office shall have access to the personnel and to all books, accounts, documents, papers, records (including electronic records), reports, files, and all other papers, automated data, things, or property belonging to or under the control of or used or employed by the Agency pertaining to its financial transactions and necessary to facilitate the audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, documents, records, reports, files, papers, and property of the Agency shall remain in possession and custody of the Agency. The Comptroller General may obtain and duplicate any such books, accounts, documents, records, working papers, automated data and files, or other information relevant to such audit without cost to the Comptroller General and the Comptroller General's right of access to such information shall be enforceable pursuant to section 716(c) of title 31, United States Code.

''(2) REPORT.—The Comptroller General shall submit to the Congress a report of each annual audit conducted under this subsection. The report to the Congress shall set forth the scope of the audit and shall include the statement of assets and liabilities and surplus or deficit, the statement of income and expenses, the statement of sources and application of funds, and such comments and information as may be deemed necessary to inform Congress of the financial operations and condition of the Agency, together with such recommendations with respect thereto as the Comptroller General may deem advisable. A copy of each report shall be furnished to the President and to the Agency at the time submitted to the Congress.

''(3) ASSISTANCE AND COSTS.—For the purpose of conducting an audit under this subsection, the Comptroller General may, in the discretion of the Comptroller General, employ by contract, without regard to section 5 of title 41, United States Code, professional services of firms and organizations of certified public accountants for temporary periods or for special purposes. Upon the request of the Comptroller General, the Director of the Agency shall transfer to the Government Accountability Office from funds available, the amount requested by the Comptroller General to cover the full costs of any audit and report conducted by the Comptroller General. The Comptroller General shall credit funds transferred to the account established for salaries and expenses of the Government Accountability Office, and such amount shall be available upon receipt and without fiscal year limitation to cover the full costs of the audit and report.''.

SEC. 107. EXAMINERS AND ACCOUNTANTS.

(a) EXAMINATIONS.—Section 1317 of the Housing and Community Development Act of 1992 (12 U.S.C. 4517) is amended—

(1) in subsection (a), by adding after the period at the end the following: ''Each examination under this subsection of a regulated entity shall include a review of the procedures required to be established and maintained by the regulated entity pursuant to section 1314(c) (relating to fraudulent financial transactions) and the report regarding each such examination shall describe any problems with such procedures maintained by the regulated entity.'';

(2) in subsection (b)—

(A) by inserting ''of a regulated entity'' after ''under this section''; and

(B) by striking ''to determine the condition of an enterprise for the purpose of ensuring its financial safety and soundness'' and inserting ''or appropriate''; and

(3) in subsection (c)—

(A) in the second sentence, by inserting ''to conduct examinations under this section'' before the period; and

(B) in the third sentence, by striking ''from amounts available in the Federal Housing Enterprises Oversight Fund''.

(b) ENHANCED AUTHORITY TO HIRE EXAMINERS AND ACCOUNTANTS.—Section 1317 of the Housing and Community Development Act of 1992 (12 U.S.C. 4517) is amended by adding at the end the following new subsection:

''(g) APPOINTMENT OF ACCOUNTANTS, ECONOMISTS, SPECIALISTS, AND EXAMINERS.—

''(1) APPLICABILITY.—This section applies with respect to any position of examiner, accountant, specialist in financial markets, specialist in information technology, and economist at the Agency, with respect to supervision and regulation of the regulated entities, that is in the competitive service.

''(2) APPOINTMENT AUTHORITY.—The Director may appoint candidates to any position described in paragraph (1)—

''(A) in accordance with the statutes, rules, and regulations governing appointments in the excepted service; and

''(B) notwithstanding any statutes, rules, and regulations governing appointments in the competitive service.

''(3) RULE OF CONSTRUCTION.—The appointment of a candidate to a position under the authority of this subsection shall not be considered to cause such position to be converted from the competitive service to the excepted service.''.

(c) REPEAL.—Section 20 of the Federal Home Loan Bank Act (12 U.S.C. 1440) is amended—

(1) by striking the section heading and inserting the following: ''EXAMINATIONS AND GAO AUDITS'';

(2) in the third sentence, by striking ''the Board and'' each place such term appears; and

(3) by striking the first two sentences and inserting the following: ''The Federal home loan banks shall be subject to examinations by the Director to the extent provided in section 1317 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4517).''.

SEC. 108. PROHIBITION AND WITHHOLDING OF EXECUTIVE COMPENSATION.

(a) IN GENERAL.—Section 1318 of the Housing and Community Development Act of 1992 (12 U.S.C. 4518) is amended—

(1) in the section heading, by striking ''**OF EXCESSIVE**'' and inserting ''**AND WITHHOLDING OF EXECUTIVE**'';

(2) by redesignating subsection (b) as subsection (d); and

(3) by inserting after subsection (a) the following new subsections:

''(b) FACTORS.—In making any determination under subsection (a), the Director may take into consideration any factors the Director considers relevant, including any wrongdoing on the part of the executive officer, and such wrongdoing shall include any fraudulent act or omission, breach of trust or fiduciary duty, violation of law, rule, regulation, order, or written agreement, and insider abuse with respect to the regulated entity. The approval of an agreement or contract pursuant to section 309(d)(3)(B) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(d)(3)(B)) or section 303(h)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(h)(2)) shall not preclude the Director from making any subsequent determination under subsection (a).

''(c) WITHHOLDING OF COMPENSATION.—In carrying out subsection (a), the Director may require a regulated entity to withhold any payment, transfer, or disbursement of compensation to an executive officer, or to place such compensation in an escrow account, during the review of the reasonableness and comparability of compensation.''.

(b) CONFORMING AMENDMENTS.—

(1) FANNIE MAE.—Section 309(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(d)) is amended by adding at the end the following new paragraph:

''(4) Notwithstanding any other provision of this section, the corporation shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).''.

(2) FREDDIE MAC.—Section 303(h) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(h)) is amended by adding at the end the following new paragraph:

''(4) Notwithstanding any other provision of this section, the Corporation shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).''.

(3) FEDERAL HOME LOAN BANKS.—Section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427) is amended by adding at the end the following new subsection:

''(l) WITHHOLDING OF COMPENSATION.—Notwithstanding any other provision of this section, a Federal home loan bank shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).''.

SEC. 109. REVIEWS OF REGULATED ENTITIES.

Section 1319 of the Housing and Community Development Act of 1992 (12 U.S.C. 4519) is amended—

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

''SEC. 1319. REVIEWS OF REGULATED ENTITIES.''; and

(2) by striking ''is a nationally recognized'' and all that follows through ''1934'' and inserting the following: ''the Director considers appropriate, including an entity that is registered under section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78a) as a nationally registered statistical rating organization''.

SEC. 110. INCLUSION OF MINORITIES AND WOMEN; DIVERSITY IN AGENCY WORKFORCE.

Section 1319A of the Housing and Community Development Act of 1992 (12 U.S.C. 4520) is amended—

(1) in the section heading, by striking ''**EQUAL OPPORTUNITY IN SOLICITATION OF CONTRACTS**'' and inserting ''**MINORITY AND WOMEN INCLUSION; DIVERSITY REQUIREMENTS**'';

(2) in subsection (a), by striking ''(a) IN GENERAL.—Each enterprise'' and inserting ''(e) OUTREACH.—Each regulated entity''; and

(3) by striking subsection (b);

(4) by inserting before subsection (e), as so redesignated by paragraph (2) of this section, the following new subsections:

''(a) OFFICE OF MINORITY AND WOMEN INCLUSION.—Each regulated entity shall establish an Office of Minority and Women Inclusion, or designate an office of the entity, that shall be responsible for carrying out this section and all matters of the entity relating to diversity in management, employment, and business activities in accordance with such standards and requirements as the Director shall establish.

''(b) INCLUSION IN ALL LEVELS OF BUSINESS ACTIVITIES.—Each regulated entity shall develop and implement standards and procedures to ensure, to the maximum extent possible, the inclusion and utilization of minorities (as such term is defined in section 1204(c) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note)) and women, and minority- and women-owned businesses (as such terms are defined in section 21A(r)(4) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(r)(4)) (including financial institutions, investment banking firms, mortgage banking firms, asset management firms, broker-dealers, financial services firms, underwriters, accountants, brokers, investment consultants, and providers of legal services) in all business and activities of the regulated entity at all levels, including in procurement, insurance, and all types of contracts (including contracts for the issuance or guarantee of any debt, equity, or mortgage-related securities, the management of its mortgage and securities portfolios, the making of its equity investments, the purchase, sale and servicing of single- and multi-family mortgage loans, and the implementation of its affordable housing program and initiatives). The processes established by each regulated entity for review and evaluation for contract proposals and to hire service providers shall include a component that gives consideration to the diversity of the applicant.

''(c) APPLICABILITY.—This section shall apply to all contracts of a regulated entity for services of any kind, including services that require the services of investment banking, asset management entities, broker-dealers, financial services entities, underwriters, accountants, investment consultants, and providers of legal services.

''(d) INCLUSION IN ANNUAL REPORTS.—Each regulated entity shall include, in the annual report submitted by the entity to the Director pursuant to section 309(k) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(k)), section 307(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(c)), and section 20 of the Federal Home Loan Bank Act (12 U.S.C. 1440), as applicable, detailed information describing the actions taken by the entity pursuant to this section, which shall include a statement of the total amounts paid by the entity to third party contractors since the last such report and the percentage of such amounts paid to businesses described in subsection (b) of this section.''; and

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

''(f) DIVERSITY IN AGENCY WORKFORCE.—The Agency shall take affirmative steps to seek diversity in its workforce at all levels of the agency consistent with the demographic diversity of the United States, which shall include—

''(1) heavily recruiting at historically Black colleges and universities, Hispanic-serving institutions, women's colleges, and colleges that typically serve majority minority populations;

''(2) sponsoring and recruiting at job fairs in urban communities, and placing employment advertisements in newspapers and magazines oriented toward women and people of color;

''(3) partnering with organizations that are focused on developing opportunities for minorities and women to place talented young minorities and women in industry internships, summer employment, and full-time positions; and

''(4) where feasible, partnering with inner-city high schools, girls' high schools, and high schools with majority minority populations to establish or enhance financial literacy programs and provide mentoring.''.

SEC. 111. REGULATIONS AND ORDERS.

Section 1319G of the Housing and Community Development Act of 1992 (12 U.S.C. 4526) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) AUTHORITY.—The Director shall issue any regulations, guidelines, and orders necessary to carry out the duties of the Director

under this title and each of the authorizing statutes to ensure that the purposes of this title and such statutes are accomplished.'';

(2) in subsection (b), by inserting '', this title, or any of the authorizing statutes'' after ''under this section''; and

(3) by striking subsection (c).

SEC. 112. NON-WAIVER OF PRIVILEGES.

Part 1 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4511) is amended by adding at the end the following new section:

''SEC. 1319H. PRIVILEGES NOT AFFECTED BY DISCLOSURE.

''(a) IN GENERAL.—The submission by any person of any information to the Agency for any purpose in the course of any supervisory or regulatory process of the Agency shall not be construed as waiving, destroying, or otherwise affecting any privilege such person may claim with respect to such information under Federal or State law as to any person or entity other than the Agency.

''(b) RULE OF CONSTRUCTION.—No provision of subsection (a) may be construed as implying or establishing that—

''(1) any person waives any privilege applicable to information that is submitted or transferred under any circumstance to which subsection (a) does not apply; or

''(2) any person would waive any privilege applicable to any information by submitting the information to the Agency, but for this subsection.''.

SEC. 113. RISK-BASED CAPITAL REQUIREMENTS.

(a) IN GENERAL.—Section 1361 of the Housing and Community Development Act of 1992 (12 U.S.C. 4611) is amended to read as follows:

''SEC. 1361. RISK-BASED CAPITAL LEVELS FOR REGULATED ENTITIES.

''(a) IN GENERAL.—

''(1) ENTERPRISES.—The Director shall, by regulation, establish risk-based capital requirements for the enterprises to ensure that the enterprises operate in a safe and sound manner, maintaining sufficient capital and reserves to support the risks that arise in the operations and management of the enterprises.

''(2) FEDERAL HOME LOAN BANKS.—The Director shall establish risk-based capital standards under section 6 of the Federal Home Loan Bank Act for the Federal home loan banks.

''(b) CONFIDENTIALITY OF INFORMATION.—Any person that receives any book, record, or information from the Director or a regulated entity to enable the risk-based capital requirements established under this section to be applied shall—

''(1) maintain the confidentiality of the book, record, or information in a manner that is generally consistent with the level of confidentiality established for the material by the Director or the regulated entity; and

''(2) be exempt from section 552 of title 5, United States Code, with respect to the book, record, or information.

''(c) NO LIMITATION.—Nothing in this section shall limit the authority of the Director to require other reports or undertakings, or take other action, in furtherance of the responsibilities of the Director under this Act.''.

(b) FEDERAL HOME LOAN BANKS RISK-BASED CAPITAL.—Section 6(a)(3) of the Federal Home Loan Bank Act (12 U.S.C. 1426(a)(3)) is amended—

(1) by striking subparagraph (A) and inserting the following new subparagraph:

''(A) RISK-BASED CAPITAL STANDARDS.—The Director shall, by regulation, establish risk-based capital standards for the Federal home loan banks to ensure that the Federal home loan banks operate in a safe and sound manner, with sufficient permanent capital and reserves to support the risks that arise in the operations and management of the Federal home loans banks.''; and

(2) in subparagraph (B), by striking ''(A)(ii)'' and inserting ''(A)''.

SEC. 114. MINIMUM AND CRITICAL CAPITAL LEVELS.

(a) MINIMUM CAPITAL LEVEL.—Section 1362 of the Housing and Community Development Act of 1992 (12 U.S.C. 4612) is amended—

(1) in subsection (a), by striking ''IN GENERAL'' and inserting ''ENTERPRISES''; and

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

''(b) FEDERAL HOME LOAN BANKS.—For purposes of this subtitle, the minimum capital level for each Federal home loan bank shall be the minimum capital required to be maintained to comply with the leverage requirement for the bank established under section 6(a)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1426(a)(2)).

''(c) ESTABLISHMENT OF REVISED MINIMUM CAPITAL LEVELS.—Notwithstanding subsections (a) and (b) and notwithstanding the capital classifications of the regulated entities, the Director may, by regulations issued under section 1319G, establish a minimum capital level for the enterprises, for the Federal home loan banks, or for both the enterprises and the banks, that is higher than the level specified in subsection (a) for the enterprises or the level specified in subsection (b) for the Federal home loan banks, to the extent needed to ensure that the regulated entities operate in a safe and sound manner.

''(d) AUTHORITY TO REQUIRE TEMPORARY INCREASE.—Notwithstanding subsections (a) and (b) and any minimum capital level established pursuant to subsection (c), the Director may, by order, increase the minimum capital level for a regulated entity on a temporary basis for such period as the Director may provide if the Director—

''(1) makes any determination specified in subparagraphs (A) through (C) of section 1364(c)(1);

''(2) determines that the regulated entity has violated any of the prudential standards established pursuant to section 1313A and, as a result of such violation, determines that an unsafe and unsound condition exists; or

''(3) determines that an unsafe and unsound condition exists, except that a temporary increase in minimum capital imposed on a regulated entity pursuant to this paragraph shall not remain in place for a period of more than 6 months unless the Director makes a renewed determination of the existence of an unsafe and unsound condition.

''(e) AUTHORITY TO ESTABLISH ADDITIONAL CAPITAL AND RESERVE REQUIREMENTS FOR PARTICULAR PROGRAMS.—The Director may, at any time by order or regulation, establish such capital or reserve requirements with respect to any program or activity of a regulated entity as the Director considers appropriate to ensure that the regulated entity operates in a safe and sound manner, with sufficient capital and reserves to support the risks that arise in the operations and management of the regulated entity.

''(f) PERIODIC REVIEW.—The Director shall periodically review the amount of core capital maintained by the enterprises, the amount of capital retained by the Federal home loan banks, and the minimum capital levels established for such regulated entities pursuant to this section. The Director shall rescind any temporary minimum capital level increase if the Director determines that the circumstances or facts justifying the temporary increase are no longer present.''.

(b) CRITICAL CAPITAL LEVELS.—

(1) IN GENERAL.—Section 1363 of the Housing and Community Development Act of 1992 (12 U.S.C. 4613) is amended—

(A) by striking ''For'' and inserting ''(a) ENTERPRISES.—FOR''; and

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

''(b) FEDERAL HOME LOAN BANKS.—

''(1) IN GENERAL.—For purposes of this subtitle, the critical capital level for each Federal home loan bank shall be such amount of capital as the Director shall, by regulation require.

''(2) CONSIDERATION OF OTHER CRITICAL CAPITAL LEVELS.—In establishing the critical capital level under paragraph (1) for the Federal home loan banks, the Director shall take due consideration of the critical capital level established under subsection (a) for the enterprises, with such modifications as the Director determines to be appropriate to reflect the difference in operations between the banks and the enterprises.''.

(2) REGULATIONS.—Not later than the expiration of the 180-day period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall issue regulations pursuant to section 1363(b) of the Housing and Community Development Act of 1992 (as added by paragraph (1) of this subsection) establishing the critical capital level under such section.

SEC. 115. REVIEW OF AND AUTHORITY OVER ENTERPRISE ASSETS AND LIABILITIES.

(a) IN GENERAL.—Subtitle B of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4611 et seq.) is amended—

(1) by striking the subtitle designation and heading and inserting the following:

''Subtitle B—Required Capital Levels for Regulated Entities, Special Enforcement Powers, and Reviews of Assets and Liabilities''; *and*

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

''SEC. 1369E. REVIEWS OF ENTERPRISE ASSETS AND LIABILITIES.

''(a) IN GENERAL.—The Director shall, by regulation, establish standards by which the portfolio holdings, or rate of growth of the portfolio holdings, of the enterprises will be deemed to be consistent with the mission and the safe and sound operations of the enterprises. In developing such standards, the Director shall consider—

''(1) the size or growth of the mortgage market;

''(2) the need for the portfolio in maintaining liquidity or stability of the secondary mortgage market (including the market for the mortgage-backed securities the enterprises issue);

''(3) the need for an inventory of mortgages in connection with securitizations;

''(4) the need for the portfolio to directly support the affordable housing mission of the enterprises;

''(5) the liquidity needs of the enterprises;

''(6) any potential risks posed by the nature of the portfolio holdings; and

''(7) any additional factors that the Director determines to be necessary to carry out the purpose under the first sentence of this subsection to establish standards for assessing whether the portfolio holdings are consistent with the mission and safe and sound operations of the enterprises.

''(b) TEMPORARY ADJUSTMENTS.—The Director may, by order, make temporary adjustments to the established standards for an enterprise or both enterprises, such as during times of economic distress or market disruption.

''(c) AUTHORITY TO REQUIRE DISPOSITION OR ACQUISITION.—The Director shall monitor the portfolio of each enterprise. Pursuant to subsection (a) and notwithstanding the capital classifications of the enterprises, the Director may, by order, require an enterprise, under such terms and conditions as the Director determines to be appropriate, to dispose of or acquire any asset, if the Director determines that such action is consistent with the purposes of this Act or any of the authorizing statutes.''.

(b) REGULATIONS.—Not later than the expiration of the 180-day period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall issue regulations pursuant to section 1369E(a) of the Housing and Community Development Act of 1992 (as added by subsection (a) of this section) establishing the portfolio holdings standards under such section.

SEC. 116. CORPORATE GOVERNANCE OF ENTERPRISES.

The Housing and Community Development Act of 1992 is amended by inserting before section 1323 (12 U.S.C. 4543) the following new section:

"SEC. 1322A. CORPORATE GOVERNANCE OF ENTERPRISES.

''(a) BOARD OF DIRECTORS.—

''(1) INDEPENDENCE.—A majority of seated members of the board of directors of each enterprise shall be independent board members, as defined under rules set forth by the New York Stock Exchange, as such rules may be amended from time to time.

''(2) FREQUENCY OF MEETINGS.—To carry out its obligations and duties under applicable laws, rules, regulations, and guidelines, the board of directors of an enterprise shall meet at least eight times a year and not less than once a calendar quarter.

''(3) NON-MANAGEMENT BOARD MEMBER MEETINGS.—The non-management directors of an enterprise shall meet at regularly scheduled executive sessions without management participation.

''(4) QUORUM; PROHIBITION ON PROXIES.—For the transaction of business, a quorum of the board of directors of an enterprise shall be at least a majority of the seated board of directors and a board member may not vote by proxy.

''(5) INFORMATION.—The management of an enterprise shall provide a board member of the enterprise with such adequate and appropriate information that a reasonable board member would find important to the fulfillment of his or her fiduciary duties and obligations.

''(6) ANNUAL REVIEW.—At least annually, the board of directors of each enterprise shall review, with appropriate professional assistance, the requirements of laws, rules, regulations, and guidelines that are applicable to its activities and duties.

''(b) COMMITTEES OF BOARDS OF DIRECTORS.—

''(1) FREQUENCY OF MEETINGS.—Any committee of the board of directors of an enterprise shall meet with sufficient frequency to carry out its obligations and duties under applicable laws, rules, regulations, and guidelines.

''(2) REQUIRED COMMITTEES.—Each enterprise shall provide for the establishment, however styled, of the following committees of the board of directors:

''(A) Audit committee.

''(B) Compensation committee.

''(C) Nominating/corporate governance committee.

Such committees shall be in compliance with the charter, independence, composition, expertise, duties, responsibilities, and other requirements set forth under section 10A(m) of the Securities Exchange Act of 1934 (15 U.S.C. 78j–1(m)), with respect to the audit committee, and under rules issued by the New York Stock Exchange, as such rules may be amended from time to time.

''(c) COMPENSATION.—

''(1) IN GENERAL.—The compensation of board members, executive officers, and employees of an enterprise—

''(A) shall not be in excess of that which is reasonable and appropriate;

''(B) shall be commensurate with the duties and responsibilities of such persons;

''(C) shall be consistent with the long-term goals of the enterprise;

''(D) shall not focus solely on earnings performance, but shall take into account risk management, operational stability and legal and regulatory compliance as well; and

''(E) shall be undertaken in a manner that complies with applicable laws, rules, and regulations.

''(2) REIMBURSEMENT.—If an enterprise is required to prepare an accounting restatement due to the material noncompliance of the enterprise, as a result of misconduct, with any financial reporting requirement under the securities laws, the chief executive officer and chief financial officer of the enterprise shall reimburse the enterprise as provided under section 304 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7243). This provision does not otherwise limit the authority of the Agency to employ remedies available to it under its enforcement authorities.

''(d) CODE OF CONDUCT AND ETHICS.—

''(1) IN GENERAL.—An enterprise shall establish and administer a written code of conduct and ethics that is reasonably designed to assure the ability of board members, executive officers, and employees of the enterprise to discharge their duties and responsibilities, on behalf of the enterprise, in an objective and impartial manner, and that includes standards required under section 406 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7264) and other applicable laws, rules, and regulations.

''(2) REVIEW.—Not less than once every three years, an enterprise shall review the adequacy of its code of conduct and ethics for consistency with practices appropriate to the enterprise and make any appropriate revisions to such code.

''(e) CONDUCT AND RESPONSIBILITIES OF BOARD OF DIRECTORS.—The board of directors of an enterprise shall be responsible for directing the conduct and affairs of the enterprise in furtherance of the safe and sound operation of the enterprise and shall remain reasonably informed of the condition, activities, and operations of the enterprise. The responsibilities of the board of directors shall include having in place adequate policies and procedures to assure its oversight of, among other matters, the following:

''(1) Corporate strategy, major plans of action, risk policy, programs for legal and regulatory compliance and corporate performance, including prudent plans for growth and allocation of adequate resources to manage operations risk.

''(2) Hiring and retention of qualified executive officers and succession planning for such executive officers.

''(3) Compensation programs of the enterprise.

''(4) Integrity of accounting and financial reporting systems of the enterprise, including independent audits and systems of internal control.

''(5) Process and adequacy of reporting, disclosures, and communications to shareholders, investors, and potential investors.

''(6) Extensions of credit to board members and executive officers.

''(7) Responsiveness of executive officers in providing accurate and timely reports to Federal regulators and in addressing the supervisory concerns of Federal regulators in a timely and appropriate manner.

''(f) PROHIBITION OF EXTENSIONS OF CREDIT.—An enterprise may not directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any board member or executive officer of the enterprise, as provided by section 13(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(k)).

''(g) CERTIFICATION OF DISCLOSURES.—The chief executive officer and the chief financial officer of an enterprise shall review each quarterly report and annual report issued by the enterprise and such reports shall include certifications by such officers as required by section 302 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7241).

''(h) CHANGE OF AUDIT PARTNER.—An enterprise may not accept audit services from an external auditing firm if the lead or coordinating audit partner who has primary responsibility for the external audit of the enterprise, or the external audit partner who has responsibility for reviewing the external audit has performed audit services for the enterprise in each of the five previous fiscal years.

''(i) COMPLIANCE PROGRAM.—

''(1) REQUIREMENT.—Each enterprise shall establish and maintain a compliance program that is reasonably designed to assure that the enterprise complies with applicable laws, rules, regulations, and internal controls.

''(2) COMPLIANCE OFFICER.—The compliance program of an enterprise shall be headed by a compliance officer, however styled, who reports directly to the chief executive officer of the enterprise. The compliance officer shall report regularly to the board of directors or an appropriate committee of the board of directors on compliance with and the adequacy of current compliance policies and procedures of the enterprise, and shall recommend any adjustments to such policies and procedures that the compliance officer considers necessary and appropriate.

''(j) RISK MANAGEMENT PROGRAM.—

''(1) REQUIREMENT.—Each enterprise shall establish and maintain a risk management program that is reasonably designed to manage the risks of the operations of the enterprise.

''(2) RISK MANAGEMENT OFFICER.—The risk management program of an enterprise shall be headed by a risk management officer, however styled, who reports directly to the chief executive officer of the enterprise. The risk management officer shall report regularly to the board of directors or an appropriate committee of the board of directors on compliance with and the adequacy of current risk management policies and procedures of the enterprise, and shall recommend any adjustments to such policies and procedures that the risk management officer considers necessary and appropriate.

''(k) COMPLIANCE WITH OTHER LAWS.—

''(1) DEREGISTERED OR UNREGISTERED COMMON STOCK.—If an enterprise deregisters or has not registered its common stock with the Securities and Exchange Commission under the Securities Exchange Act of 1934, the enterprise shall comply or continue to comply with sections 10A(m) and 13(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78j–1(m), 78m(k)) and sections 302, 304, and 406 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7241, 7243, 7264), subject to such requirements as provided by subsection (l) of this section.

''(2) REGISTERED COMMON STOCK.—An enterprise that has its common stock registered with the Securities and Exchange Commission shall maintain such registered status, unless it provides 60 days prior written notice to the Director stating its intent to deregister and its understanding that it will remain subject to the requirements of the sections of the Securities Exchange Act of 1934 and the Sarbanes-Oxley Act of 2002, subject to such requirements as provided by subsection (l) of this section.

''(l) OTHER MATTERS.—The Director may from time to time establish standards, by regulation, order, or guideline, regarding such other corporate governance matters of the enterprises as the Director considers appropriate.

''(m) MODIFICATION OF STANDARDS.—In connection with standards of Federal or State law (including the Revised Model Corporation Act) or New York Stock Exchange rules that are made applicable to an enterprise by section 1710.10 of the Director's rules (12 C.F.R. 1710.10) and by subsections (a), (b), (g), (i), (j), and (k) of this section, the Director, in the Director's sole discretion, may modify the standards contained in this section or in part 1710 of the Director's rules (12 C.F.R. Part 1710) in accordance with section 553 of title 5, United States Code, and upon written notice to the enterprise.''.

SEC. 117. REQUIRED REGISTRATION UNDER SECURITIES EXCHANGE ACT OF 1934.

The Housing and Community Development Act of 1992 is amended by adding after section 1322A, as added by the preceding provisions of this Act, the following new section:

"SEC. 1322B. REQUIRED REGISTRATION UNDER SECURITIES EXCHANGE ACT OF 1934.

''(a) IN GENERAL.—Each regulated entity shall register at least one class of the capital stock of such regulated entity, and maintain such registration with the Securities and Exchange Commission, under the Securities Exchange Act of 1934.

''(b) ENTERPRISES.—Each enterprise shall comply with sections 14 and 16 of the Securities Exchange Act of 1934.''.

SEC. 118. LIAISON WITH FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

Section 1007 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3306) is amended—

(1) in the section heading, by inserting after ''STATE'' the following: ''AND FEDERAL HOUSING FINANCE AGENCY''; and

(2) by inserting after ''financial institutions'' the following: '', and one representative of the Federal Housing Finance Agency,''.

SEC. 119. GUARANTEE FEE STUDY.

(a) IN GENERAL.—The Director of the Federal Housing Finance Agency, in consultation with the heads of the federal banking agencies, shall, not later than 18 months after the date of the enactment of this Act, submit to the Congress a study concerning the pricing, transparency and reporting of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal home loan banks with regard to guarantee fees and concerning analogous practices, transparency and reporting requirements (including advances pricing practices by the Federal Home Loan Banks) of other participants in the business of mortgage purchases and securitization.

(b) FACTORS.—The study required by this section shall examine various factors such as credit risk, counterparty risk considerations, economic value considerations, and volume considerations used by the regulated entities (as such term is defined in section 1303 of the Housing and Community Development Act of 1992) included in the study in setting the amount of fees they charge.

(c) CONTENTS OF REPORT.—The report required under subsection (a) shall identify and analyze—

(1) the factors used by each enterprise (as such term is defined in section 1303 of the Housing and Community Development Act of 1992) in determining the amount of the guarantee fees it charges;

(2) the total revenue the enterprises earn from guarantee fees;

(3) the total costs incurred by the enterprises for providing guarantees;

(4) the average guarantee fee charged by the enterprises;

(5) an analysis of how and why the guarantee fees charged differ from such fees charged during the previous year;

(6) a breakdown of the revenue and costs associated with providing guarantees, based on product type and risk classifications; and

(7) other relevant information on guarantee fees with other participants in the mortgage and securitization business.

(d) PROTECTION OF INFORMATION.—Nothing in this section may be construed to require or authorize the Director of the Federal Housing Finance Agency, in connection with the study mandated by this section, to disclose information of the enterprises or other organization that is confidential or proprietary.

(e) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 120. CONFORMING AMENDMENTS.

(a) 1992 ACT.—Part 1 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4511 et seq.), as amended by the preceding provisions of this Act, is further amended—

(1) by striking ''an enterprise'' each place such term appears in such part (except in sections 1313(a)(2)(A), 1313A(b)(2)(B)(ii)(I), and 1316(b)(3)) and inserting ''a regulated entity'';

(2) by striking ''the enterprise'' each place such term appears in such part (except in section 1316(b)(3)) and inserting ''the regulated entity'';

(3) by striking ''the enterprises'' each place such term appears in such part (except in sections 1312(c)(2), and 1312(e)(2)) and inserting ''the regulated entities'';

(4) by striking ''each enterprise'' each place such term appears in such part and inserting ''each regulated entity'';

(5) by striking ''Office'' each place such term appears in such part (except in sections 1311(b)(2), 1312(b)(5), 1315(b), and 1316(a)(4), (g), and (h), 1317(c), and 1319A(a)) and inserting ''Agency'';

(6) in section 1315 (12 U.S.C. 4515)—

(A) in subsection (a)—

(i) in the subsection heading, by striking ''OFFICE PERSONNEL'' and inserting ''IN GENERAL''; and

(ii) by striking ''The'' and inserting ''Subject to title III of the Federal Housing Finance Reform Act of 2007, the'';

(B) by striking subsections (d) and (f); and

(C) by redesignating subsection (e) as subsection (d);

(7) in section 1319B (12 U.S.C. 4521), by striking ''Committee on Banking, Finance and Urban Affairs'' each place such term appears and inserting ''Committee on Financial Services''; and

(8) in section 1319F (12 U.S.C. 4525), striking all that follows ''United States Code'' and inserting '', the Agency shall be considered an agency responsible for the regulation or supervision of financial institutions.''.

(b) AMENDMENTS TO FANNIE MAE CHARTER ACT.—The Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.) is amended—

(1) by striking ''Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' each place such term appears, and inserting ''Director of the Federal Housing Finance Agency'', in—

(A) section 303(c)(2) (12 U.S.C. 1718(c)(2));

(B) section 309(d)(3)(B) (12 U.S.C. 1723a(d)(3)(B)); and

(C) section 309(k)(1); and

(2) in section 309—

(A) in subsections (d)(3)(A) and (n)(1), by striking ''Banking, Finance and Urban Affairs'' each place such term appears and inserting ''Financial Services''; and

(B) in subsection (m)—

(i) in paragraph (1), by striking ''Secretary'' the second place such term appears and inserting ''Director'';

(ii) in paragraph (2), by striking ''Secretary'' the second place such term appears and inserting ''Director''; and

(iii) by striking ''Secretary'' each other place such term appears and inserting ''Director of the Federal Housing Finance Agency''; and

(C) in subsection (n), by striking ''Secretary'' each place such term appears and inserting ''Director of the Federal Housing Finance Agency''.

(c) AMENDMENTS TO FREDDIE MAC ACT.—The Federal Home Loan Mortgage Corporation Act is amended—

(1) by striking ''Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' each place such term appears, and inserting ''Director of the Federal Housing Finance Agency'', in—

(A) section 303(b)(2) (12 U.S.C. 1452(b)(2));

(B) section 303(h)(2) (12 U.S.C. 1452(h)(2)); and

(C) section 307(c)(1) (12 U.S.C. 1456(c)(1));

(2) in sections 303(h)(1) and 307(f)(1) (12 U.S.C. 1452(h)(1), 1456(f)(1)), by striking ''Banking, Finance and Urban Affairs'' each place such term appears and inserting ''Financial Services'';

(3) in section 306(i) (12 U.S.C. 1455(i))—

(A) by striking ''1316(c)'' and inserting ''306(c)''; and

(B) by striking ''section 106'' and inserting ''section 1316''; and

(4) in section 307 (12 U.S.C. 1456))—

(A) in subsection (e)—

(i) in paragraph (1), by striking ''Secretary'' the second place such term appears and inserting ''Director'';

(ii) in paragraph (2), by striking ''Secretary'' the second place such term appears and inserting ''Director''; and

(iii) by striking ''Secretary'' each other place such term appears and inserting ''Director of the Federal Housing Finance Agency''; and

(B) in subsection (f), by striking ''Secretary'' each place such term appears and inserting ''Director of the Federal Housing Finance Agency''.

Subtitle B—Improvement of Mission Supervision

SEC. 131. TRANSFER OF PRODUCT APPROVAL AND HOUSING GOAL OVERSIGHT.

Part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4541 et seq.) is amended—

(1) by striking the designation and heading for the part and inserting the following:

''PART 2—PRODUCT APPROVAL BY DIRECTOR, CORPORATE GOVERNANCE, AND ESTABLISHMENT OF HOUSING GOALS'';

and

(2) by striking sections 1321 and 1322.

SEC. 132. REVIEW OF ENTERPRISE PRODUCTS.

(a) IN GENERAL.—Part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 is amended by inserting before section 1323 (12 U.S.C. 4543) the following new section:

''SEC. 1321. PRIOR APPROVAL AUTHORITY FOR PRODUCTS OF ENTERPRISES.

''(a) IN GENERAL.—The Director shall require each enterprise to obtain the approval of the Director for any product of the enterprise before initially offering the product.

''(b) STANDARD FOR APPROVAL.—In considering any request for approval of a product pursuant to subsection (a), the Director shall make a determination that—

''(1) in the case of a product of the Federal National Mortgage Association, the Director determines that the product is authorized under paragraph (2), (3), (4), or (5) of section 302(b) or section 304 of the Federal National Mortgage Association Charter Act, (12 U.S.C. 1717(b), 1719);

''(2) in the case of a product of the Federal Home Loan Mortgage Corporation, the Director determines that the product is authorized under paragraph (1), (4), or (5) of section 305(a) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a));

''(3) the product is in the public interest;

''(4) the product is consistent with the safety and soundness of the enterprise or the mortgage finance system; and

''(5) the product does not materially impair the efficiency of the mortgage finance system.

''(c) PROCEDURE FOR APPROVAL.—

''(1) SUBMISSION OF REQUEST.—An enterprise shall submit to the Director a written request for approval of a product that describes the product in such form as prescribed by order or regulation of the Director.

''(2) REQUEST FOR PUBLIC COMMENT.—Immediately upon receipt of a request for approval of a product, as required under paragraph (1), the Director shall publish notice of such request and of the period for public comment pursuant to paragraph (3) regarding the product, and a description of the product proposed by the request. The Director shall give interested parties the opportunity to respond in writing to the proposed product.

''(3) PUBLIC COMMENT PERIOD.—During the 30-day period beginning on the date of publication pursuant to paragraph (2) of a request for approval of a product, the Director shall receive public comments regarding the proposed product.

''(4) OFFERING OF PRODUCT.—

''(A) IN GENERAL.—Not later than 30 days after the close of the public comment period described in paragraph (3), the Director shall approve or deny the product, specifying the grounds for such decision in writing.

''(B) FAILURE TO ACT.—If the Director fails to act within the 30-day period described in subparagraph (A), the enterprise may offer the product.

''(d) EXPEDITED REVIEW.—

''(1) DETERMINATION AND NOTICE.—If an enterprise determines that any new activity, service, undertaking, or offering is not a product, as defined in subsection (f), the enterprise shall provide written notice to the Director prior to the commencement of such activity, service, undertaking, or offering.

''(2) DIRECTOR DETERMINATION OF APPLICABLE PROCEDURE.—Immediately upon receipt of any notice pursuant to paragraph (1), the Director shall make a determination under paragraph (3).

''(3) DETERMINATION AND TREATMENT AS PRODUCT.—If the Director determines that any new activity, service, undertaking, or offering consists of, relates to, or involves a product—

''(A) the Director shall notify the enterprise of the determination;

''(B) the new activity, service, undertaking, or offering described in the notice under paragraph (1) shall be considered a product for purposes of this section; and

''(C) the enterprise shall withdraw its request or submit a written request for approval of the product pursuant to subsection (c).

''(e) CONDITIONAL APPROVAL.—The Director may conditionally approve the offering of any product by an enterprise, and may establish terms, conditions, or limitations with respect to such product with which the enterprise must comply in order to offer such product.

''(f) DEFINITION OF PRODUCT.—For purposes of this section, the term 'product' does not include—

''(1) the automated loan underwriting system of an enterprise in existence as of the date of the enactment of the Federal Housing Finance Reform Act of 2007, including any upgrade to the technology, operating system, or software to operate the underwriting system; or

''(2) any modification to the mortgage terms and conditions or mortgage underwriting criteria relating to the mortgages that are purchased or guaranteed by an enterprise: Provided, That such modifications do not alter the underlying transaction so as to include services or financing, other than residential mortgage financing, or create significant new exposure to risk for the enterprise or the holder of the mortgage.

''(g) NO LIMITATION.—Nothing in this section shall be deemed to restrict—

''(1) the safety and soundness authority of the Director over all new and existing products or activities; or

''(2) the authority of the Director to review all new and existing products or activities to determine that such products or activities are consistent with the statutory mission of the enterprise.''.

(b) CONFORMING AMENDMENTS.—

(1) FANNIE MAE.—Section 302(b)(6) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(6)) is amended—

(A) by striking ''implement any new program'' and inserting ''initially offer any product'';

(B) by striking ''section 1303'' and inserting ''section 1321(f)''; and

(C) by striking ''before obtaining the approval of the Secretary under section 1322'' and inserting ''except in accordance with section 1321''.

(2) FREDDIE MAC.—Section 305(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(c)) is amended—

(A) by striking ''implement any new program'' and inserting ''initially offer any product'';

(B) by striking ''section 1303'' and inserting ''section 1321(f)''; and

(C) by striking ''before obtaining the approval of the Secretary under section 1322'' and inserting ''except in accordance with section 1321''.

(3) 1992 ACT.—Section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502), as amended by section 2 of this Act, is further amended—

(A) by striking paragraph (17) (relating to the definition of ''new program'') ; and

(B) by redesignating paragraphs (18) through (23) as paragraphs (17) through (22), respectively.

SEC. 133. CONFORMING LOAN LIMITS.

(a) FANNIE MAE.—

(1) GENERAL LIMIT.—Section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) is amended—

(A) in the 4th sentence, by striking ''the Resolution Trust Corporation,''; and

(B) by striking the 7th and 8th sentences and inserting the following new sentences: ''For 2007, such limitations shall not exceed $417,000 for a mortgage secured by a single-family residence, $533,850 for a mortgage secured by a 2-family residence, $645,300 for a mortgage secured by a 3-family residence, and $801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning with 2008, subject to the limitations in this paragraph. Each adjustment shall be made by adding to or subtracting from each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase or decrease, during the most recent 12-month or four-quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Federal Housing Finance Agency (pursuant to section 1322 of the Housing and Community Development Act of 1992 (12 U.S.C. 4541)).''.

(2) HIGH-COST AREA LIMIT.—Section 302(b)(2) of the Federal National Mortgage Association Charter Act is (12 U.S.C. 1717(b)(2)) is amended by adding after the period at the end the following: ''Such foregoing limitations shall also be increased with respect to properties of a particular size located in any area for which the median price for such size residence exceeds the foregoing limitation for such size residence, to the lesser of 150 percent of such foregoing limitation for such size residence or the amount that is equal to the median price in such area for such size residence, except that, subject to the order, if any, issued by the Director of the Federal Housing Finance Agency pursuant to section 133(d)(3) of the Federal Housing Finance Reform Act of 2007, such increase shall apply only with respect to mortgages on which are based securities issued and sold by the corporation.''.

(b) FREDDIE MAC.—

(1) GENERAL LIMIT.—Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) is amended—

(A) in the 3rd sentence, by striking ''the Resolution Trust Corporation,''; and

(B) by striking the 6th and 7th sentences and inserting the following new sentences: ''For 2007, such limitations shall not exceed $417,000 for a mortgage secured by a single-family residence, $533,850 for a mortgage secured by a 2-family residence, $645,300 for a mortgage secured by a 3-family residence, and $801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning with 2008, subject to the limitations in this paragraph. Each adjustment shall be made by adding to or subtracting from each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase or decrease, during the most recent 12-month or four-quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Federal Housing Finance Agency (pursuant to section 1322 of the Housing and Community Development Act of 1992 (12 U.S.C. 4541)).''

(2) HIGH-COST AREA LIMIT.—Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended by adding after the period at the end the following: ''Such foregoing limitations shall also be increased with respect to properties of a particular size located in any area for which the median price for such size residence exceeds the foregoing limitation for such size residence, to the lesser of 150 percent of such foregoing limitation for such size residence or the amount that is equal to the median price in such area for such size residence, except that, subject to the order, if any, issued by the Director of the Federal Housing Finance Agency pursuant to section 133(d)(3) of the Federal Housing Finance Reform Act of 2007, such increase shall apply only with respect to mortgages on which are based securities issued and sold by the Corporation.''.

(c) HOUSING PRICE INDEX.—Subpart A of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (as amended by the preceding provisions of this Act) is amended by inserting after section 1321 (as added by section 132 of this Act) the following new section:

''SEC. 1322. HOUSING PRICE INDEX.

''(a) IN GENERAL.—The Director shall establish and maintain a method of assessing the national average 1-family house price for use for adjusting the conforming loan limitations of the enterprises. In establishing such method, the Director shall take into consideration the monthly survey of all major lenders conducted by the Federal Housing Finance Agency to determine the national average 1-family house price, the House Price Index maintained by the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development before the effective date under section 185 of the Federal Housing Finance Reform Act of 2007, any appropriate house price indexes of the Bureau of the Census of the Department of Commerce, and any other indexes or measures that the Director considers appropriate.

''(b) GAO AUDIT.—

''(1) IN GENERAL.—At such times as are required under paragraph (2), the Comptroller General of the United States shall conduct an audit of the methodology established by the Director under subsection (a) to determine whether the methodology established is an accurate and appropriate means of measuring changes to the national average 1-family house price.

''(2) TIMING.—An audit referred to in paragraph (1) shall be conducted and completed not later than the expiration of the 180-day period that begins upon each of the following dates:

''(A) ESTABLISHMENT.—The date upon which such methodology is initially established under subsection (a) in final form by the Director.

''(B) MODIFICATION OR AMENDMENT.—Each date upon which any modification or amendment to such methodology is adopted in final form by the Director.

''(3) REPORT.—Within 30 days of the completion of any audit conducted under this subsection, the Comptroller General shall submit a report detailing the results and conclusions of the audit to the Director, the Committee on Financial Services of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate.''.

(d) CONDITIONS ON CONFORMING LOAN LIMIT FOR HIGH-COST AREAS.—

(1) STUDY.—The Director of the Federal Housing Finance Agency shall conduct a study under this subsection during the six-month period beginning on the effective date under section 185 of this Act.

(2) ISSUES.—The study under this subsection shall determine—

(A) the effect that restricting the conforming loan limits for high-cost areas only to mortgages on which are based securities issued and sold by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (as provided in the last sentence of section

302(b)(2) of the Federal National Mortgage Association Charter Act and the last sentence of section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act, pursuant to the amendments made by subsections (a)(2) and (b)(2) of this section) would have on the cost to borrowers for mortgages on housing in such high-cost areas;

(B) the effects that such restrictions would have on the availability of mortgages for housing in such high-cost areas; and

(C) the extent to which the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation will be able to issue and sell securities based on mortgages for housing located in such high-cost areas.

(3) DETERMINATION.—

(A) IN GENERAL.—Not later than the expiration of the six-month period specified in paragraph (1), the Director of the Federal Housing Finance Agency shall make a determination, based on the results of the study under this subsection, of whether the restriction of conforming loan limits for high-cost areas only to mortgages on which are based securities issued and sold by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (as provided in the amendments made by subsections (a)(2) and (b)(2) of this section) will result in an increase in the cost to borrowers for mortgages on housing in such high-cost areas.

(B) ORDER.—If such determination is that costs to borrowers on housing in such high-cost areas will be increased by such restrictions, the Director may issue an order terminating such restrictions, in whole or in part.

(4) PUBLICATION.—Not later than the expiration of the six-month period specified in paragraph (1), the Director of the Federal Housing Finance Agency shall cause to be published in the Federal Register—

(A) a report that—

(i) describes the study under this subsection; and

(ii) sets forth the conclusions of the study regarding the issues to be determined under paragraph (2); and

(B) notice of the determination of the Director under paragraph (3); and

(C) the order of the Director under paragraph (3).

(5) DEFINITION.—For purposes of this subsection, the term ''conforming loan limits for high-cost areas'' means the dollar amount limitations applicable under the section 302(b)(2) of the Federal National Mortgage Association Charter Act and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (as amended by subsections (a) and (b) of this section) for areas described in the last sentence of such sections (as so amended).

SEC. 134. ANNUAL HOUSING REPORT REGARDING REGULATED ENTITIES.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 is amended by striking section 1324 (12 U.S.C. 4544) and inserting the following new section:

''SEC. 1324. ANNUAL HOUSING REPORT REGARDING REGULATED ENTITIES.

''(a) IN GENERAL.—After reviewing and analyzing the reports submitted under section 309(n) of the Federal National Mortgage Association Charter Act, section 307(f) of the Federal Home Loan Mortgage Corporation Act, and section 10(j)(11) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)(11)), the Director shall submit a report, not later than October 30 of each year, to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, on the activities of each regulated entity.

''(b) CONTENTS.—The report shall—

''(1) discuss the extent to which—

''(A) each enterprise is achieving the annual housing goals established under subpart B of this part;

''(B) each enterprise is complying with section 1337;

''(C) each Federal home loan bank is complying with section 10(j) of the Federal Home Loan Bank Act; and

''(D) each regulated entity is achieving the purposes of the regulated entity established by law;

''(2) aggregate and analyze relevant data on income to assess the compliance by each enterprise with the housing goals established under subpart B;

''(3) aggregate and analyze data on income, race, and gender by census tract and other relevant classifications, and compare such data with larger demographic, housing, and economic trends;

''(4) examine actions that—

''(A) each enterprise has undertaken or could undertake to promote and expand the annual goals established under subpart B and the purposes of the enterprise established by law; and

''(B) each Federal home loan bank has taken or could undertake to promote and expand the community investment program and affordable housing program of the bank established under section subsections (i) and (j) of section 10 of the Federal Home Loan Bank Act;

''(5) examine the primary and secondary multifamily housing mortgage markets and describe—

''(A) the availability and liquidity of mortgage credit;

''(B) the status of efforts to provide standard credit terms and underwriting guidelines for multifamily housing and to securitize such mortgage products; and

''(C) any factors inhibiting such standardization and securitization;

''(6) examine actions each regulated entity has undertaken and could undertake to promote and expand opportunities for first-time homebuyers, including the use of alternative credit scoring;

''(7) describe any actions taken under section 1325(5) with respect to originators found to violate fair lending procedures;

''(8) discuss and analyze existing conditions and trends, including conditions and trends relating to pricing, in the housing markets and mortgage markets; and

''(9) identify the extent to which each enterprise is involved in mortgage purchases and secondary market activities involving subprime loans (as identified in accordance with the regulations issued pursuant to section 134(b) of the Federal Housing Finance Reform Act of 2007) and compare the characteristics of subprime loans purchased and securitized by the enterprises to other loans purchased and securitized by the enterprises.

''(c) DATA COLLECTION AND REPORTING.—

''(1) IN GENERAL.—To assist the Director in analyzing the matters described in subsection (b) and establishing the methodology described in section 1322, the Director shall conduct, on a monthly basis, a survey of mortgage markets in accordance with this subsection.

''(2) DATA POINTS.—Each monthly survey conducted by the Director under paragraph (1) shall collect data on—

''(A) the characteristics of individual mortgages that are eligible for purchase by the enterprises and the characteristics of individual mortgages that are not eligible for purchase by the enterprises including, in both cases, information concerning—

''(i) the price of the house that secures the mortgage;

''(ii) the loan-to-value ratio of the mortgage, which shall reflect any secondary liens on the relevant property;

''(iii) the terms of the mortgage;

''(iv) the creditworthiness of the borrower or borrowers; and

''(v) whether the mortgage, in the case of a conforming mortgage, was purchased by an enterprise; and

''(B) such other matters as the Director determines to be appropriate.

''(3) PUBLIC AVAILABILITY.—The Director shall make any data collected by the Director in connection with the conduct of a monthly survey available to the public in a timely manner, provided that the Director may modify the data released to the public to ensure that the data is not released in an identifiable form.

''(4) DEFINITION.—For purposes of this subsection, the term 'identifiable form' means any representation of information that permits the identity of a borrower to which the information relates to be reasonably inferred by either direct or indirect means.''.

(b) STANDARDS FOR SUBPRIME LOANS.—The Director shall, not later than one year after the effective date under section 185, by regulations issued under section 1316G of the Housing and Community Development Act of 1992, establish standards by which mortgages purchased and mortgages purchased and securitized shall be characterized as subprime for the purpose of, and only for the purpose of, complying with the reporting requirement under section 1324(b)(9) of such Act.

SEC. 135. ANNUAL REPORTS BY REGULATED ENTITIES ON AFFORDABLE HOUSING STOCK.

The Housing and Community Development Act of 1992 is amended by inserting after section 1328 (12 U.S.C. 4548) the following new section:

''SEC. 1329. ANNUAL REPORTS ON AFFORDABLE HOUSING STOCK.

''(a) IN GENERAL.—To obtain information helpful in applying the formula under section 1337(c)(2) for the affordable housing program under such section and for other appropriate uses, the regulated entities shall conduct, or provide for the conducting of, a study on an annual basis to determine the levels of affordable housing inventory, and the changes in such levels, in communities throughout the United States.

''(b) CONTENTS.—The annual study under this section shall determine, for the United States, each State, and each community within each State—

''(1) the level of affordable housing inventory, including affordable rental dwelling units and affordable homeownership dwelling units;

''(2) any changes to the level of such inventory during the 12-month period of the study under this section, including—

''(A) any additions to such inventory, disaggregated by the category of such additions (including new construction or housing conversion);

''(B) any subtractions from such inventory, disaggregated by the category of such subtractions (including abandonment, demolition, or upgrade to market-rate housing);

''(C) the number of new affordable dwelling units placed in service; and

''(D) the number of affordable housing dwelling units withdrawn from service;

''(3) the types of financing used to build any dwelling units added to such inventory level and the period during which such units are required to remain affordable;

''(4) any excess demand for affordable housing, including the number of households on rental housing waiting lists and the tenure of the wait on such lists; and

''(5) such other information as the Director may require.

''(c) REPORT.—For each annual study conducted pursuant to this section, the regulated entities shall submit to the Congress, and make publicly available, a report setting forth the findings of the study.

''(d) REGULATIONS AND TIMING.—The Director shall, by regulation, establish requirements for the studies and reports under this section, including deadlines for the submission of such annual reports and standards for determining affordable housing.''.

SEC. 136. REVISION OF HOUSING GOALS.

(a) HOUSING GOALS.—The Housing and Community Development Act of 1992 is amended by striking sections 1331 through 1334 (12 U.S.C. 4561–4) and inserting the following new sections:

"SEC. 1331. ESTABLISHMENT OF HOUSING GOALS.

''(a) IN GENERAL.—The Director shall establish, effective for the first year that begins after the effective date under section 185 of the Federal Housing Finance Reform Act of 2007 and each year thereafter, annual housing goals, with respect to the mortgage purchases by the enterprises, as follows:

''(1) SINGLE FAMILY HOUSING GOALS.—Three single-family housing goals under section 1332.

''(2) MULTIFAMILY SPECIAL AFFORDABLE HOUSING GOALS.—A multifamily special affordable housing goal under section 1333.

''(b) ELIMINATING INTEREST RATE DISPARITIES.—

''(1) IN GENERAL.—Upon request by the Director, an enterprise shall provide to the Director, in a form determined by the Director, data the Director may review to determine whether there exist disparities in interest rates charged on mortgages to borrowers who are minorities as compared with comparable mortgages to borrowers of similar creditworthiness who are not minorities.

''(2) REMEDIAL ACTIONS UPON PRELIMINARY FINDING.—Upon a preliminary finding by the Director that a pattern of disparities in interest rates with respect to any lender or lenders exists pursuant to the data provided by an enterprise in paragraph (1), the Director shall—

''(A) refer the preliminary finding to the appropriate regulatory or enforcement agency for further review;

''(B) require the enterprise to submit additional data with respect to any lender or lenders, as appropriate and to the extent practicable, to the Director who shall submit any such additional data to the regulatory or enforcement agency for appropriate action; and

''(C) require the enterprise to undertake remedial actions, as appropriate, pursuant to section 1325(5) (12 U.S.C. 4545(5)).

''(3) ANNUAL REPORT TO CONGRESS.—The Director shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report describing the actions taken, and being taken, by the Director to carry out this subsection. No such report shall identify any lender or lenders who have not been found to have engaged in discriminatory lending practices pursuant to a final adjudication on the record, and after opportunity for an administrative hearing, in accordance with subchapter II of chapter 5 of title 5, United States Code.

''(4) PROTECTION OF IDENTITY OF INDIVIDUALS.—In carrying out this subsection, the Director shall ensure that no property-related or financial information that would enable a borrower to be identified shall be made public.

''(c) TIMING.—The Director shall establish an annual deadline by which the Director shall establish the annual housing goals under this subpart for each year, taking into consideration the need for the enterprises to reasonably and sufficiently plan their operations and activities in advance, including operations and activities necessary to meet such annual goals.

"SEC. 1332. SINGLE-FAMILY HOUSING GOALS.

''(a) IN GENERAL.—The Director shall establish annual goals for the purchase by each enterprise of conventional, conforming, single-family, purchase money mortgages financing owner-occupied and rental housing for each of the following categories of families:

''(1) Low-income families.

''(2) Families that reside in low-income areas.

''(3) Very low-income families.

''(b) REFINANCE SUBGOAL.—

''(1) IN GENERAL.—The Director shall establish a separate subgoal within each goal under subsection (a)(1) for the purchase by each enterprise of mortgages for low-income families on single family housing given to pay off or prepay an existing loan secured by the same property. The Director shall, for each year, determine whether each enterprise has complied with the subgoal under this subsection in the same manner provided under this section for determining compliance with the housing goals.

''(2) ENFORCEMENT.—For purposes of section 1336, the subgoal established under paragraph (1) of this subsection shall be considered to be a housing goal established under this section. Such subgoal shall not be enforceable under any other provision of this title (including subpart C of this part) other than section 1336 or under any provision of the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act.

''(c) DETERMINATION OF COMPLIANCE.—The Director shall determine, for each year that the housing goals under this section are in effect pursuant to section 1331(a), whether each enterprise has complied with the single-family housing goals established under this section for such year. An enterprise shall be considered to be in compliance with such a goal for a year only if, for each of the types of families described in subsection (a), the percentage of the number of conventional, conforming, single-family, owner-occupied or rental, as applicable, purchase money mortgages purchased by each enterprise in such year that serve such families, meets or exceeds the target for the year for such type of family that is established under subsection (d).

''(d) ANNUAL TARGETS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), for each of the types of families described in subsection (a), the target under this subsection for a year shall be the average percentage, for the three years that most recently precede such year and for which information under the Home Mortgage Disclosure Act of 1975 is publicly available, of the number of conventional, conforming, single-family, owner-occupied or rental, as applicable, purchase money mortgages originated in such year that serves such type of family, as determined by the Director using the information obtained and determined pursuant to paragraphs (3) and (4).

''(2) AUTHORITY TO INCREASE TARGETS.—

''(A) IN GENERAL.—The Director may, for any year, establish by regulation, for any or all of the types of families described in subsection (a), percentage targets that are higher than the percentages for such year determined pursuant to paragraph (1), to reflect expected changes in market performance related to such information under the Home Mortgage Disclosure Act of 1975.

''(B) FACTORS.—In establishing any targets pursuant to subparagraph (A), the Director shall consider the following factors:

''(i) National housing needs.

''(ii) Economic, housing, and demographic conditions.

''(iii) The performance and effort of the enterprises toward achieving the housing goals under this section in previous years.

''(iv) The size of the conventional mortgage market serving each of the types of families described in subsection (a) relative to the size of the overall conventional mortgage market.

''(v) The ability of the enterprise to lead the industry in making mortgage credit available.

''(vi) The need to maintain the sound financial condition of the enterprises.

''(3) HMDA INFORMATION.—The Director shall annually obtain information submitted in compliance with the Home Mortgage Disclosure Act of 1975 regarding conventional, conforming, single-family, owner-occupied or rental, as applicable, purchase money mortgages originated and purchased for the previous year.

''(4) CONFORMING MORTGAGES.—In determining whether a mortgage is a conforming mortgage for purposes of this paragraph, the Director shall consider the original principal balance of the mortgage loan to be the principal balance as reported in the information referred to in paragraph (3), as rounded to the nearest thousand dollars.

''(e) NOTICE OF DETERMINATION AND ENTERPRISE COMMENT.—

''(1) NOTICE.—Within 30 days of making a determination under subsection (c) regarding a compliance of an enterprise for a year with a housing goal established under this section and before any public disclosure thereof, the Director shall provide notice of the determination to the enterprise, which shall include an analysis and comparison, by the Director, of the performance of the enterprise for the year and the targets for the year under subsection (d).

''(2) COMMENT PERIOD.—The Director shall provide each enterprise an opportunity to comment on the determination during the 30-day period beginning upon receipt by the enterprise of the notice.

''(f) USE OF BORROWER INCOME.—In monitoring the performance of each enterprise pursuant to the housing goals under this section and evaluating such performance (for purposes of section 1336), the Director shall consider a mortgagor's income to be such income at the time of origination of the mortgage.

''(g) CONSIDERATION OF UNITS IN SINGLE-FAMILY RENTAL HOUSING.—In establishing any goal under this subpart, the Director may take into consideration the number of housing units financed by any mortgage on single-family rental housing purchased by an enterprise

"SEC. 1333. MULTIFAMILY SPECIAL AFFORDABLE HOUSING GOAL.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Director shall establish, by regulation, an annual goal for the purchase by each enterprise of each of the following types of mortgages on multifamily housing:

''(A) Mortgages that finance dwelling units for low-income families.

''(B) Mortgages that finance dwelling units for very low-income families.

''(C) Mortgages that finance dwelling units assisted by the low-income housing tax credit under section 42 of the Internal Revenue Code of 1986.

''(2) ADDITIONAL REQUIREMENTS FOR SMALLER PROJECTS.—The Director shall establish, within the goal under this section, additional requirements for the purchase by each enterprise of mortgages described in paragraph (1) for multifamily housing projects of a smaller or limited size, which may be based on the number of dwelling units in the project or the amount of the mortgage, or both, and shall include multifamily housing projects of such smaller sizes as are typical among such projects that serve rural areas.

''(3) FACTORS.—In establishing the goal under this section relating to mortgages on multifamily housing for an enterprise for a year, the Director shall consider—

''(A) national multifamily mortgage credit needs;

''(B) the performance and effort of the enterprise in making mortgage credit available for multifamily housing in previous years;

''(C) the size of the multifamily mortgage market;

''(D) the ability of the enterprise to lead the industry in making mortgage credit available, especially for underserved markets, such as for small multifamily projects of 5 to 50 units, multifamily properties in need of rehabilitation, and multifamily properties located in rural areas; and

''(E) the need to maintain the sound financial condition of the enterprise.

''(b) UNITS FINANCED BY HOUSING FINANCE AGENCY BONDS.—The Director shall give credit toward the achievement of the multifamily special affordable housing goal under this section (for purposes of section 1336) to dwelling units in multifamily housing that otherwise qualifies

under such goal and that is financed by tax-exempt or taxable bonds issued by a State or local housing finance agency, but only if such bonds—

''(1) are secured by a guarantee of the enterprise; or

''(2) are not investment grade and are purchased by the enterprise.

''(c) USE OF TENANT INCOME OR RENT.—The Director shall monitor the performance of each enterprise in meeting the goals established under this section and shall evaluate such performance (for purposes of section 1336) based on—

''(1) the income of the prospective or actual tenants of the property, where such data are available; or

''(2) where the data referred to in paragraph (1) are not available, rent levels affordable to low-income and very low-income families.

A rent level shall be considered to be affordable for purposes of this subsection for an income category referred to in this subsection if it does not exceed 30 percent of the maximum income level of such income category, with appropriate adjustments for unit size as measured by the number of bedrooms.

''(d) DETERMINATION OF COMPLIANCE.—The Director shall, for each year that the housing goal under this section is in effect pursuant to section 1331(a), determine whether each enterprise has complied with such goal and the additional requirements under subsection (a)(2).

''SEC. 1334. DISCRETIONARY ADJUSTMENT OF HOUSING GOALS.

''(a) AUTHORITY.—An enterprise may petition the Director in writing at any time during a year to reduce the level of any goal for such year established pursuant to this subpart.

''(b) STANDARD FOR REDUCTION.—The Director may reduce the level for a goal pursuant to such a petition only if—

''(1) market and economic conditions or the financial condition of the enterprise require such action; or

''(2) efforts to meet the goal would result in the constraint of liquidity, over-investment in certain market segments, or other consequences contrary to the intent of this subpart, or section 301(3) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716(3)) or section 301(3) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note), as applicable.

''(c) DETERMINATION.—The Director shall make a determination regarding any proposed reduction within 30 days of receipt of the petition regarding the reduction. The Director may extend such period for a single additional 15-day period, but only if the Director requests additional information from the enterprise. A denial by the Director to reduce the level of any goal under this section may be appealed to the United States District Court for the District of Columbia or the United States district court in the jurisdiction in which the headquarters of an enterprise is located.''.

(b) CONFORMING AMENDMENTS.—The Housing and Community Development Act of 1992 is amended—

(1) in section 1335(a) (12 U.S.C. 4565(a)), in the matter preceding paragraph (1), by striking ''low- and moderate-income housing goal'' and all that follows through ''section 1334'' and inserting ''housing goals established under this subpart''; and

(2) in section 1336(a)(1) (12 U.S.C. 4566(a)(1)), by striking ''sections 1332, 1333, and 1334,'' and inserting ''this subpart''.

(c) DEFINITIONS.—Section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502), as amended by the preceding provisions of this Act, is further amended—

(1) in paragraph (22) (relating to the definition of ''very low-income''), by striking ''60 percent'' each place such term appears and inserting ''50 percent'';

(2) by redesignating paragraphs (19) through (22) as paragraphs (23) through (26), respectively;

(3) by inserting after paragraph (18) the following new paragraph:

''(22) RURAL AREA.—The term 'rural area' has the meaning given such term in section 520 of the Housing Act of 1949 (42 U.S.C. 1490), except that such term includes micropolitan areas and tribal trust lands.''.

(4) by redesignating paragraphs (13) through (18) as paragraphs (16) through (21), respectively;

(5) by inserting after paragraph (12) the following new paragraph:

''(15) LOW-INCOME AREA.—The term 'low income area' means a census tract or block numbering area in which the median income does not exceed 80 percent of the median income for the area in which such census tract or block numbering area is located, and, for the purposes of section 1332(a)(2), shall include families having incomes not greater than 100 percent of the area median income who reside in minority census tracts.'';

(6) by redesignating paragraphs (11) and (12) as paragraphs (13) and (14), respectively;

(7) by inserting after paragraph (10) the following new paragraph:

''(12) EXTREMELY LOW-INCOME.—The term 'extremely low-income' means—

''(A) in the case of owner-occupied units, income not in excess of 30 percent of the area median income; and

''(B) in the case of rental units, income not in excess of 30 percent of the area median income, with adjustments for smaller and larger families, as determined by the Secretary.'';

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

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

''(7) CONFORMING MORTGAGE.—The term 'conforming mortgage' means, with respect to an enterprise, a conventional mortgage having an original principal obligation that does not exceed the dollar limitation, in effect at the time of such origination, under, as applicable—

''(A) section 302(b)(2) of the Federal National Mortgage Association Charter Act; or

''(B) section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act.''.

SEC. 137. DUTY TO SERVE UNDERSERVED MARKETS.

(a) ESTABLISHMENT AND EVALUATION OF PERFORMANCE.—Section 1335 of the Housing and Community Development Act of 1992 (12 U.S.C. 4565) is amended—

*(1) in the section heading, by inserting ''**DUTY TO SERVE UNDERSERVED MARKETS AND**'' before ''**OTHER**'';*

(2) by striking subsection (b);

(3) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting ''and to carry out the duty under subsection (a) of this section'' before '', each enterprise shall'';

(B) in paragraph (3), by inserting ''and'' after the semicolon at the end;

(C) in paragraph (4), by striking ''; and'' and inserting a period;

(D) by striking paragraph (5); and

(E) by redesignating such subsection as subsection (b);

(4) by inserting before subsection (b) (as so redesignated by paragraph (3)(E) of this subsection) the following new subsection:

''(a) DUTY TO SERVE UNDERSERVED MARKETS.—

''(1) DUTY.—In accordance with the purpose of the enterprises under section 301(3) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716) and section 301(b)(3) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) to undertake activities relating to mortgages on housing for very low-, low-, and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities, each enterprise shall have the duty to increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing for underserved markets.

''(2) UNDERSERVED MARKETS.—To meet its duty under paragraph (1), each enterprise shall comply with the following requirements with respect to the following underserved markets:

''(A) MANUFACTURED HOUSING.—The enterprise shall lead the industry in developing loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages on manufactured homes for very low-, low-, and moderate-income families.

''(B) AFFORDABLE HOUSING PRESERVATION.—The enterprise shall lead the industry in developing loan products and flexible underwriting guidelines to facilitate a secondary market to preserve housing affordable to very low-, low-, and moderate-income families, including housing projects subsidized under—

''(i) the project-based and tenant-based rental assistance programs under section 8 of the United States Housing Act of 1937;

''(ii) the program under section 236 of the National Housing Act;

''(iii) the below-market interest rate mortgage program under section 221(d)(4) of the National Housing Act;

''(iv) the supportive housing for the elderly program under section 202 of the Housing Act of 1959;

''(v) the supportive housing program for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

''(vi) the programs under title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.), but only permanent supportive housing projects subsidized under such programs; and

''(vii) the rural rental housing program under section 515 of the Housing Act of 1949.

''(C) RURAL AND OTHER UNDERSERVED MARKETS.—The enterprise shall lead the industry in developing loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages on housing for very low-, low-, and moderate-income families in rural areas, and for mortgages for housing for any other underserved market for very low-, low-, and moderate-income families that the Secretary identifies as lacking adequate credit through conventional lending sources. Such underserved markets may be identified by borrower type, market segment, or geographic area.''; and

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

''(c) EVALUATION AND REPORTING OF COMPLIANCE.—

''(1) IN GENERAL.—Not later than 6 months after the effective date under section 185 of the Federal Housing Finance Reform Act of 2007, the Director shall establish a manner for evaluating whether, and the extent to which, the enterprises have complied with the duty under subsection (a) to serve underserved markets and for rating the extent of such compliance. Using such method, the Director shall, for each year, evaluate such compliance and rate the performance of each enterprise as to extent of compliance. The Director shall include such evaluation and rating for each enterprise for a year in the report for that year submitted pursuant to section 1319B(a).

''(2) SEPARATE EVALUATIONS.—In determining whether an enterprise has complied with the duty referred to in paragraph (1), the Director shall separately evaluate whether the enterprise has complied with such duty with respect to each of the underserved markets identified in subsection (a), taking into consideration—

''(A) the development of loan products and more flexible underwriting guidelines;

''(B) the extent of outreach to qualified loan sellers in each of such underserved markets; and

''(C) the volume of loans purchased in each of such underserved markets.

''(3) MANUFACTURED HOUSING MARKET.—In determining whether an enterprise has complied with the duty under subparagraph (A) of subsection (a)(2), the Director may consider loans secured by both real and personal property.''.

(b) ENFORCEMENT.—Subsection (a) of section 1336 of the Housing and Community Development Act of 1992 (12 U.S.C. 4566(a)) is amended—

(1) in paragraph (1), by inserting ''and with the duty under section 1335(a) of each enterprise with respect to underserved markets,'' before ''as provided in this section''; and

(2) by adding at the end of such subsection, as amended by the preceding provisions of this title, the following new paragraph:

''(4) ENFORCEMENT OF DUTY TO PROVIDE MORTGAGE CREDIT TO UNDERSERVED MARKETS.—The duty under section 1335(a) of each enterprise to serve underserved markets (as determined in accordance with section 1335(c)) shall be enforceable under this section to the same extent and under the same provisions that the housing goals established under this subpart are enforceable. Such duty shall not be enforceable under any other provision of this title (including subpart C of this part) other than this section or under any provision of the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act.''.

SEC. 138. MONITORING AND ENFORCING COMPLIANCE WITH HOUSING GOALS.

(a) ADDITIONAL CREDIT FOR CERTAIN MORTGAGES.—Section 1336(a) of the Housing and Community Development Act of 1992 (12 U.S.C. 4566(a)) is amended—

(1) in paragraph (2), by inserting '', except as provided in paragraph (4),'' after ''which''; and

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

''(5) ADDITIONAL CREDIT.—The Director shall assign more than 125 percent credit toward achievement, under this section, of the housing goals for mortgage purchase activities of the enterprises that comply with the requirements of such goals and support—

''(A) housing that meets energy efficiency or other environmental standards that are established by a Federal, State, or local governmental authority with respect to the geographic area where the housing is located or are otherwise widely recognized; or

''(B) housing that includes a licensed childcare center.

The availability of additional credit under this paragraph shall not be used to increase any housing goal, subgoal, or target established under this subpart.''.

(b) MONITORING AND ENFORCEMENT.—Section 1336 of the Housing and Community Development Act of 1992 (12 U.S.C. 4566) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by inserting ''PRELIMINARY'' before ''DETERMINATION'';

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

''(1) NOTICE.—If the Director preliminarily determines that an enterprise has failed, or that there is a substantial probability that an enterprise will fail, to meet any housing goal established under this subpart, the Director shall provide written notice to the enterprise of such a preliminary determination, the reasons for such determination, and the information on which the Director based the determination.'';

(C) in paragraph (2)—

(i) in subparagraph (A), by inserting ''finally'' before ''determining'';

(ii) by striking subparagraphs (B) and (C) and inserting the following new subparagraph:

''(B) EXTENSION OR SHORTENING OF PERIOD.—The Director may—

''(i) extend the period under subparagraph (A) for good cause for not more than 30 additional days; and

''(ii) shorten the period under subparagraph (A) for good cause.''; and

(iii) by redesignating subparagraph (D) as subparagraph (C); and

(D) in paragraph (3)—

(i) in subparagraph (A), by striking ''determine'' and inserting ''issue a final determination of'';

(ii) in subparagraph (B), by inserting ''final'' before ''determinations''; and

(iii) in subparagraph (C)—

(I) by striking ''Committee on Banking, Finance and Urban Affairs'' and inserting ''Committee on Financial Services''; and

(II) by inserting ''final'' before ''determination'' each place such term appears; and

(2) in subsection (c)—

(A) by striking the subsection designation and heading and all that follows through the end of paragraph (1) and inserting the following:

''(c) CEASE AND DESIST ORDERS, CIVIL MONEY PENALTIES, AND REMEDIES INCLUDING HOUSING PLANS.—

''(1) REQUIREMENT.—If the Director finds, pursuant to subsection (b), that there is a substantial probability that an enterprise will fail, or has actually failed, to meet any housing goal under this subpart and that the achievement of the housing goal was or is feasible, the Director may require that the enterprise submit a housing plan under this subsection. If the Director makes such a finding and the enterprise refuses to submit such a plan, submits an unacceptable plan, fails to comply with the plan or the Director finds that the enterprise has failed to meet any housing goal under this subpart, in addition to requiring an enterprise to submit a housing plan, the Director may issue a cease and desist order in accordance with section 1341, impose civil money penalties in accordance with section 1345, or order other remedies as set forth in paragraph (7) of this subsection.'';

(B) in paragraph (2)—

(i) by striking ''CONTENTS.—Each housing plan'' and inserting ''HOUSING PLAN.—If the Director requires a housing plan under this section, such a plan''; and

(ii) in subparagraph (B), by inserting ''and changes in its operations'' after ''improvements'';

(C) in paragraph (3)—

(i) by inserting ''comply with any remedial action or'' before ''submit a housing plan''; and

(ii) by striking ''under subsection (b)(3) that a housing plan is required'';

(D) in paragraph (4), by striking the first two sentences and inserting the following: ''The Director shall review each submission by an enterprise, including a housing plan submitted under this subsection, and not later than 30 days after submission, approve or disapprove the plan or other action. The Director may extend the period for approval or disapproval for a single additional 30-day period if the Director determines such extension necessary.''; and

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

''(7) ADDITIONAL REMEDIES FOR FAILURE TO MEET GOALS.—In addition to ordering a housing plan under this section, issuing cease and desist orders under section 1341, and ordering civil money penalties under section 1345, the Director may seek other actions when an enterprise fails to meet a goal, and exercise appropriate enforcement authority available to the Director under this Act to prohibit the enterprise from initially offering any product (as such term is defined in section 1321(f)) or engaging in any new activities, services, undertakings, and offerings and to order the enterprise to suspend products and activities, services, undertakings, and offerings pending its achievement of the goal.''.

SEC. 139. AFFORDABLE HOUSING FUND.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 is amended by striking sections 1337 and 1338 (12 U.S.C. 4562 note) and inserting the following new section:

''SEC. 1337. AFFORDABLE HOUSING FUND.

''(a) ESTABLISHMENT AND PURPOSE.—The Director, in consultation with the Secretary of Housing and Urban Development, shall establish and manage an affordable housing fund in accordance with this section, which shall be funded with amounts allocated by the enterprises under subsection (b). The purpose of the affordable housing fund shall be to provide formula grants to grantees for use—

''(1) to increase homeownership for extremely low-and very low-income families;

''(2) to increase investment in housing in low-income areas, and areas designated as qualified census tracts or an area of chronic economic distress pursuant to section 143(j) of the Internal Revenue Code of 1986 (26 U.S.C. 143(j));

''(3) to increase and preserve the supply of rental and owner-occupied housing for extremely low- and very low-income families;

''(4) to increase investment in public infrastructure development in connection with housing assisted under this section; and

''(5) to leverage investments from other sources in affordable housing and in public infrastructure development in connection with housing assisted under this section.

''(b) ALLOCATION OF AMOUNTS BY ENTERPRISES.—

''(1) IN GENERAL.—In accordance with regulations issued by the Director under subsection (m) and subject to paragraph (2) of this subsection and subsection (i)(5), each enterprise shall allocate to the affordable housing fund established under subsection (a), in each of the years 2007 through 2011, an amount equal to 1.2 basis points for each dollar of the average total mortgage portfolio of the enterprise during the preceding year.

''(2) SUSPENSION OF CONTRIBUTIONS.—The Director shall temporarily suspend the allocation under paragraph (1) by an enterprise to the affordable housing fund upon a finding by the Director that such allocations—

''(A) are contributing, or would contribute, to the financial instability of the enterprise;

''(B) are causing, or would cause, the enterprise to be classified as undercapitalized; or

''(C) are preventing, or would prevent, the enterprise from successfully completing a capital restoration plan under section 1369C.

''(3) 5-YEAR SUNSET AND REPORT.—

''(A) SUNSET.—The enterprises shall not be required to make allocations to the affordable housing fund in 2012 or in any year thereafter.

''(B) REPORT ON PROGRAM CONTINUANCE.—Not later than June 30, 2011, the Director shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report making recommendations on whether the program under this section, including the requirement for the enterprises to make allocations to the affordable housing fund, should be extended and on any modifications for the program.

''(c) AFFORDABLE HOUSING NEEDS FORMULAS.—

''(1) ALLOCATION FOR 2007.—

''(A) ALLOCATION PERCENTAGES FOR LOUISIANA AND MISSISSIPPI.—For purposes of subsection (d)(1)(A), the allocation percentages for 2007 for the grantees under this section for such year shall be as follows:

''(i) The allocation percentage for the Louisiana Housing Finance Agency shall be 75 percent.

''(ii) The allocation percentage for the Mississippi Development Authority shall be 25 percent.

''(B) USE IN DISASTER AREAS.—Affordable housing grant amounts for 2007 shall be used only as provided in subsection (g) only for such eligible activities in areas that were subject to a declaration by the President of a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) in connection with Hurricane Katrina or Rita of 2005.

''(2) ALLOCATION FORMULA FOR OTHER YEARS.—The Secretary of Housing and Urban Development shall, by regulation, establish a formula to allocate, among the States (as such term is defined in section 1303) and federally recognized Indian tribes, the amounts provided by the enterprises in each year referred to subsection (b)(1), other than 2007, to the affordable housing fund established under this section. The formula shall be based on the following factors, with respect to each State and tribe:

''(A) The ratio of the population of the State or federally recognized Indian tribe to the aggregate population of all the States and tribes.

''(B) The percentage of families in the State or federally recognized Indian tribe that pay more than 50 percent of their annual income for housing costs.

''(C) The percentage of persons in the State or federally recognized Indian tribe that are members of extremely low- or very low-income families.

''(D) The cost of developing or carrying out rehabilitation of housing in the State or for the federally recognized Indian tribe.

''(E) The percentage of families in the State or federally recognized Indian tribe that live in substandard housing.

''(F) The percentage of housing stock in the State or for the federally recognized Indian tribe that is extremely old housing.

''(G) Any other factors that the Secretary determines to be appropriate.

''(3) FAILURE TO ESTABLISH.—If, in any year referred to in subsection (b)(1), other than 2007, the regulations establishing the formula required under paragraph (2) of this subsection have not been issued by the date that the Director determines the amounts described in subsection (d)(1) to be available for affordable housing fund grants in such year, for purposes of such year any amounts for a State (as such term is defined in section 1303 of this Act) that would otherwise be determined under subsection (d) by applying the formula established pursuant to paragraph (2) of this subsection shall be determined instead by applying, for such State, the percentage that is equal to the percentage of the total amounts made available for such year for allocation under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.) that are allocated in such year, pursuant to such subtitle, to such State (including any insular area or unit of general local government, as such terms are defined in section 104 of such Act (42 U.S.C. 12704), that is treated as a State under section 1303 of this Act) and to participating jurisdictions and other eligible entities within such State.

''(d) ALLOCATION OF FORMULA AMOUNT; GRANTS.—

''(1) FORMULA AMOUNT.—For each year referred to in subsection (b)(1), the Director shall determine the formula amount under this section for each grantee, which shall be the amount determined for such grantee—

''(A) for 2007, by applying the allocation percentages under subparagraph (A) of subsection (c)(1) to the sum of the total amounts allocated by the enterprises to the affordable housing fund for such year, less any amounts used pursuant to subsection (i)(1); and

''(B) for any other year referred to in subsection (b)(1) (other than 2007), by applying the formula established pursuant to paragraph (2) of subsection (c) to the sum of the total amounts allocated by the enterprises to the affordable housing fund for such year and any recaptured amounts available pursuant to subsection (i)(4), less any amounts used pursuant to subsection (i)(1).

''(2) NOTICE.—In each year referred to in subsection (b)(1), not later than 60 days after the date that the Director determines the amounts described in paragraph (1) to be available for affordable housing fund grants to grantees in such year, the Director shall cause to be published in the Federal Register a notice that such amounts shall be so available.

''(3) GRANT AMOUNT.—

''(A) IN GENERAL.—For each year referred to in subsection (b)(1), the Director shall make a grant from amounts in the affordable housing fund to each grantee in an amount that is, except as provided in subparagraph (B), equal to the formula amount under this section for the grantee. A grantee may designate a State housing finance agency, housing and community development entity, tribally designated housing entity (as such term is defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1997 (25 U.S.C. 4103)) or other qualified instrumentality of the grantee to receive such grant amounts.

''(B) REDUCTION FOR FAILURE TO OBTAIN RETURN OF MISUSED FUNDS.—If in any year a grantee fails to obtain reimbursement or return of the full amount required under subsection (j)(1)(B) to be reimbursed or returned to the grantee during such year—

''(i) except as provided in clause (ii)—

''(I) the amount of the grant for the grantee for the succeeding year, as determined pursuant to subparagraph (A), shall be reduced by the amount by which such amounts required to be reimbursed or returned exceed the amount actually reimbursed or returned; and

''(II) the amount of the grant for the succeeding year for each other grantee whose grant is not reduced pursuant to subclause (I) shall be increased by the amount determined by applying the formula established pursuant to subsection (c)(2) to the total amount of all reductions for all grantees for such year pursuant to subclause (I); or

''(ii) in any case in which such failure to obtain reimbursement or return occurs during a year immediately preceding a year in which grants under this subsection will not be made, the grantee shall pay to the Director for reallocation among the other grantees an amount equal to the amount of the reduction for the grantee that would otherwise apply under clause (i)(I).

''(e) GRANTEE ALLOCATION PLANS.—

''(1) IN GENERAL.—For each year that a grantee receives affordable housing fund grant amounts, the grantee shall establish an allocation plan in accordance with this subsection, which shall be a plan for the distribution of such grant amounts of the grantee for such year that—

''(A) is based on priority housing needs, as determined by the grantee in accordance with the regulations established under subsection (m)(2)(C);

''(B) complies with subsection (f); and

''(C) includes performance goals, benchmarks, and timetables for the grantee for the production, preservation, and rehabilitation of affordable rental and homeownership housing with such grant amounts that comply with the requirements established by the Director pursuant to subsection (m)(2)(F).

''(2) ESTABLISHMENT.—In establishing an allocation plan, a grantee shall notify the public of the establishment of the plan, provide an opportunity for public comments regarding the plan, consider any public comments received, and make the completed plan available to the public.

''(3) CONTENTS.—An allocation plan of a grantee shall set forth the requirements for eligible recipients under subsection (h) to apply to the grantee to receive assistance from affordable housing fund grant amounts, including a requirement that each such application include—

''(A) a description of the eligible activities to be conducted using such assistance; and

''(B) a certification by the eligible recipient applying for such assistance that any housing units assisted with such assistance will comply with the requirements under this section.

''(f) SELECTION OF ACTIVITIES FUNDED USING AFFORDABLE HOUSING FUND GRANT AMOUNTS.—Affordable housing fund grant amounts of a grantee may be used, or committed for use, only for activities that—

''(1) are eligible under subsection (g) for such use;

''(2) comply with the applicable allocation plan under subsection (e) of the grantee; and

''(3) are selected for funding by the grantee in accordance with the process and criteria for such selection established pursuant to subsection (m)(2)(C).

''(g) ELIGIBLE ACTIVITIES.—Affordable housing fund grant amounts of a grantee shall be eligible for use, or for commitment for use, only for assistance for—

''(1) the production, preservation, and rehabilitation of rental housing, including housing under the programs identified in section 1335(a)(2)(B), except that such grant amounts may be used for the benefit only of extremely low- and very low-income families;

''(2) the production, preservation, and rehabilitation of housing for homeownership, including such forms as downpayment assistance, closing cost assistance, and assistance for interest-rate buy-downs, that—

''(A) is available for purchase only for use as a principal residence by families that qualify both as—

''(i) extremely low- and very-low income families at the times described in subparagraphs (A) through (C) of section 215(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)(2)); and

''(ii) first-time homebuyers, as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704), except that any reference in such section to assistance under title II of such Act shall for purposes of this section be considered to refer to assistance from affordable housing fund grant amounts;

''(B) has an initial purchase price that meets the requirements of section 215(b)(1) of the Cranston-Gonzalez National Affordable Housing Act;

''(C) is subject to the same resale restrictions established under section 215(b)(3) of the Cranston-Gonzalez National Affordable Housing Act and applicable to the participating jurisdiction that is the State in which such housing is located; and

''(D) is made available for purchase only by, or in the case of assistance under this paragraph, is made available only to, homebuyers who have, before purchase, completed a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Director; and

''(3) public infrastructure development activities in connection with housing activities funded under paragraph (1) or (2).

''(h) ELIGIBLE RECIPIENTS.—Affordable housing fund grant amounts of a grantee may be provided only to a recipient that is an organization, agency, or other entity (including a for-profit entity, a nonprofit entity, and a faith-based organization) that—

''(1) has demonstrated experience and capacity to conduct an eligible activity under (g), as evidenced by its ability to—

''(A) own, construct or rehabilitate, manage, and operate an affordable multifamily rental housing development;

''(B) design, construct or rehabilitate, and market affordable housing for homeownership;

''(C) provide forms of assistance, such as downpayments, closing costs, or interest-rate buy-downs, for purchasers; or

''(D) construct related public infrastructure development activities in connection with such housing activities;

''(2) demonstrates the ability and financial capacity to undertake, comply, and manage the eligible activity;

''(3) demonstrates its familiarly with the requirements of any other Federal, State or local housing program that will be used in conjunction with such grant amounts to ensure compliance with all applicable requirements and regulations of such programs; and

''(4) makes such assurances to the grantee as the Director shall, by regulation, require to ensure that the recipient will comply with the requirements of this section during the entire period that begins upon selection of the recipient to receive such grant amounts and ending upon the conclusion of all activities under subsection (g) that are engaged in by the recipient and funded with such grant amounts.

''(i) LIMITATIONS ON USE.—

''(1) REQUIRED AMOUNT FOR REFCORP.—Of the aggregate amount allocated pursuant to subsection (b) in each year to the affordable housing fund, 25 percent shall be used as provided in section 21B(f)(2)(E) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(E)).

''(2) REQUIRED AMOUNT FOR HOMEOWNERSHIP ACTIVITIES.—Of the aggregate amount of affordable housing fund grant amounts provided in each year to a grantee, not less than 10 percent shall be used for activities under paragraph (2) of subsection (g).

''(3) MAXIMUM AMOUNT FOR PUBLIC INFRASTRUCTURE DEVELOPMENT ACTIVITIES IN CONNECTION WITH AFFORDABLE HOUSING ACTIVITIES.—Of the aggregate amount of affordable housing fund grant amounts provided in each year to a grantee, not more than 12.5 percent may be used for activities under paragraph (3) of subsection (g).

''(4) DEADLINE FOR COMMITMENT OR USE.—Any affordable housing fund grant amounts of a grantee shall be used or committed for use within two years of the date of that such grant amounts are made available to the grantee. The Director shall recapture into the affordable housing fund any such amounts not so used or committed for use and allocate such amounts under subsection (d)(1) in the first year after such recapture.

''(5) USE OF RETURNS.—The Director shall, by regulation provide that any return on a loan or other investment of any affordable housing fund grant amounts of a grantee shall be treated, for purposes of availability to and use by the grantee, as affordable housing fund grant amounts.

''(6) PROHIBITED USES.—The Director shall—

''(A) by regulation, set forth prohibited uses of affordable housing fund grant amounts, which shall include use for—

''(i) political activities;

''(ii) advocacy;

''(iii) lobbying, whether directly or through other parties;

''(iv) counseling services;

''(v) travel expenses; and

''(vi) preparing or providing advice on tax returns;

''(B) by regulation, provide that, except as provided in subparagraph (C), affordable housing fund grant amounts of a grantee may not be used for administrative, outreach, or other costs of—

''(i) the grantee; or

''(ii) any recipient of such grant amounts; and

''(C) by regulation, limit the amount of any affordable housing fund grant amounts of the grantee for a year that may be used for administrative costs of the grantee of carrying out the program required under this section to a percentage of such grant amounts of the grantee for such year, which may not exceed 10 percent.

''(7) PROHIBITION OF CONSIDERATION OF USE FOR MEETING HOUSING GOALS OR DUTY TO SERVE.—In determining compliance with the housing goals under this subpart and the duty to serve underserved markets under section 1335, the Director may not consider any affordable housing fund grant amounts used under this section for eligible activities under subsection (g). The Director shall give credit toward the achievement of such housing goals and such duty to serve underserved markets to purchases by the enterprises of mortgages for housing that receives funding from affordable housing fund grant amounts, but only to the extent that such purchases by the enterprises are funded other than with such grant amounts.

''(j) ACCOUNTABILITY OF RECIPIENTS AND GRANTEES.—

''(1) RECIPIENTS.—

''(A) TRACKING OF FUNDS.—The Director shall—

''(i) require each grantee to develop and maintain a system to ensure that each recipient of assistance from affordable housing fund grant amounts of the grantee uses such amounts in accordance with this section, the regulations issued under this section, and any requirements or conditions under which such amounts were provided; and—

''(ii) establish minimum requirements for agreements, between the grantee and recipients, regarding assistance from the affordable housing fund grant amounts of the grantee, which shall include—

''(I) appropriate continuing financial and project reporting, record retention, and audit requirements for the duration of the grant to the recipient to ensure compliance with the limitations and requirements of this section and the regulations under this section; and

''(II) any other requirements that the Director determines are necessary to ensure appropriate grant administration and compliance.

''(B) MISUSE OF FUNDS.—

''(i) REIMBURSEMENT REQUIREMENT.—If any recipient of assistance from affordable housing fund grant amounts of a grantee is determined, in accordance with clause (ii), to have used any such amounts in a manner that is materially in violation of this section, the regulations issued under this section, or any requirements or conditions under which such amounts were provided, the grantee shall require that, within 12 months after the determination of such misuse, the recipient shall reimburse the grantee for such misused amounts and return to the grantee any amounts from the affordable housing fund grant amounts of the grantee that remain unused or uncommitted for use. The remedies under this clause are in addition to any other remedies that may be available under law.

''(ii) DETERMINATION.—A determination is made in accordance with this clause if the determination is—

''(I) made by the Director; or

''(II)(aa) made by the grantee;

''(bb) the grantee provides notification of the determination to the Director for review, in the discretion of the Director, of the determination; and

''(cc) the Director does not subsequently reverse the determination.

''(2) GRANTEES.—

''(A) REPORT.—

''(i) IN GENERAL.—The Director shall require each grantee receiving affordable housing fund grant amounts for a year to submit a report, for such year, to the Director that—

''(I) describes the activities funded under this section during such year with the affordable housing fund grant amounts of the grantee; and

''(II) the manner in which the grantee complied during such year with the allocation plan established pursuant to subsection (e) for the grantee.

''(ii) PUBLIC AVAILABILITY.—The Director shall make such reports pursuant to this subparagraph publicly available.

''(B) MISUSE OF FUNDS.—If the Director determines, after reasonable notice and opportunity for hearing, that a grantee has failed to comply substantially with any provision of this section and until the Director is satisfied that there is no longer any such failure to comply, the Director shall—

''(i) reduce the amount of assistance under this section to the grantee by an amount equal to the amount affordable housing fund grant amounts which were not used in accordance with this section;

''(ii) require the grantee to repay the Director an amount equal to the amount of the amount affordable housing fund grant amounts which were not used in accordance with this section;

''(iii) limit the availability of assistance under this section to the grantee to activities or recipients not affected by such failure to comply; or

''(iv) terminate any assistance under this section to the grantee.

''(k) CAPITAL REQUIREMENTS.—The utilization or commitment of amounts from the affordable housing fund shall not be subject to the risk-based capital requirements established pursuant to section 1361(a).

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

''(1) AFFORDABLE HOUSING FUND GRANT AMOUNTS.—The term 'affordable housing fund grant amounts' means amounts from the affordable housing fund established under subsection (a) that are provided to a grantee pursuant to subsection (d)(3).

''(2) GRANTEE.—The term 'grantee' means—

''(A) with respect to 2007, the Louisiana Housing Finance Agency and the Mississippi Development Authority; and

''(B) with respect to the years referred to in subsection (b)(1), other than 2007, each State (as such term is defined in section 1303) and each federally recognized Indian tribe.

''(3) RECIPIENT.—The term 'recipient' means an entity meeting the requirements under subsection (h) that receives assistance from a grantee from affordable housing fund grant amounts of the grantee.

''(4) TOTAL MORTGAGE PORTFOLIO.—The term 'total mortgage portfolio' means, with respect to a year, the sum, for all mortgages outstanding during that year in any form, including whole loans, mortgage-backed securities, participation certificates, or other structured securities backed by mortgages, of the dollar amount of the unpaid outstanding principal balances under such mortgages. Such term includes all such mortgages or securitized obligations, whether retained in portfolio, or sold in any form. The Director is authorized to promulgate rules further defining such term as necessary to implement this section and to address market developments.

''(5) VERY-LOW INCOME FAMILY.—The term 'very low-income family' has the meaning given such term in section 1303, except that such term includes any family that resides in a rural area that has an income that does not exceed the poverty line (as such term is defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)), including any revision required by such section) applicable to a family of the size involved.

''(m) REGULATIONS.—

''(1) IN GENERAL.—The Director, in consultation with the Secretary of Housing and Urban Development, shall issue regulations to carry out this section.

''(2) REQUIRED CONTENTS.—The regulations issued under this subsection shall include—

''(A) a requirement that the Director ensure that the program of each grantee for use of affordable housing fund grant amounts of the grantee is audited not less than annually to ensure compliance with this section;

''(B) authority for the Director to audit, provide for an audit, or otherwise verify a grantee's activities, to ensure compliance with this section;

''(C) requirements for a process for application to, and selection by, each grantee for activities meeting the grantee's priority housing needs to be funded with affordable housing fund grant amounts of the grantee, which shall provide for priority in funding to be based upon—

''(i) greatest impact;

''(ii) geographic diversity;

''(iii) ability to obligate amounts and undertake activities so funded in a timely manner;

''(iv) in the case of rental housing projects under subsection (g)(1), the extent to which rents for units in the project funded are affordable, especially for extremely low-income families;

''(v) in the case of rental housing projects under subsection (g)(1), the extent of the duration for which such rents will remain affordable;

''(vi) the extent to which the application makes use of other funding sources; and

''(vii) the merits of an applicant's proposed eligible activity;

''(D) requirements to ensure that amounts provided to a grantee from the affordable housing fund that are used for rental housing under subsection (g)(1) are used only for the benefit of extremely low- and very-low income families;

''(E) limitations on public infrastructure development activities that are eligible pursuant to subsection (g)(3) for funding with affordable housing fund grant amounts and requirements for the connection between such activities and housing activities funded under paragraph (1) or (2) of subsection (g); and

''(F) requirements and standards for establishment, by grantees (including the grantees for 2007 pursuant to subsection (l)(2)(A)), of performance goals, benchmarks, and timetables for the production, preservation, and rehabilitation of affordable rental and homeownership housing with affordable housing fund grant amounts.

''(n) ENFORCEMENT OF REQUIREMENTS ON ENTERPRISE.—Compliance by the enterprises with the requirements under this section shall be enforceable under subpart C. Any reference in such subpart to this part or to an order, rule, or regulation under this part specifically includes this section and any order, rule, or regulation under this section.

''(o) AFFORDABLE HOUSING TRUST FUND.—If, after the enactment of this Act, in any year, there is enacted any provision of Federal law establishing an affordable housing trust fund other than under this title for use only for grants to provide affordable rental housing and affordable homeownership opportunities, and the subsequent year is a year referred to in subsection (b)(1), the Director shall in such subsequent year and any remaining years referred to in subsection (b)(1) transfer to such affordable housing trust fund the aggregate amount allocated pursuant to subsection (b) in such year to the affordable housing fund under this section, less any amounts used pursuant to subsection (i)(1). For such subsequent and remaining years, the provisions of subsections (c) and (d) shall not apply. Nothing in this subsection shall be construed to alter the terms and conditions of the affordable housing fund under this section or to extend the life of such fund.''.

(b) TIMELY ESTABLISHMENT OF AFFORDABLE HOUSING NEEDS FORMULA.—

(1) IN GENERAL.—The Secretary of Housing and Urban Development shall, not later than the effective date under section 185 of this Act, issue the regulations establishing the affordable housing needs formulas in accordance with the provisions of section 1337(c)(2) of the Housing and Community Development Act of 1992, as such section is amended by subsection (a) of this section.

(2) EFFECTIVE DATE.—This subsection shall take effect on the date of the enactment of this Act.

(c) REFCORP PAYMENTS.—Section 21B(f)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)) is amended—

(1) in subparagraph (E), by striking ''and (D)'' and inserting ''(D), and (E)'';

(2) by redesignating subparagraph (E) as subparagraph (F); and

(3) by inserting after subparagraph (D) the following new subparagraph:

''(E) PAYMENTS BY FANNIE MAE AND FREDDIE MAC.—To the extent that the amounts available pursuant to subparagraphs (A), (B), (C), and (D) are insufficient to cover the amount of interest payments, each enterprise (as such term is defined in section 1303 of the Housing and Community Development Act of 1992 (42 U.S.C. 4502)) shall transfer to the Funding Corporation in each calendar year the amounts allocated for use under this subparagraph pursuant to section 1337(i)(1) of such Act.''.

(d) GAO REPORT.—The Comptroller General shall conduct a study to determine the effects that the affordable housing fund established under section 1337 of the Housing and Community Development Act of 1992, as added by the amendment made by subsection (a) of this section, will have on the availability and affordability of credit for homebuyers, including the effects on such credit of the requirement under such section 1337(b) that the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation make allocations of amounts to such fund based on the average total mortgage portfolios, and the extent to which the costs of such allocation requirement will be borne by such entities or will be passed on to homebuyers. Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress setting forth the results and conclusions of such study. This subsection shall take effect on the date of the enactment of this Act.

SEC. 140. CONSISTENCY WITH MISSION.

Subpart B of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4561 et seq.) is amended by adding after section 1337, as added by section 139 of this Act, the following new section:

''SEC. 1338. CONSISTENCY WITH MISSION.

''This subpart may not be construed to authorize an enterprise to engage in any program or activity that contravenes or is inconsistent with the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act.''.

SEC. 141. ENFORCEMENT.

(a) CEASE-AND-DESIST PROCEEDINGS.—Section 1341 of the Housing and Community Development Act of 1992 (12 U.S.C. 4581) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) GROUNDS FOR ISSUANCE.—The Director may issue and serve a notice of charges under this section upon an enterprise if the Director determines—

''(1) the enterprise has failed to meet any housing goal established under subpart B, following a written notice and determination of such failure in accordance with section 1336;

''(2) the enterprise has failed to submit a report under section 1314, following a notice of such failure, an opportunity for comment by the enterprise, and a final determination by the Director;

''(3) the enterprise has failed to submit the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act, or subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act;

''(4) the enterprise has violated any provision of this part or any order, rule or regulation under this part;

''(5) the enterprise has failed to submit a housing plan that complies with section 1336(c) within the applicable period; or

''(6) the enterprise has failed to comply with a housing plan under section 1336(c).'';

(2) in subsection (b)(2), by striking ''requiring the enterprise to'' and all that follows through the end of the paragraph and inserting the following: ''requiring the enterprise to—

''(A) comply with the goal or goals;

''(B) submit a report under section 1314;

''(C) comply with any provision this part or any order, rule or regulation under such part;

''(D) submit a housing plan in compliance with section 1336(c);

''(E) comply with a housing plan submitted under section 1336(c); or

''(F) provide the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act or subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act, as applicable.'';

(3) in subsection (c), by inserting ''date of the'' before ''service of the order''; and

(4) by striking subsection (d).

(b) AUTHORITY OF DIRECTOR TO ENFORCE NOTICES AND ORDERS.—Section 1344 of the Housing and Community Development Act of 1992 (12 U.S.C. 4584) is amended by striking subsection (a) and inserting the following new subsection:

''(a) ENFORCEMENT.—The Director may, in the discretion of the Director, apply to the United States District Court for the District of Columbia, or the United States district court within the jurisdiction of which the headquarters of the enterprise is located, for the enforcement of any effective and outstanding notice or order issued under section 1341 or 1345, or request that the Attorney General of the United States bring such an action. Such court shall have jurisdiction and power to order and require compliance with such notice or order.''.

(c) CIVIL MONEY PENALTIES.—Section 1345 of the Housing and Community Development Act of 1992 (12 U.S.C. 4585) is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) AUTHORITY.—The Director may impose a civil money penalty, in accordance with the provisions of this section, on any enterprise that has failed to—

''(1) meet any housing goal established under subpart B, following a written notice and determination of such failure in accordance with section 1336(b);

''(2) submit a report under section 1314, following a notice of such failure, an opportunity for comment by the enterprise, and a final determination by the Director;

''(3) submit the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act, or subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act;

''(4) comply with any provision of this part or any order, rule or regulation under this part;

''(5) submit a housing plan pursuant to section 1336(c) within the required period; or

''(6) comply with a housing plan for the enterprise under section 1336(c).

''(b) AMOUNT OF PENALTY.—The amount of the penalty, as determined by the Director, may not exceed—

''(1) for any failure described in paragraph (1), (5), or (6) of subsection (a), $50,000 for each day that the failure occurs; and

''(2) for any failure described in paragraph (2), (3), or (4) of subsection (a), $20,000 for each day that the failure occurs.'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting ''and'' after the semicolon at the end;

(ii) in subparagraph (B), by striking ''; and'' and inserting a period; and

(iii) by striking subparagraph (C); and

(B) in paragraph (2), by inserting after the period at the end the following: ''In determining the penalty under subsection (a)(1), the Director shall give consideration to the length of time the enterprise should reasonably take to achieve the goal.'';

(3) in the first sentence of subsection (d)—

(A) by striking ''request the Attorney General of the United States to'' and inserting '', in the discretion of the Director,''; and

(B) by inserting '', or request that the Attorney General of the United States bring such an action'' before the period at the end;

(4) by striking subsection (f); and

(5) by redesignating subsection (g) as subsection (f).

(d) ENFORCEMENT OF SUBPOENAS.—Section 1348(c) of the Housing and Community Development Act of 1992 (12 U.S.C. 4588(c)) is amended—

(1) by striking ''request the Attorney General of the United States to'' and inserting '', in the discretion of the Director,''; and

(2) by inserting ''or request that the Attorney General of the United States bring such an action,'' after ''District of Columbia,''

(e) CONFORMING AMENDMENT.—The heading for subpart C of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 is amended to read as follows:

"Subpart C—Enforcement".

SEC. 142. CONFORMING AMENDMENTS.

Part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4541 et seq.) is amended—

(1) by striking ''Secretary'' each place such term appears in such part and inserting ''Director'';

*(2) in the section heading for section 1323 (12 U.S.C. 4543), by inserting ''**OF ENTERPRISES**'' before the period at the end;*

(3) by striking section 1327 (12 U.S.C. 4547);

(4) by striking section 1328 (12 U.S.C. 4548);

(5) by redesignating section 1329 (as amended by section 135) as section 1327;

(6) in sections 1345(c)(1)(A), 1346(a), and 1346(b) (12 U.S.C. 4585(c)(1)(A), 4586(a), and 4586(b)), by striking ''Secretary's'' each place such term appears and inserting ''Director's''; and

(7) by striking section 1349 (12 U.S.C. 4589).

Subtitle C—Prompt Corrective Action

SEC. 151. CAPITAL CLASSIFICATIONS.

(a) IN GENERAL.—Section 1364 of the Housing and Community Development Act of 1992 (12 U.S.C. 4614) is amended—

(1) in the heading for subsection (a), by striking ''IN GENERAL'' and inserting ''ENTERPRISES''.

(2) in subsection (c)—

(A) by striking ''subsection (b)'' and inserting ''subsection (c)'';

(B) by striking ''enterprises'' and inserting ''regulated entities''; and

(C) by striking the last sentence;

(3) by redesignating subsections (c) (as so amended by paragraph (2) of this subsection) and (d) as subsections (d) and (f), respectively;

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

''(b) FEDERAL HOME LOAN BANKS.—

''(1) ESTABLISHMENT AND CRITERIA.—For purposes of this subtitle, the Director shall, by regulation—

''(A) establish the capital classifications specified under paragraph (2) for the Federal home loan banks;

''(B) establish criteria for each such capital classification based on the amount and types of capital held by a bank and the risk-based, minimum, and critical capital levels for the banks and taking due consideration of the capital classifications established under subsection (a) for the enterprises, with such modifications as the Director determines to be appropriate to reflect the difference in operations between the banks and the enterprises; and

''(C) shall classify the Federal home loan banks according to such capital classifications.

''(2) CLASSIFICATIONS.—The capital classifications specified under this paragraph are—

''(A) adequately capitalized;

''(B) undercapitalized;

''(C) significantly undercapitalized; and

''(D) critically undercapitalized.

''(c) DISCRETIONARY CLASSIFICATION.—

''(1) GROUNDS FOR RECLASSIFICATION.—The Director may reclassify a regulated entity under paragraph (2) if—

''(A) at any time, the Director determines in writing that the regulated entity is engaging in conduct that could result in a rapid depletion of core or total capital or, in the case of an enterprise, that the value of the property subject to mortgages held or securitized by the enterprise has decreased significantly;

''(B) after notice and an opportunity for hearing, the Director determines that the regulated entity is in an unsafe or unsound condition; or

''(C) pursuant to section 1371(b), the Director deems the regulated entity to be engaging in an unsafe or unsound practice.

''(2) RECLASSIFICATION.—In addition to any other action authorized under this title, including the reclassification of a regulated entity for any reason not specified in this subsection, if the Director takes any action described in paragraph (1) the Director may classify a regulated entity—

''(A) as undercapitalized, if the regulated entity is otherwise classified as adequately capitalized;

''(B) as significantly undercapitalized, if the regulated entity is otherwise classified as undercapitalized; and

''(C) as critically undercapitalized, if the regulated entity is otherwise classified as significantly undercapitalized.''; and

(5) by inserting after subsection (d) (as so redesignated by paragraph (3) of this subsection), the following new subsection:

''(e) RESTRICTION ON CAPITAL DISTRIBUTIONS.—

''(1) IN GENERAL.—A regulated entity shall make no capital distribution if, after making the distribution, the regulated entity would be undercapitalized.

''(2) EXCEPTION.—Notwithstanding paragraph (1), the Director may permit a regulated entity, to the extent appropriate or applicable, to repurchase, redeem, retire, or otherwise acquire shares or ownership interests if the repurchase, redemption, retirement, or other acquisition—

''(A) is made in connection with the issuance of additional shares or obligations of the regulated entity in at least an equivalent amount; and

''(B) will reduce the financial obligations of the regulated entity or otherwise improve the financial condition of the entity.''.

(b) REGULATIONS.—Not later than the expiration of the 180-day period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall issue regulations to carry out section 1364(b) of the Housing and Community Development Act of 1992 (as added by paragraph (4) of this subsection), relating to capital classifications for the Federal home loan banks.

SEC. 152. SUPERVISORY ACTIONS APPLICABLE TO UNDERCAPITALIZED REGULATED ENTITIES.

Section 1365 of the Housing and Community Development Act of 1992 (12 U.S.C. 4615) is amended—

*(1) in the section heading, by striking ''**ENTERPRISES**'' and inserting ''**REGULATED ENTITIES**'';*

(2) in subsection (a)—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively;

(B) by inserting before paragraph (2), as so redesignated by subparagraph (A) of this paragraph, the following paragraph:

''(1) REQUIRED MONITORING.—The Director shall—

''(A) closely monitor the condition of any regulated entity that is classified as undercapitalized;

''(B) closely monitor compliance with the capital restoration plan, restrictions, and requirements imposed under this section; and

''(C) periodically review the plan, restrictions, and requirements applicable to the undercapitalized regulated entity to determine whether the plan, restrictions, and requirements are achieving the purpose of this section.''; and

(C) by inserting at the end the following new paragraphs:

''(4) RESTRICTION OF ASSET GROWTH.—A regulated entity that is classified as undercapitalized shall not permit its average total assets (as such term is defined in section 1316(b) during any calendar quarter to exceed its average total assets during the preceding calendar quarter unless—

''(A) the Director has accepted the capital restoration plan of the regulated entity;

''(B) any increase in total assets is consistent with the plan; and

''(C) the ratio of total capital to assets for the regulated entity increases during the calendar quarter at a rate sufficient to enable the entity to become adequately capitalized within a reasonable time.

''(5) PRIOR APPROVAL OF ACQUISITIONS, NEW PRODUCTS, AND NEW ACTIVITIES.—A regulated entity that is classified as undercapitalized shall not, directly or indirectly, acquire any interest in any entity or initially offer any new product (as such term is defined in section 1321(f)) or engage in any new activity, service, undertaking, or offering unless—

''(A) the Director has accepted the capital restoration plan of the regulated entity, the entity is implementing the plan, and the Director determines that the proposed action is consistent with and will further the achievement of the plan; or

''(B) the Director determines that the proposed action will further the purpose of this section.'';

(3) in the subsection heading for subsection (b), by striking ''FROM UNDERCAPITALIZED TO SIGNIFICANTLY UNDERCAPITALIZED''; and

(4) by striking subsection (c) and inserting the following new subsection:

''(c) OTHER DISCRETIONARY SAFEGUARDS.—The Director may take, with respect to a regulated entity that is classified as undercapitalized, any of the actions authorized to be taken under section 1366 with respect to a regulated entity that is classified as significantly undercapitalized, if the Director determines that such actions are necessary to carry out the purpose of this subtitle.''.

SEC. 153. SUPERVISORY ACTIONS APPLICABLE TO SIGNIFICANTLY UNDERCAPITALIZED REGULATED ENTITIES.

Section 1366 of the Housing and Community Development Act of 1992 (12 U.S.C. 4616) is amended—

*(1) in the section heading, by striking ''**ENTERPRISES**'' and inserting ''**REGULATED ENTITIES**'';*

(2) in subsection (a)(2)(A), by striking ''enterprise'' the last place such term appears;

(3) in subsection (b)—

(A) in the subsection heading, by striking ''DISCRETIONARY SUPERVISORY ACTIONS'' and inserting ''SPECIFIC ACTIONS''.

(B) in the matter preceding paragraph (1), by striking ''may, at any time, take any'' and inserting ''shall carry out this section by taking, at any time, one or more'';

(C) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively;

(D) by inserting after paragraph (4) the following new paragraph:

''(5) IMPROVEMENT OF MANAGEMENT.—Take one or more of the following actions:

''(A) NEW ELECTION OF BOARD.—Order a new election for the board of directors of the regulated entity.

''(B) DISMISSAL OF DIRECTORS OR EXECUTIVE OFFICERS.—Require the regulated entity to dismiss from office any director or executive officer who had held office for more than 180 days immediately before the entity became undercapitalized. Dismissal under this subparagraph shall not be construed to be a removal pursuant to the Director's enforcement powers provided in section 1377.

''(C) EMPLOY QUALIFIED EXECUTIVE OFFICERS.—Require the regulated entity to employ qualified executive officers (who, if the Director so specifies, shall be subject to approval by the Director).''; and

(E) by inserting at the end the following new paragraph:

''(8) OTHER ACTION.—Require the regulated entity to take any other action that the Director determines will better carry out the purpose of this section than any of the actions specified in this paragraph.'';

(4) by redesignating subsection (c) as subsection (d); and

(5) by inserting after subsection (b) the following new subsection:

''(c) RESTRICTION ON COMPENSATION OF EXECUTIVE OFFICERS.—A regulated entity that is classified as significantly undercapitalized may not, without prior written approval by the Director—

''(1) pay any bonus to any executive officer; or

''(2) provide compensation to any executive officer at a rate exceeding that officer's average rate of compensation (excluding bonuses, stock options, and profit sharing) during the 12 calendar months preceding the calendar month in which the regulated entity became undercapitalized.''.

SEC. 154. AUTHORITY OVER CRITICALLY UNDERCAPITALIZED REGULATED ENTITIES.

(a) IN GENERAL.—Section 1367 of the Housing and Community Development Act of 1992 (12 U.S.C. 4617) is amended to read as follows:

''SEC. 1367. AUTHORITY OVER CRITICALLY UNDERCAPITALIZED REGULATED ENTITIES.

''(a) APPOINTMENT OF AGENCY AS CONSERVATOR OR RECEIVER.—

''(1) IN GENERAL.—Notwithstanding any other provision of Federal or State law, if any of the grounds under paragraph (3) exist, at the discretion of the Director, the Director may establish a conservatorship or receivership, as appropriate, for the purpose of reorganizing, rehabilitating, or winding up the affairs of a regulated entity.

''(2) APPOINTMENT.—In any conservatorship or receivership established under this section, the Director shall appoint the Agency as conservator or receiver.

''(3) GROUNDS FOR APPOINTMENT.—The grounds for appointing a conservator or receiver for a regulated entity are as follows:

''(A) ASSETS INSUFFICIENT FOR OBLIGATIONS.—The assets of the regulated entity are less than the obligations of the regulated entity to its creditors and others.

''(B) SUBSTANTIAL DISSIPATION.—Substantial dissipation of assets or earnings due to—

''(i) any violation of any provision of Federal or State law; or

''(ii) any unsafe or unsound practice.

''(C) UNSAFE OR UNSOUND CONDITION.—An unsafe or unsound condition to transact business.

''(D) CEASE-AND-DESIST ORDERS.—Any willful violation of a cease-and-desist order that has become final.

''(E) CONCEALMENT.—Any concealment of the books, papers, records, or assets of the regulated entity, or any refusal to submit the books, papers, records, or affairs of the regulated entity, for inspection to any examiner or to any lawful agent of the Director.

''(F) INABILITY TO MEET OBLIGATIONS.—The regulated entity is likely to be unable to pay its obligations or meet the demands of its creditors in the normal course of business.

''(G) LOSSES.—The regulated entity has incurred or is likely to incur losses that will deplete all or substantially all of its capital, and there is no reasonable prospect for the regulated entity to become adequately capitalized (as defined in section 1364(a)(1)).

''(H) VIOLATIONS OF LAW.—Any violation of any law or regulation, or any unsafe or unsound practice or condition that is likely to—

''(i) cause insolvency or substantial dissipation of assets or earnings; or

''(ii) weaken the condition of the regulated entity.

''(I) CONSENT.—The regulated entity, by resolution of its board of directors or its shareholders or members, consents to the appointment.

''(J) UNDERCAPITALIZATION.—The regulated entity is undercapitalized or significantly undercapitalized (as defined in section 1364(a)(3) or in regulations issued pursuant to section 1364(b), as applicable), and—

''(i) has no reasonable prospect of becoming adequately capitalized;

''(ii) fails to become adequately capitalized, as required by—

''(I) section 1365(a)(1) with respect to an undercapitalized regulated entity; or

''(II) section 1366(a)(1) with respect to a significantly undercapitalized regulated entity;

''(iii) fails to submit a capital restoration plan acceptable to the Agency within the time prescribed under section 1369C; or

''(iv) materially fails to implement a capital restoration plan submitted and accepted under section 1369C.

''(K) CRITICAL UNDERCAPITALIZATION.—The regulated entity is critically undercapitalized, as defined in section 1364(a)(4) or in regulations issued pursuant to section 1364(b), as applicable.

''(L) MONEY LAUNDERING.—The Attorney General notifies the Director in writing that the regulated entity has been found guilty of a criminal offense under section 1956 or 1957 of title 18, United States Code, or section 5322 or 5324 of title 31, United States Code.

''(4) MANDATORY RECEIVERSHIP.—

''(A) IN GENERAL.—The Director shall appoint the Agency as receiver for a regulated entity if the Director determines, in writing, that—

''(i) the assets of the regulated entity are, and during the preceding 30 calendar days have been, less than the obligations of the regulated entity to its creditors and others; or

''(ii) the regulated entity is not, and during the preceding 30 calendar days has not been, generally paying the debts of the regulated entity (other than debts that are the subject of a bona fide dispute) as such debts become due.

''(B) PERIODIC DETERMINATION REQUIRED FOR CRITICALLY UNDER CAPITALIZED REGULATED ENTITY.—If a regulated entity is critically undercapitalized, the Director shall make a determination, in writing, as to whether the regulated entity meets the criteria specified in clause (i) or (ii) of subparagraph (A)—

''(i) not later than 30 calendar days after the regulated entity initially becomes critically undercapitalized; and

''(ii) at least once during each succeeding 30-calendar day period.

''(C) DETERMINATION NOT REQUIRED IF RECEIVERSHIP ALREADY IN PLACE.—Subparagraph (B) shall not apply with respect to a regulated entity in any period during which the Agency serves as receiver for the regulated entity.

''(D) RECEIVERSHIP TERMINATES CONSERVATORSHIP.—The appointment under this section of the Agency as receiver of a regulated entity shall immediately terminate any conservatorship established under this title for the regulated entity.

''(5) JUDICIAL REVIEW.—

''(A) IN GENERAL.—If the Agency is appointed conservator or receiver under this section, the regulated entity may, within 30 days of such appointment, bring an action in the United States District Court for the judicial district in which the principal place of business of such regulated entity is located, or in the United States District Court for the District of Columbia, for an order requiring the Agency to remove itself as conservator or receiver.

''(B) REVIEW.—Upon the filing of an action under subparagraph (A), the court shall, upon the merits, dismiss such action or direct the Agency to remove itself as such conservator or receiver.

''(6) DIRECTORS NOT LIABLE FOR ACQUIESCING IN APPOINTMENT OF CONSERVATOR OR RECEIVER.—The members of the board of directors of a regulated entity shall not be liable to the shareholders or creditors of the regulated entity for acquiescing in or consenting in good faith to the appointment of the Agency as conservator or receiver for that regulated entity.

''(7) AGENCY NOT SUBJECT TO ANY OTHER FEDERAL AGENCY.—When acting as conservator or receiver, the Agency shall not be subject to the direction or supervision of any other agency of the United States or any State in the exercise of the rights, powers, and privileges of the Agency.

''(b) POWERS AND DUTIES OF THE AGENCY AS CONSERVATOR OR RECEIVER.—

''(1) RULEMAKING AUTHORITY OF THE AGENCY.—The Agency may prescribe such regulations as the Agency determines to be appropriate regarding the conduct of conservatorships or receiverships.

''(2) GENERAL POWERS.—

''(A) SUCCESSOR TO REGULATED ENTITY.—The Agency shall, as conservator or receiver, and by operation of law, immediately succeed to—

''(i) all rights, titles, powers, and privileges of the regulated entity, and of any stockholder, officer, or director of such regulated entity with respect to the regulated entity and the assets of the regulated entity; and

''(ii) title to the books, records, and assets of any other legal custodian of such regulated entity.

''(B) OPERATE THE REGULATED ENTITY.—The Agency may, as conservator or receiver—

''(i) take over the assets of and operate the regulated entity with all the powers of the shareholders, the directors, and the officers of the regulated entity and conduct all business of the regulated entity;

''(ii) collect all obligations and money due the regulated entity;

''(iii) perform all functions of the regulated entity in the name of the regulated entity which are consistent with the appointment as conservator or receiver; and

''(iv) preserve and conserve the assets and property of such regulated entity.

''(C) FUNCTIONS OF OFFICERS, DIRECTORS, AND SHAREHOLDERS OF A REGULATED ENTITY.—The Agency may, by regulation or order, provide for the exercise of any function by any stockholder, director, or officer of any regulated entity for which the Agency has been named conservator or receiver.

''(D) POWERS AS CONSERVATOR.—The Agency may, as conservator, take such action as may be—

''(i) necessary to put the regulated entity in a sound and solvent condition; and

''(ii) appropriate to carry on the business of the regulated entity and preserve and conserve the assets and property of the regulated entity, including, if two or more Federal home loan banks have been placed in conservatorship contemporaneously, merging two or more such banks into a single Federal home loan bank.

''(E) ADDITIONAL POWERS AS RECEIVER.—The Agency may, as receiver, place the regulated entity in liquidation and proceed to realize upon the assets of the regulated entity, having due regard to the conditions of the housing finance market.

''(F) ORGANIZATION OF NEW REGULATED ENTITIES.—The Agency may, as receiver, organize a successor regulated entity that will operate pursuant to subsection (i).

''(G) TRANSFER OF ASSETS AND LIABILITIES.—The Agency may, as conservator or receiver, transfer any asset or liability of the regulated entity in default without any approval, assignment, or consent with respect to such transfer. Any Federal home loan bank may, with the approval of the Agency, acquire the assets of any Bank in conservatorship or receivership, and assume the liabilities of such Bank.

''(H) PAYMENT OF VALID OBLIGATIONS.—The Agency, as conservator or receiver, shall, to the extent of proceeds realized from the performance of contracts or sale of the assets of a regulated entity, pay all valid obligations of the regulated entity in accordance with the prescriptions and limitations of this section.

''(I) SUBPOENA AUTHORITY.—

''(i) IN GENERAL.—

''(I) IN GENERAL.—The Agency may, as conservator or receiver, and for purposes of carrying out any power, authority, or duty with respect to a regulated entity (including determining any claim against the regulated entity and determining and realizing upon any asset of any person in the course of collecting money due the regulated entity), exercise any power established under section 1348.

''(II) APPLICABILITY OF LAW.—The provisions of section 1348 shall apply with respect to the exercise of any power exercised under this subparagraph in the same manner as such provisions apply under that section.

''(ii) AUTHORITY OF DIRECTOR.—A subpoena or subpoena duces tecum may be issued under clause (i) only by, or with the written approval of, the Director, or the designee of the Director.

''(iii) RULE OF CONSTRUCTION.—This subsection shall not be construed to limit any rights that the Agency, in any capacity, might otherwise have under section 1317 or 1379D.

''(J) CONTRACTING FOR SERVICES.—The Agency may, as conservator or receiver, provide by contract for the carrying out of any of its functions, activities, actions, or duties as conservator or receiver.

''(K) INCIDENTAL POWERS.—The Agency may, as conservator or receiver—

''(i) exercise all powers and authorities specifically granted to conservators or receivers, respectively, under this section, and such incidental powers as shall be necessary to carry out such powers; and

''(ii) take any action authorized by this section, which the Agency determines is in the best interests of the regulated entity or the Agency.

''(3) AUTHORITY OF RECEIVER TO DETERMINE CLAIMS.—

''(A) IN GENERAL.—The Agency may, as receiver, determine claims in accordance with the requirements of this subsection and any regulations prescribed under paragraph (4).

''(B) NOTICE REQUIREMENTS.—The receiver, in any case involving the liquidation or winding up of the affairs of a closed regulated entity, shall—

''(i) promptly publish a notice to the creditors of the regulated entity to present their claims, together with proof, to the receiver by a date specified in the notice which shall be not less than 90 days after the publication of such notice; and

''(ii) republish such notice approximately 1 month and 2 months, respectively, after the publication under clause (i).

''(C) MAILING REQUIRED.—The receiver shall mail a notice similar to the notice published under subparagraph (B)(i) at the time of such publication to any creditor shown on the books of the regulated entity—

''(i) at the last address of the creditor appearing in such books; or

''(ii) upon discovery of the name and address of a claimant not appearing on the books of the regulated entity within 30 days after the discovery of such name and address.

''(4) RULEMAKING AUTHORITY RELATING TO DETERMINATION OF CLAIMS.—Subject to subsection (c), the Director may prescribe regulations regarding the allowance or disallowance of claims by the receiver and providing for administrative determination of claims and review of such determination.

''(5) PROCEDURES FOR DETERMINATION OF CLAIMS.—

''(A) DETERMINATION PERIOD.—

''(i) IN GENERAL.—Before the end of the 180-day period beginning on the date on which any claim against a regulated entity is filed with the Agency as receiver, the Agency shall determine whether to allow or disallow the claim and shall notify the claimant of any determination with respect to such claim.

''(ii) EXTENSION OF TIME.—The period described in clause (i) may be extended by a written agreement between the claimant and the Agency.

''(iii) MAILING OF NOTICE SUFFICIENT.—The notification requirements of clause (i) shall be deemed to be satisfied if the notice of any determination with respect to any claim is mailed to the last address of the claimant which appears—

''(I) on the books of the regulated entity;

''(II) in the claim filed by the claimant; or

''(III) in documents submitted in proof of the claim.

''(iv) CONTENTS OF NOTICE OF DISALLOWANCE.—If any claim filed under clause (i) is disallowed, the notice to the claimant shall contain—

''(I) a statement of each reason for the disallowance; and

''(II) the procedures available for obtaining agency review of the determination to disallow the claim or judicial determination of the claim.

''(B) ALLOWANCE OF PROVEN CLAIM.—The receiver shall allow any claim received on or before the date specified in the notice published under paragraph (3)(B)(i), or the date specified in the notice required under paragraph (3)(C), which is proved to the satisfaction of the receiver.

''(C) DISALLOWANCE OF CLAIMS FILED AFTER END OF FILING PERIOD.—Claims filed after the date specified in the notice published under paragraph (3)(B)(i), or the date specified under paragraph (3)(C), shall be disallowed and such disallowance shall be final.

''(D) AUTHORITY TO DISALLOW CLAIMS.—

''(i) IN GENERAL.—The receiver may disallow any portion of any claim by a creditor or claim of security, preference, or priority which is not proved to the satisfaction of the receiver.

''(ii) PAYMENTS TO LESS THAN FULLY SECURED CREDITORS.—In the case of a claim of a creditor against a regulated entity which is secured by any property or other asset of such regulated entity, the receiver—

''(I) may treat the portion of such claim which exceeds an amount equal to the fair market value of such property or other asset as an unsecured claim against the regulated entity; and

''(II) may not make any payment with respect to such unsecured portion of the claim other than in connection with the disposition of all claims of unsecured creditors of the regulated entity.

''(iii) EXCEPTIONS.—No provision of this paragraph shall apply with respect to any extension of credit from any Federal Reserve Bank, Federal home loan bank, or the Treasury of the United States.

''(E) NO JUDICIAL REVIEW OF DETERMINATION PURSUANT TO SUBPARAGRAPH (D).—No court may review the determination of the Agency under subparagraph (D) to disallow a claim. This subparagraph shall not affect the authority of a claimant to obtain de novo judicial review of a claim pursuant to paragraph (6).

''(F) LEGAL EFFECT OF FILING.—

''(i) STATUTE OF LIMITATION TOLLED.—For purposes of any applicable statute of limitations, the filing of a claim with the receiver shall constitute a commencement of an action.

''(ii) NO PREJUDICE TO OTHER ACTIONS.—Subject to paragraph (10), the filing of a claim with the receiver shall not prejudice any right of the claimant to continue any action which was filed before the date of the appointment of the receiver, subject to the determination of claims by the receiver.

''(6) PROVISION FOR JUDICIAL DETERMINATION OF CLAIMS.—

''(A) IN GENERAL.—The claimant may file suit on a claim (or continue an action commenced before the appointment of the receiver) in the district or territorial court of the United States for the district within which the principal place of business of the regulated entity is located or the United States District Court for the District of Columbia (and such court shall have jurisdiction to hear such claim), before the end of the 60-day period beginning on the earlier of—

''(i) the end of the period described in paragraph (5)(A)(i) with respect to any claim against a regulated entity for which the Agency is receiver; or

''(ii) the date of any notice of disallowance of such claim pursuant to paragraph (5)(A)(i).

''(B) STATUTE OF LIMITATIONS.—A claim shall be deemed to be disallowed (other than any portion of such claim which was allowed by the receiver), and such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim, if the claimant fails, before the end of the 60-day period described under subparagraph (A), to file suit on such claim (or continue an action commenced before the appointment of the receiver).

''(7) REVIEW OF CLAIMS.—

''(A) OTHER REVIEW PROCEDURES.—

''(i) IN GENERAL.—The Agency shall establish such alternative dispute resolution processes as may be appropriate for the resolution of claims filed under paragraph (5)(A)(i).

''(ii) CRITERIA.—In establishing alternative dispute resolution processes, the Agency shall strive for procedures which are expeditious, fair, independent, and low cost.

''(iii) VOLUNTARY BINDING OR NONBINDING PROCEDURES.—The Agency may establish both binding and nonbinding processes, which may be conducted by any government or private party. All parties, including the claimant and the Agency, must agree to the use of the process in a particular case.

''(B) CONSIDERATION OF INCENTIVES.—The Agency shall seek to develop incentives for claimants to participate in the alternative dispute resolution process.

''(8) EXPEDITED DETERMINATION OF CLAIMS.—

''(A) ESTABLISHMENT REQUIRED.—The Agency shall establish a procedure for expedited relief outside of the routine claims process established under paragraph (5) for claimants who—

''(i) allege the existence of legally valid and enforceable or perfected security interests in assets of any regulated entity for which the Agency has been appointed receiver; and

''(ii) allege that irreparable injury will occur if the routine claims procedure is followed.

''(B) DETERMINATION PERIOD.—Before the end of the 90-day period beginning on the date any claim is filed in accordance with the procedures established under subparagraph (A), the Director shall—

''(i) determine—

''(I) whether to allow or disallow such claim; or

''(II) whether such claim should be determined pursuant to the procedures established under paragraph (5); and

''(ii) notify the claimant of the determination, and if the claim is disallowed, provide a statement of each reason for the disallowance and the procedure for obtaining agency review or judicial determination.

''(C) PERIOD FOR FILING OR RENEWING SUIT.—Any claimant who files a request for expedited relief shall be permitted to file a suit, or to continue a suit filed before the appointment of the receiver, seeking a determination of the rights of the claimant with respect to such security interest after the earlier of—

''(i) the end of the 90-day period beginning on the date of the filing of a request for expedited relief; or

''(ii) the date the Agency denies the claim.

''(D) STATUTE OF LIMITATIONS.—If an action described under subparagraph (C) is not filed, or the motion to renew a previously filed suit is not made, before the end of the 30-day period beginning on the date on which such action or motion may be filed under subparagraph (B), the claim shall be deemed to be disallowed as of the end of such period (other than any portion of such claim which was allowed by the receiver), such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim.

''(E) LEGAL EFFECT OF FILING.—

''(i) STATUTE OF LIMITATION TOLLED.—For purposes of any applicable statute of limitations, the filing of a claim with the receiver shall constitute a commencement of an action.

''(ii) NO PREJUDICE TO OTHER ACTIONS.—Subject to paragraph (10), the filing of a claim with the receiver shall not prejudice any right of the claimant to continue any action that was filed before the appointment of the receiver, subject to the determination of claims by the receiver.

''(9) PAYMENT OF CLAIMS.—

''(A) IN GENERAL.—The receiver may, in the discretion of the receiver, and to the extent funds are available from the assets of the regulated entity, pay creditor claims, in such manner and amounts as are authorized under this section, which are—

''(i) allowed by the receiver;

''(ii) approved by the Agency pursuant to a final determination pursuant to paragraph (7) or (8); or

''(iii) determined by the final judgment of any court of competent jurisdiction.

''(B) AGREEMENTS AGAINST THE INTEREST OF THE AGENCY.—No agreement that tends to diminish or defeat the interest of the Agency in any asset acquired by the Agency as receiver under this section shall be valid against the Agency unless such agreement is in writing, and executed by an authorized official of the regulated entity, except that such requirements for qualified financial contracts shall be applied in a manner consistent with reasonable business trading practices in the financial contracts market.

''(C) PAYMENT OF DIVIDENDS ON CLAIMS.—The receiver may, in the sole discretion of the receiver, pay from the assets of the regulated entity dividends on proved claims at any time, and no liability shall attach to the Agency, by reason of any such payment, for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment.

''(D) RULEMAKING AUTHORITY OF THE DIRECTOR.—The Director may prescribe such rules, including definitions of terms, as the Director deems appropriate to establish a single uniform interest rate for, or to make payments of post-insolvency interest to creditors holding proven claims against the receivership estates of regulated entities following satisfaction by the receiver of the principal amount of all creditor claims.

''(10) SUSPENSION OF LEGAL ACTIONS.—

''(A) IN GENERAL.—After the appointment of a conservator or receiver for a regulated entity, the conservator or receiver may, in any judicial action or proceeding to which such regulated entity is or becomes a party, request a stay for a period not to exceed—

''(i) 45 days, in the case of any conservator; and

''(ii) 90 days, in the case of any receiver.

''(B) GRANT OF STAY BY ALL COURTS REQUIRED.—Upon receipt of a request by any conservator or receiver under subparagraph (A) for a stay of any judicial action or proceeding in any court with jurisdiction of such action or proceeding, the court shall grant such stay as to all parties.

''(11) ADDITIONAL RIGHTS AND DUTIES.—

''(A) PRIOR FINAL ADJUDICATION.—The Agency shall abide by any final unappealable judgment of any court of competent jurisdiction which was rendered before the appointment of the Agency as conservator or receiver.

''(B) RIGHTS AND REMEDIES OF CONSERVATOR OR RECEIVER.—In the event of any appealable judgment, the Agency as conservator or receiver shall—

''(i) have all the rights and remedies available to the regulated entity (before the appointment of such conservator or receiver) and the Agency, including removal to Federal court and all appellate rights; and

''(ii) not be required to post any bond in order to pursue such remedies.

''(C) NO ATTACHMENT OR EXECUTION.—No attachment or execution may issue by any court upon assets in the possession of the receiver.

''(D) LIMITATION ON JUDICIAL REVIEW.—Except as otherwise provided in this subsection, no court shall have jurisdiction over—

''(i) any claim or action for payment from, or any action seeking a determination of rights with respect to, the assets of any regulated entity for which the Agency has been appointed receiver; or

''(ii) any claim relating to any act or omission of such regulated entity or the Agency as receiver.

''(E) DISPOSITION OF ASSETS.—In exercising any right, power, privilege, or authority as conservator or receiver in connection with any sale or disposition of assets of a regulated entity for which the Agency has been appointed conservator or receiver, the Agency shall conduct its operations in a manner which maintains stability in the housing finance markets and, to the extent consistent with that goal—

''(i) maximizes the net present value return from the sale or disposition of such assets;

''(ii) minimizes the amount of any loss realized in the resolution of cases; and

''(iii) ensures adequate competition and fair and consistent treatment of offerors.

''(12) STATUTE OF LIMITATIONS FOR ACTIONS BROUGHT BY CONSERVATOR OR RECEIVER.—

''(A) IN GENERAL.—Notwithstanding any provision of any contract, the applicable statute of limitations with regard to any action brought by the Agency as conservator or receiver shall be—

''(i) in the case of any contract claim, the longer of—

''(I) the 6-year period beginning on the date the claim accrues; or

''(II) the period applicable under State law; and

''(ii) in the case of any tort claim, the longer of—

''(I) the 3-year period beginning on the date the claim accrues; or

''(II) the period applicable under State law.

''(B) DETERMINATION OF THE DATE ON WHICH A CLAIM ACCRUES.—For purposes of subparagraph (A), the date on which the statute of limitations begins to run on any claim described in such subparagraph shall be the later of—

''(i) the date of the appointment of the Agency as conservator or receiver; or

''(ii) the date on which the cause of action accrues.

''(13) REVIVAL OF EXPIRED STATE CAUSES OF ACTION.—

''(A) IN GENERAL.—In the case of any tort claim described under subparagraph (B) for which the statute of limitations applicable under State law with respect to such claim has expired not more than 5 years before the appointment of the Agency as conservator or receiver, the Agency may bring an action as conservator or receiver on such claim without regard to the expiration of the statute of limitation applicable under State law.

''(B) CLAIMS DESCRIBED.—A tort claim referred to under subparagraph (A) is a claim arising from fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the regulated entity.

''(14) ACCOUNTING AND RECORDKEEPING REQUIREMENTS.—

''(A) IN GENERAL.—The Agency as conservator or receiver shall, consistent with the accounting and reporting practices and procedures established by the Agency, maintain a full accounting of each conservatorship and receivership or other disposition of a regulated entity in default.

''(B) ANNUAL ACCOUNTING OR REPORT.—With respect to each conservatorship or receivership, the Agency shall make an annual accounting or report available to the Board, the Comptroller General of the United States, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives.

''(C) AVAILABILITY OF REPORTS.—Any report prepared under subparagraph (B) shall be made available by the Agency upon request to any shareholder of a regulated entity or any member of the public.

''(D) RECORDKEEPING REQUIREMENT.—After the end of the 6-year period beginning on the date that the conservatorship or receivership is terminated by the Director, the Agency may destroy any records of such regulated entity which the Agency, in the discretion of the Agency, determines to be unnecessary unless directed not to do so by a court of competent jurisdiction or governmental agency, or prohibited by law.

''(15) FRAUDULENT TRANSFERS.—

''(A) IN GENERAL.—The Agency, as conservator or receiver, may avoid a transfer of any interest of a regulated entity-affiliated party, or any person who the conservator or receiver determines is a debtor of the regulated entity, in property, or any obligation incurred by such party or person, that was made within 5 years of the date on which the Agency was appointed conservator or receiver, if such party or person voluntarily or involuntarily made such transfer or incurred such liability with the intent to hinder, delay, or defraud the regulated entity, the Agency, the conservator, or receiver.

''(B) RIGHT OF RECOVERY.—To the extent a transfer is avoided under subparagraph (A), the conservator or receiver may recover, for the benefit of the regulated entity, the property transferred, or, if a court so orders, the value of such property (at the time of such transfer) from—

''(i) the initial transferee of such transfer or the regulated entity-affiliated party or person for whose benefit such transfer was made; or

''(ii) any immediate or mediate transferee of any such initial transferee.

''(C) RIGHTS OF TRANSFEREE OR OBLIGEE.—The conservator or receiver may not recover under subparagraph (B) from—

''(i) any transferee that takes for value, including satisfaction or securing of a present or antecedent debt, in good faith; or

''(ii) any immediate or mediate good faith transferee of such transferee.

''(D) RIGHTS UNDER THIS PARAGRAPH.—The rights under this paragraph of the conservator or receiver described under subparagraph (A) shall be superior to any rights of a trustee or any other party (other than any party which is a Federal agency) under title 11, United States Code.

''(16) ATTACHMENT OF ASSETS AND OTHER INJUNCTIVE RELIEF.—Subject to paragraph (17), any court of competent jurisdiction may, at the request of the conservator or receiver, issue an order in accordance with Rule 65 of the Federal Rules of Civil Procedure, including an order placing the assets of any person designated by the Agency or such conservator under the control of the court, and appointing a trustee to hold such assets.

''(17) STANDARDS OF PROOF.—Rule 65 of the Federal Rules of Civil Procedure shall apply with respect to any proceeding under paragraph (16) without regard to the requirement of such rule that the applicant show that the injury, loss, or damage is irreparable and immediate.

''(18) TREATMENT OF CLAIMS ARISING FROM BREACH OF CONTRACTS EXECUTED BY THE RECEIVER OR CONSERVATOR.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, any final and unappealable judgment for monetary damages entered against a receiver or conservator for the breach of an agreement executed or approved in writing by such receiver or conservator after the date of its appointment, shall be paid as an administrative expense of the receiver or conservator.

''(B) NO LIMITATION OF POWER.—Nothing in this paragraph shall be construed to limit the power of a receiver or conservator to exercise any rights under contract or law, including to terminate, breach, cancel, or otherwise discontinue such agreement.

''(19) GENERAL EXCEPTIONS.—

''(A) LIMITATIONS.—The rights of a conservator or receiver appointed under this section shall be subject to the limitations on the powers of a receiver under sections 402 through 407 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4402 through 4407).

''(B) MORTGAGES HELD IN TRUST.—

''(i) IN GENERAL.—Any mortgage, pool of mortgages, or interest in a pool of mortgages, held in trust, custodial, or agency capacity by a regulated entity for the benefit of persons other than

the regulated entity shall not be available to satisfy the claims of creditors generally.

''(ii) HOLDING OF MORTGAGES.—Any mortgage, pool of mortgages, or interest in a pool of mortgages, described under clause (i) shall be held by the conservator or receiver appointed under this section for the beneficial owners of such mortgage, pool of mortgages, or interest in a pool of mortgages in accordance with the terms of the agreement creating such trust, custodial, or other agency arrangement.

''(iii) LIABILITY OF RECEIVER.—The liability of a receiver appointed under this section for damages shall, in the case of any contingent or unliquidated claim relating to the mortgages held in trust, be estimated in accordance set forth in the regulations of the Director.

''(c) PRIORITY OF EXPENSES AND UNSECURED CLAIMS.—

''(1) IN GENERAL.—Unsecured claims against a regulated entity, or a receiver, that are proven to the satisfaction of the receiver shall have priority in the following order:

''(A) Administrative expenses of the receiver.

''(B) Any other general or senior liability of the regulated entity and claims of other Federal home loan banks arising from their payment obligations (including joint and several payment obligations).

''(C) Any obligation subordinated to general creditors.

''(D) Any obligation to shareholders or members arising as a result of their status as shareholder or members.

''(2) CREDITORS SIMILARLY SITUATED.—All creditors that are similarly situated under paragraph (1) shall be treated in a similar manner, except that the Agency may make such other payments to creditors necessary to maximize the present value return from the sale or disposition or such regulated entity's assets or to minimize the amount of any loss realized in the resolution of cases so long as all creditors similarly situated receive not less than the amount provided under subsection (e)(2).

''(3) DEFINITION.—The term 'administrative expenses of the receiver' shall include the actual, necessary costs and expenses incurred by the receiver in preserving the assets of the regulated entity or liquidating or otherwise resolving the affairs of the regulated entity. Such expenses shall include obligations that are incurred by the receiver after appointment as receiver that the Director determines are necessary and appropriate to facilitate the smooth and orderly liquidation or other resolution of the regulated entity.

''(d) PROVISIONS RELATING TO CONTRACTS ENTERED INTO BEFORE APPOINTMENT OF CONSERVATOR OR RECEIVER.—

''(1) AUTHORITY TO REPUDIATE CONTRACTS.—In addition to any other rights a conservator or receiver may have, the conservator or receiver for any regulated entity may disaffirm or repudiate any contract or lease—

''(A) to which such regulated entity is a party;

''(B) the performance of which the conservator or receiver, in its sole discretion, determines to be burdensome; and

''(C) the disaffirmance or repudiation of which the conservator or receiver determines, in its sole discretion, will promote the orderly administration of the affairs of the regulated entity.

''(2) TIMING OF REPUDIATION.—The conservator or receiver shall determine whether or not to exercise the rights of repudiation under this subsection within a reasonable period following such appointment.

''(3) CLAIMS FOR DAMAGES FOR REPUDIATION.—

''(A) IN GENERAL.—Except as otherwise provided under subparagraph (C) and paragraphs (4), (5), and (6), the liability of the conservator or receiver for the disaffirmance or repudiation of any contract pursuant to paragraph (1) shall be—

''(i) limited to actual direct compensatory damages; and

''(ii) determined as of—

''(I) the date of the appointment of the conservator or receiver; or

''(II) in the case of any contract or agreement referred to in paragraph (8), the date of the disaffirmance or repudiation of such contract or agreement.

''(B) NO LIABILITY FOR OTHER DAMAGES.—For purposes of subparagraph (A), the term 'actual direct compensatory damages' shall not include—

''(i) punitive or exemplary damages;

''(ii) damages for lost profits or opportunity; or

''(iii) damages for pain and suffering.

''(C) MEASURE OF DAMAGES FOR REPUDIATION OF FINANCIAL CONTRACTS.—In the case of any qualified financial contract or agreement to which paragraph (8) applies, compensatory damages shall be—

''(i) deemed to include normal and reasonable costs of cover or other reasonable measures of damages utilized in the industries for such contract and agreement claims; and

''(ii) paid in accordance with this subsection and subsection (e), except as otherwise specifically provided in this section.

''(4) LEASES UNDER WHICH THE REGULATED ENTITY IS THE LESSEE.—

''(A) IN GENERAL.—If the conservator or receiver disaffirms or repudiates a lease under which the regulated entity was the lessee, the conservator or receiver shall not be liable for any damages (other than damages determined under subparagraph (B)) for the disaffirmance or repudiation of such lease.

''(B) PAYMENTS OF RENT.—Notwithstanding subparagraph (A), the lessor under a lease to which that subparagraph applies shall—

''(i) be entitled to the contractual rent accruing before the later of the date—

''(I) the notice of disaffirmance or repudiation is mailed; or

''(II) the disaffirmance or repudiation becomes effective, unless the lessor is in default or breach of the terms of the lease;

''(ii) have no claim for damages under any acceleration clause or other penalty provision in the lease; and

''(iii) have a claim for any unpaid rent, subject to all appropriate offsets and defenses, due as of the date of the appointment, which shall be paid in accordance with this subsection and subsection (e).

''(5) LEASES UNDER WHICH THE REGULATED ENTITY IS THE LESSOR.—

''(A) IN GENERAL.—If the conservator or receiver repudiates an unexpired written lease of real property of the regulated entity under which the regulated entity is the lessor and the lessee is not, as of the date of such repudiation, in default, the lessee under such lease may either—

''(i) treat the lease as terminated by such repudiation; or

''(ii) remain in possession of the leasehold interest for the balance of the term of the lease, unless the lessee defaults under the terms of the lease after the date of such repudiation.

''(B) PROVISIONS APPLICABLE TO LESSEE REMAINING IN POSSESSION.—If any lessee under a lease described under subparagraph (A) remains in possession of a leasehold interest under clause (ii) of such subparagraph—

''(i) the lessee—

''(I) shall continue to pay the contractual rent pursuant to the terms of the lease after the date of the repudiation of such lease; and

''(II) may offset against any rent payment which accrues after the date of the repudiation of the lease, and any damages which accrue after such date due to the nonperformance of any obligation of the regulated entity under the lease after such date; and

''(ii) the conservator or receiver shall not be liable to the lessee for any damages arising after such date as a result of the repudiation other than the amount of any offset allowed under clause (i)(II).

''(6) CONTRACTS FOR THE SALE OF REAL PROPERTY.—

''(A) IN GENERAL.—If the conservator or receiver repudiates any contract for the sale of real property and the purchaser of such real property under such contract is in possession, and is not, as of the date of such repudiation, in default, such purchaser may either—

''(i) treat the contract as terminated by such repudiation; or

''(ii) remain in possession of such real property.

''(B) PROVISIONS APPLICABLE TO PURCHASER REMAINING IN POSSESSION.—If any purchaser of real property under any contract described under subparagraph (A) remains in possession of such property under clause (ii) of such subparagraph—

''(i) the purchaser—

''(I) shall continue to make all payments due under the contract after the date of the repudiation of the contract; and

''(II) may offset against any such payments any damages which accrue after such date due to the nonperformance (after such date) of any obligation of the regulated entity under the contract; and

''(ii) the conservator or receiver shall—

''(I) not be liable to the purchaser for any damages arising after such date as a result of the repudiation other than the amount of any offset allowed under clause (i)(II);

''(II) deliver title to the purchaser in accordance with the provisions of the contract; and

''(III) have no obligation under the contract other than the performance required under subclause (II).

''(C) ASSIGNMENT AND SALE ALLOWED.—

''(i) IN GENERAL.—No provision of this paragraph shall be construed as limiting the right of the conservator or receiver to assign the contract described under subparagraph (A), and sell the property subject to the contract and the provisions of this paragraph.

''(ii) NO LIABILITY AFTER ASSIGNMENT AND SALE.—If an assignment and sale described under clause (i) is consummated, the conservator or receiver shall have no further liability under the contract described under subparagraph (A), or with respect to the real property which was the subject of such contract.

''(7) PROVISIONS APPLICABLE TO SERVICE CONTRACTS.—

''(A) SERVICES PERFORMED BEFORE APPOINTMENT.—In the case of any contract for services between any person and any regulated entity for which the Agency has been appointed conservator or receiver, any claim of such person for services performed before the appointment of the conservator or the receiver shall be—

''(i) a claim to be paid in accordance with subsections (b) and (e); and

''(ii) deemed to have arisen as of the date the conservator or receiver was appointed.

''(B) SERVICES PERFORMED AFTER APPOINTMENT AND PRIOR TO REPUDIATION.—If, in the case of any contract for services described under subparagraph (A), the conservator or receiver accepts performance by the other person before the conservator or receiver makes any determination to exercise the right of repudiation of such contract under this section—

''(i) the other party shall be paid under the terms of the contract for the services performed; and

''(ii) the amount of such payment shall be treated as an administrative expense of the conservatorship or receivership.

''(C) ACCEPTANCE OF PERFORMANCE NO BAR TO SUBSEQUENT REPUDIATION.—The acceptance by any conservator or receiver of services referred to under subparagraph (B) in connection with a contract described in such subparagraph shall not affect the right of the conservator or receiver to repudiate such contract under this section at any time after such performance.

''(8) CERTAIN QUALIFIED FINANCIAL CONTRACTS.—

''(A) RIGHTS OF PARTIES TO CONTRACTS.—Subject to paragraphs (9) and (10) and notwithstanding any other provision of this Act, any other Federal law, or the law of any State, no person shall be stayed or prohibited from exercising—

''(i) any right such person has to cause the termination, liquidation, or acceleration of any qualified financial contract with a regulated entity that arises upon the appointment of the Agency as receiver for such regulated entity at any time after such appointment;

''(ii) any right under any security agreement or arrangement or other credit enhancement relating to one or more qualified financial contracts described in clause (i); or

''(iii) any right to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more contracts and agreements described in clause (i), including any master agreement for such contracts or agreements.

''(B) APPLICABILITY OF OTHER PROVISIONS.—Paragraph (10) of subsection (b) shall apply in the case of any judicial action or proceeding brought against any receiver referred to under subparagraph (A), or the regulated entity for which such receiver was appointed, by any party to a contract or agreement described under subparagraph (A)(i) with such regulated entity.

''(C) CERTAIN TRANSFERS NOT AVOIDABLE.—

''(i) IN GENERAL.—Notwithstanding paragraph (11) or any other Federal or State laws relating to the avoidance of preferential or fraudulent transfers, the Agency, whether acting as such or as conservator or receiver of a regulated entity, may not avoid any transfer of money or other property in connection with any qualified financial contract with a regulated entity.

''(ii) EXCEPTION FOR CERTAIN TRANSFERS.—Clause (i) shall not apply to any transfer of money or other property in connection with any qualified financial contract with a regulated entity if the Agency determines that the transferee had actual intent to hinder, delay, or defraud such regulated entity, the creditors of such regulated entity, or any conservator or receiver appointed for such regulated entity.

''(D) CERTAIN CONTRACTS AND AGREEMENTS DEFINED.—In this subsection:

''(i) QUALIFIED FINANCIAL CONTRACT.—The term 'qualified financial contract' means any securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, and any similar agreement that the Agency determines by regulation, resolution, or order to be a qualified financial contract for purposes of this paragraph.

''(ii) SECURITIES CONTRACT.—The term 'securities contract'—

''(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, or any interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option, and including any repurchase or reverse repurchase transaction on any such security, certificate of deposit, mortgage loan, interest, group or index, or option;

''(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan unless the Agency determines by regulation, resolution, or order to include any such agreement within the meaning of such term;

''(III) means any option entered into on a national securities exchange relating to foreign currencies;

''(IV) means the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option;

''(V) means any margin loan;

''(VI) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) means any combination of the agreements or transactions referred to in this clause;

''(VIII) means any option to enter into any agreement or transaction referred to in this clause;

''(IX) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII); and

''(X) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause.

''(iii) COMMODITY CONTRACT.—The term 'commodity contract' means—

''(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;

''(II) with respect to a foreign futures commission merchant, a foreign future;

''(III) with respect to a leverage transaction merchant, a leverage transaction;

''(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;

''(V) with respect to a commodity options dealer, a commodity option;

''(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) any combination of the agreements or transactions referred to in this clause;

''(VIII) any option to enter into any agreement or transaction referred to in this clause;

''(IX) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII); or

''(X) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause.

''(iv) FORWARD CONTRACT.—The term 'forward contract' means—

''(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date more than 2 days after the date the contract is entered into, including, a repurchase transaction, reverse repurchase transaction, consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;

''(II) any combination of agreements or transactions referred to in subclauses (I) and (III);

''(III) any option to enter into any agreement or transaction referred to in subclause (I) or (II);

''(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or

''(V) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

''(v) REPURCHASE AGREEMENT.—The term 'repurchase agreement' (which definition also applies to a reverse repurchase agreement)—

''(I) means an agreement, including related terms, which provides for the transfer of one or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests as described above, at a date certain not later than 1 year after such transfers or on demand, against the transfer of funds, or any other similar agreement;

''(II) does not include any repurchase obligation under a participation in a commercial mortgage loan unless the Agency determines by regulation, resolution, or order to include any such participation within the meaning of such term;

''(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);

''(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);

''(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be a repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and

''(VI) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

For purposes of this clause, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development (as determined by regulation or order adopted by the appropriate Federal banking authority).

''(vi) SWAP AGREEMENT.—The term 'swap agreement' means—

''(I) any agreement, including the terms and conditions incorporated by reference in any such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a debt index or debt swap, option, future, or forward agreement; a total return, credit spread or credit swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement; or a weather swap, weather derivative, or weather option;

''(II) any agreement or transaction that is similar to any other agreement or transaction referred to in this clause and that is of a type that has been, is presently, or in the future becomes, the subject of recurrent dealings in the swap markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, or option on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, quantitative measures associated with an occurrence, extent of an occurrence, or contingency associated with a financial, commercial, or economic consequence, or economic or financial indices or measures of economic or financial risk or value;

''(III) any combination of agreements or transactions referred to in this clause;

''(IV) any option to enter into any agreement or transaction referred to in this clause;

''(V) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV); and

''(VI) any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subclause (I), (II), (III), (IV), or (V), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

Such term is applicable for purposes of this subsection only and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, the Gramm-Leach-Bliley Act, and the Legal Certainty for Bank Products Act of 2000.

''(vii) TREATMENT OF MASTER AGREEMENT AS ONE AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.

''(viii) TRANSFER.—The term 'transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the regulated entity's equity of redemption.

''(E) CERTAIN PROTECTIONS IN EVENT OF APPOINTMENT OF CONSERVATOR.—Notwithstanding any other provision of this Act (other than paragraph (13) of this subsection), any other Federal law, or the law of any State, no person shall be stayed or prohibited from exercising—

''(i) any right such person has to cause the termination, liquidation, or acceleration of any qualified financial contract with a regulated entity in a conservatorship based upon a default under such financial contract which is enforceable under applicable noninsolvency law;

''(ii) any right under any security agreement or arrangement or other credit enhancement relating to one or more such qualified financial contracts; or

''(iii) any right to offset or net out any termination values, payment amounts, or other transfer obligations arising under or in connection with such qualified financial contracts.

''(F) CLARIFICATION.—No provision of law shall be construed as limiting the right or power of the Agency, or authorizing any court or agency to limit or delay, in any manner, the right or power of the Agency to transfer any qualified financial contract in accordance with paragraphs (9) and (10) of this subsection or to disaffirm or repudiate any such contract in accordance with subsection (d)(1) of this section.

''(G) WALKAWAY CLAUSES NOT EFFECTIVE.—

''(i) IN GENERAL.—Notwithstanding the provisions of subparagraphs (A) and (E), and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of a regulated entity in default.

''(ii) WALKAWAY CLAUSE DEFINED.—For purposes of this subparagraph, the term 'walkaway clause' means a provision in a qualified financial contract that, after calculation of a value of a party's position or an amount due to or from 1 of the parties in accordance with its terms upon termination, liquidation, or acceleration of the qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of such party's status as a nondefaulting party.

''(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS.—In making any transfer of assets or liabilities of a regulated entity in default which includes any qualified financial contract, the conservator or receiver for such regulated entity shall either—

''(A) transfer to 1 person—

''(i) all qualified financial contracts between any person (or any affiliate of such person) and the regulated entity in default;

''(ii) all claims of such person (or any affiliate of such person) against such regulated entity under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such regulated entity);

''(iii) all claims of such regulated entity against such person (or any affiliate of such person) under any such contract; and

''(iv) all property securing or any other credit enhancement for any contract described in clause (i) or any claim described in clause (ii) or (iii) under any such contract; or

''(B) transfer none of the financial contracts, claims, or property referred to under subparagraph (A) (with respect to such person and any affiliate of such person).

''(10) NOTIFICATION OF TRANSFER.—

''(A) IN GENERAL.—If—

''(i) the conservator or receiver for a regulated entity in default makes any transfer of the assets and liabilities of such regulated entity, and

''(ii) the transfer includes any qualified financial contract,

the conservator or receiver shall notify any person who is a party to any such contract of such transfer by 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver in the case of a receivership, or the business day following such transfer in the case of a conservatorship.

''(B) CERTAIN RIGHTS NOT ENFORCEABLE.—

''(i) RECEIVERSHIP.—A person who is a party to a qualified financial contract with a regulated entity may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(A) of this subsection or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a receiver for the regulated entity (or the insolvency or financial condition of the regulated entity for which the receiver has been appointed)—

''(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver; or

''(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).

''(ii) CONSERVATORSHIP.—A person who is a party to a qualified financial contract with a regulated entity may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(E) of this subsection or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the regulated entity (or the insolvency or financial condition of the regulated entity for which the conservator has been appointed).

''(iii) NOTICE.—For purposes of this paragraph, the Agency as receiver or conservator of a regulated entity shall be deemed to have notified a person who is a party to a qualified financial contract with such regulated entity if the Agency has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A).

''(C) BUSINESS DAY DEFINED.—For purposes of this paragraph, the term 'business day' means any day other than any Saturday, Sunday, or any day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed.

''(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.—In exercising the rights of disaffirmance or repudiation of a conservator or receiver with respect to any qualified financial contract to which a regulated entity is a party, the conservator or receiver for such institution shall either—

''(A) disaffirm or repudiate all qualified financial contracts between—

''(i) any person or any affiliate of such person; and

''(ii) the regulated entity in default; or

''(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).

''(12) CERTAIN SECURITY INTERESTS NOT AVOIDABLE.—No provision of this subsection shall be construed as permitting the avoidance of any legally enforceable or perfected security interest in any of the assets of any regulated entity, except where such an interest is taken in contemplation of the insolvency of the regulated entity, or with the intent to hinder, delay, or defraud the regulated entity or the creditors of such regulated entity.

''(13) AUTHORITY TO ENFORCE CONTRACTS.—

''(A) IN GENERAL.—Notwithstanding any provision of a contract providing for termination, default, acceleration, or exercise of rights upon, or solely by reason of, insolvency or the appointment of a conservator or receiver, the conservator or receiver may enforce any contract or regulated entity bond entered into by the regulated entity.

''(B) CERTAIN RIGHTS NOT AFFECTED.—No provision of this paragraph may be construed as impairing or affecting any right of the conservator or receiver to enforce or recover under a director's or officer's liability insurance contract or surety bond under other applicable law.

''(C) CONSENT REQUIREMENT.—

''(i) IN GENERAL.—Except as otherwise provided under this section, no person may exercise any right or power to terminate, accelerate, or declare a default under any contract to which a regulated entity is a party, or to obtain possession of or exercise control over any property of the regulated entity, or affect any contractual rights of the regulated entity, without the consent of the conservator or receiver, as appropriate, for a period of—

''(I) 45 days after the date of appointment of a conservator; or

''(II) 90 days after the date of appointment of a receiver.

''(ii) EXCEPTIONS.—This paragraph shall—

''(I) not apply to a director's or officer's liability insurance contract;

''(II) not apply to the rights of parties to any qualified financial contracts under subsection (d)(8); and

''(III) not be construed as permitting the conservator or receiver to fail to comply with otherwise enforceable provisions of such contracts.

''(14) SAVINGS CLAUSE.—The meanings of terms used in this subsection are applicable for purposes of this subsection only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any similar terms under any other statute, regulation, or rule, including the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000, the securities laws (as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934), and the Commodity Exchange Act.

''(15) EXCEPTION FOR FEDERAL RESERVE AND FEDERAL HOME LOAN BANKS.—No provision of this subsection shall apply with respect to—

''(A) any extension of credit from any Federal home loan bank or Federal Reserve Bank to any regulated entity; or

''(B) any security interest in the assets of the regulated entity securing any such extension of credit.

''(e) VALUATION OF CLAIMS IN DEFAULT.—

''(1) IN GENERAL.—Notwithstanding any other provision of Federal law or the law of any State, and regardless of the method which the Agency determines to utilize with respect to a regulated entity in default or in danger of default, including transactions authorized under subsection (i), this subsection shall govern the rights of the creditors of such regulated entity.

''(2) MAXIMUM LIABILITY.—The maximum liability of the Agency, acting as receiver or in any other capacity, to any person having a claim against the receiver or the regulated entity for which such receiver is appointed shall equal the lesser of—

''(A) the amount such claimant would have received if the Agency had liquidated the assets and liabilities of such regulated entity without exercising the authority of the Agency under subsection (i) of this section; or

''(B) the amount of proceeds realized from the performance of contracts or sale of the assets of the regulated entity.

''(f) LIMITATION ON COURT ACTION.—Except as provided in this section or at the request of the Director, no court may take any action to restrain or affect the exercise of powers or functions of the Agency as a conservator or a receiver.

''(g) LIABILITY OF DIRECTORS AND OFFICERS.—

''(1) IN GENERAL.—A director or officer of a regulated entity may be held personally liable for monetary damages in any civil action by, on behalf of, or at the request or direction of the Agency, which action is prosecuted wholly or partially for the benefit of the Agency—

''(A) acting as conservator or receiver of such regulated entity, or

''(B) acting based upon a suit, claim, or cause of action purchased from, assigned by, or otherwise conveyed by such receiver or conservator,

for gross negligence, including any similar conduct or conduct that demonstrates a greater disregard of a duty of care (than gross negligence) including intentional tortious conduct, as such terms are defined and determined under applicable State law.

''(2) NO LIMITATION.—Nothing in this paragraph shall impair or affect any right of the Agency under other applicable law.

''(h) DAMAGES.—In any proceeding related to any claim against a director, officer, employee, agent, attorney, accountant, appraiser, or any other party employed by or providing services to a regulated entity, recoverable damages determined to result from the improvident or otherwise improper use or investment of any assets of the regulated entity shall include principal losses and appropriate interest.

''(i) LIMITED-LIFE REGULATED ENTITIES.—

''(1) ORGANIZATION.—

''(A) PURPOSE.—If a regulated entity is in default, or if the Agency anticipates that a regulated entity will default, the Agency may organize a limited-life regulated entity with those powers and attributes of the regulated entity in default or in danger of default that the Director determines necessary, subject to the provisions of this subsection. The Director shall grant a temporary charter to the limited-life regulated entity, and the limited-life regulated entity shall operate subject to that charter.

''(B) AUTHORITIES.—Upon the creation of a limited-life regulated entity under subparagraph (A), the limited-life regulated entity may—

''(i) assume such liabilities of the regulated entity that is in default or in danger of default as the Agency may, in its discretion, determine to be appropriate, provided that the liabilities assumed shall not exceed the amount of assets of the limited-life regulated entity;

''(ii) purchase such assets of the regulated entity that is in default, or in danger of default, as the Agency may, in its discretion, determine to be appropriate; and

''(iii) perform any other temporary function which the Agency may, in its discretion, prescribe in accordance with this section.

''(2) CHARTER.—

''(A) CONDITIONS.—The Agency may grant a temporary charter if the Agency determines that the continued operation of the regulated entity in default or in danger of default is in the best interest of the national economy and the housing markets.

''(B) TREATMENT AS BEING IN DEFAULT FOR CERTAIN PURPOSES.—A limited-life regulated entity shall be treated as a regulated entity in default at such times and for such purposes as the Agency may, in its discretion, determine.

''(C) MANAGEMENT.—A limited-life regulated entity, upon the granting of its charter, shall be under the management of a board of directors consisting of not fewer than 5 nor more than 10 members appointed by the Agency.

''(D) BYLAWS.—The board of directors of a limited-life regulated entity shall adopt such bylaws as may be approved by the Agency.

''(3) CAPITAL STOCK.—No capital stock need be paid into a limited-life regulated entity by the Agency.

''(4) INVESTMENTS.—Funds of a limited-life regulated entity shall be kept on hand in cash, invested in obligations of the United States or obligations guaranteed as to principal and interest by the United States, or deposited with the Agency, or any Federal Reserve bank.

''(5) EXEMPT STATUS.—Notwithstanding any other provision of Federal or State law, the limited-life regulated entity, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

''(6) WINDING UP.—

''(A) IN GENERAL.—Subject to subparagraph (B), unless Congress authorizes the sale of the capital stock of the limited-life regulated entity, not later than 2 years after the date of its organization, the Agency shall wind up the affairs of the limited-life regulated entity.

''(B) EXTENSION.—The Director may, in the discretion of the Director, extend the status of the limited-life regulated entity for 3 additional 1-year periods.

''(7) TRANSFER OF ASSETS AND LIABILITIES.—

''(A) IN GENERAL.—

''(i) TRANSFER OF ASSETS AND LIABILITIES.—The Agency, as receiver, may transfer any assets and liabilities of a regulated entity in default, or in danger of default, to the limited-life regulated entity in accordance with paragraph (1).

''(ii) SUBSEQUENT TRANSFERS.—At any time after a charter is transferred to a limited-life regulated entity, the Agency, as receiver, may transfer any assets and liabilities of such regulated entity in default, or in danger in default, as the Agency may, in its discretion, determine to be appropriate in accordance with paragraph (1).

''(iii) EFFECTIVE WITHOUT APPROVAL.—The transfer of any assets or liabilities of a regulated entity in default, or in danger of default, transferred to a limited-life regulated entity shall be effective without any further approval under Federal or State law, assignment, or consent with respect thereto.

''(8) PROCEEDS.—To the extent that available proceeds from the limited-life regulated entity exceed amounts required to pay obligations, such proceeds may be paid to the regulated entity in default, or in danger of default.

''(9) POWERS.—

''(A) IN GENERAL.—Each limited-life regulated entity created under this subsection shall have all corporate powers of, and be subject to the same provisions of law as, the regulated entity in default or in danger of default to which it relates, except that—

''(i) the Agency may—

''(I) remove the directors of a limited-life regulated entity; and

''(II) fix the compensation of members of the board of directors and senior management, as determined by the Agency in its discretion, of a limited-life regulated entity;

''(ii) the Agency may indemnify the representatives for purposes of paragraph (1)(B), and the directors, officers, employees, and agents of a limited-life regulated entity on such terms as the Agency determines to be appropriate; and

''(iii) the board of directors of a limited-life regulated entity—

''(I) shall elect a chairperson who may also serve in the position of chief executive officer, except that such person shall not serve either as chairperson or as chief executive officer without the prior approval of the Agency; and

''(II) may appoint a chief executive officer who is not also the chairperson, except that such person shall not serve as chief executive officer without the prior approval of the Agency.

''(B) STAY OF JUDICIAL ACTION.—Any judicial action to which a limited-life regulated entity becomes a party by virtue of its acquisition of any assets or assumption of any liabilities of a regulated entity in default shall be stayed from further proceedings for a period of up to 45 days at the request of the limited-life regulated entity. Such period may be modified upon the consent of all parties.

''(10) OBTAINING OF CREDIT AND INCURRING OF DEBT.—

''(A) IN GENERAL.—The limited-life regulated entity may obtain unsecured credit and incur unsecured debt in the ordinary course of business.

''(B) INABILITY TO OBTAIN CREDIT.—If the limited-life regulated entity is unable to obtain unsecured credit the Director may authorize the obtaining of credit or the incurring of debt—

''(i) with priority over any or all administrative expenses;

''(ii) secured by a lien on property that is not otherwise subject to a lien; or

''(iii) secured by a junior lien on property that is subject to a lien.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—The Director, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt secured by a senior or equal lien on property that is subject to a lien (other than mortgages that collateralize the mortgage-backed securities issued or guaranteed by the regulated entity) only if—

''(I) the limited-life regulated entity is unable to obtain such credit otherwise; and

''(II) there is adequate protection of the interest of the holder of the lien on the property which such senior or equal lien is proposed to be granted.

''(ii) BURDEN OF PROOF.—In any hearing under this subsection, the Director has the burden of proof on the issue of adequate protection.

''(D) EFFECT ON DEBTS AND LIENS.—The reversal or modification on appeal of an authorization under this paragraph to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

''(11) ISSUANCE OF PREFERRED DEBT.—A limited-life regulated entity may, subject to the approval of the Director and subject to such terms and conditions as the Director may prescribe, issue notes, bonds, or other debt obligations of a class to which all other debt obligations of the limited-life regulated entity shall be subordinate in right and payment.

''(12) NO FEDERAL STATUS.—

''(A) AGENCY STATUS.—A limited-life regulated entity is not an agency, establishment, or instrumentality of the United States.

''(B) EMPLOYEE STATUS.—Representatives for purposes of paragraph (1)(B), interim directors, directors, officers, employees, or agents of a limited-life regulated entity are not, solely by virtue of service in any such capacity, officers or employees of the United States. Any employee of the Agency or of any Federal instrumentality who serves at the request of the Agency as a representative for purposes of paragraph (1)(B), interim director, director, officer, employee, or agent of a limited-life regulated entity shall not—

''(i) solely by virtue of service in any such capacity lose any existing status as an officer or employee of the United States for purposes of title 5, United States Code, or any other provision of law; or

''(ii) receive any salary or benefits for service in any such capacity with respect to a limited-life regulated entity in addition to such salary or benefits as are obtained through employment with the Agency or such Federal instrumentality.

''(13) ADDITIONAL POWERS.—In addition to any other powers granted under this subsection, a limited-life regulated entity may—

''(A) extend a maturity date or change in an interest rate or other term of outstanding securities;

''(B) issue securities of the limited-life regulated entity, for cash, for property, for existing securities, or in exchange for claims or interests, or for any other appropriate purposes; and

''(C) take any other action not inconsistent with this section.

''(j) OTHER EXEMPTIONS.—When acting as a receiver, the following provisions shall apply with respect to the Agency:

''(1) EXEMPTION FROM TAXATION.—The Agency, including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation imposed by any State, country, municipality, or local taxing authority, except that any real property of the Agency shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed, except that, notwithstanding the failure of any person to challenge an assessment under State law of the value of such property, and the tax thereon, shall be determined as of the period for which such tax is imposed.

''(2) EXEMPTION FROM ATTACHMENT AND LIENS.—No property of the Agency shall be subject to levy, attachment, garnishment, foreclosure, or sale without the consent of the Agency, nor shall any involuntary lien attach to the property of the Agency.

''(3) EXEMPTION FROM PENALTIES AND FINES.—The Agency shall not be liable for any amounts in the nature of penalties or fines, including those arising from the failure of any person to pay any real property, personal property, probate, or recording tax or any recording or filing fees when due.

''(k) PROHIBITION OF CHARTER REVOCATION.—In no case may a receiver appointed pursuant to this section revoke, annul, or terminate the charter of a regulated entity.''.

(b) CONFORMING AMENDMENTS.—

(1) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Subtitle B of title XIII of the Housing and Community Development Act of 1992 is amended by striking sections 1369 (12 U.S.C. 4619), 1369A (12 U.S.C. 4620), and 1369B (12 U.S.C. 4621).

(2) FEDERAL HOME LOAN BANKS.—Section 25 of the Federal Home Loan Bank Act (12 U.S.C. 1445) is amended to read as follows:

''SEC. 25. SUCCESSION OF FEDERAL HOME LOAN BANKS.

''Each Federal Home Loan Bank shall have succession until it is voluntarily merged with another Bank under this Act, or until it is merged, reorganized, rehabilitated, liquidated, or otherwise wound up by the Director in accordance with the provisions of section 1367 of the Housing and Community Development Act of 1992, or by further Act of Congress.''.

SEC. 155. CONFORMING AMENDMENTS.

Title XIII of the Housing and Community Development Act of 1992, as amended by the preceding provisions of this Act, is further amended—

(1) in sections 1365 (12 U.S.C. 4615) through 1369D (12 U.S.C. 4623), but not including section 1367 (12 U.S.C. 4617) as amended by section 154 of this Act—

(A) by striking ''An enterprise'' each place such term appears and inserting ''A regulated entity'';

(B) by striking ''an enterprise'' each place such term appears and inserting ''a regulated entity''; and

(C) by striking ''the enterprise'' each place such term appears and inserting ''the regulated entity'';

(2) in section 1366 (12 U.S.C. 4616)—

(A) in subsection (b)(7), by striking ''section 1369 (excluding subsection (a)(1) and (2))'' and inserting ''section 1367''; and

(B) in subsection (d), by striking ''the enterprises'' and inserting ''the regulated entities'';

(3) in section 1368(d) (12 U.S.C. 4618(d)), by striking ''Committee on Banking, Finance and Urban Affairs'' and inserting ''Committee on Financial Services'';

(4) in section 1369C (12 U.S.C. 4622)—

(A) in subsection (a)(4), by striking ''activities (including existing and new programs)'' and inserting ''activities, services, undertakings, and offerings (including existing and new products (as such term is defined in section 1321(f))''; and

(B) in subsection (c), by striking ''any enterprise'' and inserting ''any regulated entity''; and

(5) in subsections (a) and (d) of section 1369D, by striking ''section 1366 or 1367 or action under section 1369)'' each place such phrase appears and inserting ''section 1367)''.

Subtitle D—Enforcement Actions

SEC. 161. CEASE-AND-DESIST PROCEEDINGS.

Section 1371 of the Housing and Community Development Act of 1992 (12 U.S.C. 4631) is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) ISSUANCE FOR UNSAFE OR UNSOUND PRACTICES AND VIOLATIONS OF RULES OR LAWS.—If, in the opinion of the Director, a regulated entity or any regulated entity-affiliated party is engaging or has engaged, or the Director has reasonable cause to believe that the regulated entity or any regulated entity-affiliated party is about to engage, in an unsafe or unsound practice in conducting the business of the regulated entity or is violating or has violated, or the Director has reasonable cause to believe that the regulated entity or any regulated entity-affiliated party is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Director in connection with the granting of any application or other request by the regulated entity or any written agreement entered into with the Director, the Director may issue and serve upon the regulated entity or such party a notice of charges in respect thereof. The Director may not, pursuant to this section, enforce compliance with any housing goal established under subpart B of part 2 of subtitle A of this title, with section 1336 or 1337 of this title, with subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(m), (n)), with subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(e), (f)), or with paragraph (5) of section 10(j) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)).

''(b) ISSUANCE FOR UNSATISFACTORY RATING.—If a regulated entity receives, in its most recent report of examination, a less-than-satisfactory rating for asset quality, management, earnings, or liquidity, the Director may (if the deficiency is not corrected) deem the regulated entity to be engaging in an unsafe or unsound practice for purposes of this subsection.'';

(2) in subsection (c)(2), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party''; and

(3) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party'';

(B) in paragraph (1)—

(i) by striking ''an executive officer or a director'' and inserting ''a regulated entity affiliated party''; and

(ii) by inserting ''(including reimbursement of compensation under section 1318)'' after ''reimbursement'';

(C) in paragraph (6), by striking ''and'' at the end;

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

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

''(7) to effect an attachment on a regulated entity or regulated entity-affiliated party subject to an order under this section or section 1372; and''.

SEC. 162. TEMPORARY CEASE-AND-DESIST PROCEEDINGS.

Section 1372 of the Housing and Community Development Act of 1992 (12 U.S.C. 4632) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) GROUNDS FOR ISSUANCE.—Whenever the Director determines that the violation or threatened violation or the unsafe or unsound practice or practices specified in the notice of charges served upon the regulated entity or any regulated entity-affiliated party pursuant to section 1371(a), or the continuation thereof, is likely to cause insolvency or significant dissipation of assets or earnings of the regulated entity, or is likely to weaken the condition of the regulated entity prior to the completion of the proceedings conducted pursuant to sections 1371 and 1373, the Director may issue a temporary order requiring the regulated entity or such party to cease and desist from any such violation or practice and to take affirmative action to prevent or remedy such insolvency, dissipation, condition, or prejudice pending completion of such proceedings. Such order may include any requirement authorized under section 1371(d).'';

(2) in subsection (b), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party'';

(3) in subsection (d)—

(A) by striking ''An enterprise, executive officer, or director'' and inserting ''A regulated entity or regulated entity-affiliated party''; and

(B) by striking ''the enterprise, executive officer, or director'' and inserting ''the regulated entity or regulated entity-affiliated party''; and

(4) by striking subsection (e) and in inserting the following new subsection:

''(e) ENFORCEMENT.—In the case of violation or threatened violation of, or failure to obey, a temporary cease-and-desist order issued pursuant to this section, the Director may apply to the United States District Court for the District of Columbia or the United States district court within the jurisdiction of which the headquarters of the regulated entity is located, for an injunction to enforce such order, and, if the court determines that there has been such violation or threatened violation or failure to obey, it shall be the duty of the court to issue such injunction.''.

SEC. 163. PREJUDGMENT ATTACHMENT.

The Housing and Community Development Act of 1992 is amended by inserting after section 1375 (12 U.S.C. 4635) the following new section:

''SEC. 1375A. PREJUDGMENT ATTACHMENT.

''(a) IN GENERAL.—In any action brought pursuant to this title, or in actions brought in aid of, or to enforce an order in, any administrative or other civil action for money damages, restitution, or civil money penalties brought pursuant to this title, the court may, upon application of the Director or Attorney General, as applicable, issue a restraining order that—

''(1) prohibits any person subject to the proceeding from withdrawing, transferring, removing, dissipating, or disposing of any funds, assets or other property; and

''(2) appoints a person on a temporary basis to administer the restraining order.

''(b) STANDARD.—

''(1) SHOWING.—Rule 65 of the Federal Rules of Civil Procedure shall apply with respect to any proceeding under subsection (a) without regard to the requirement of such rule that the applicant show that the injury, loss, or damage is irreparable and immediate.

''(2) STATE PROCEEDING.—If, in the case of any proceeding in a State court, the court determines that rules of civil procedure available under the laws of such State provide substantially similar protections to a party's right to due process as Rule 65 (as modified with respect to such proceeding by paragraph (1)), the relief sought under subsection (a) may be requested under the laws of such State.''.

SEC. 164. ENFORCEMENT AND JURISDICTION.

Section 1375 of the Housing and Community Development Act of 1992 (12 U.S.C. 4635) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) ENFORCEMENT.—The Director may, in the discretion of the Director, apply to the United States District Court for the District of Columbia, or the United States district court within the jurisdiction of which the headquarters of the regulated entity is located, for the enforcement of any effective and outstanding notice or order issued under this subtitle or subtitle B, or request that the Attorney General of the United States bring such an action. Such court shall have jurisdiction and power to order and require compliance with such notice or order.''; and

(2) in subsection (b), by striking ''or 1376'' and inserting ''1376, or 1377''.

SEC. 165. CIVIL MONEY PENALTIES.

Section 1376 of the Housing and Community Development Act of 1992 (12 U.S.C. 4636) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking '', or any executive officer or director'' and inserting ''or any regulated-entity affiliated party''; and

(B) in paragraph (1)—

(i) by striking ''the Federal National Mortgage Association Charter Act, the Federal Home Loan Mortgage Corporation Act'' and inserting ''any provision of any of the authorizing statutes'';

(ii) by striking ''or Act'' and inserting ''or statute'';

(iii) by striking ''or subsection'' and inserting '', subsection''; and

(iv) by inserting '', or paragraph (5) or (12) of section 10(j) of the Federal Home Loan Bank Act'' before the semicolon at the end;

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

''(b) AMOUNT OF PENALTY.—

''(1) FIRST TIER.—Any regulated entity which, or any regulated entity-affiliated party who—

''(A) violates any provision of this title, any provision of any of the authorizing statutes, or any order, condition, rule, or regulation under any such title or statute, except that the Director may not, pursuant to this section, enforce compliance with any housing goal established under subpart B of part 2 of subtitle A of this title, with section 1336 or 1337 of this title, with subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(m), (n)), with subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(e), (f)), or with paragraph (5) or (12) of section 10(j) of the Federal Home Loan Bank Act;

''(B) violates any final or temporary order or notice issued pursuant to this title;

''(C) violates any condition imposed in writing by the Director in connection with the grant of any application or other request by such regulated entity; or

''(D) violates any written agreement between the regulated entity and the Director,

shall forfeit and pay a civil money penalty of not more than $10,000 for each day during which such violation continues.

''(2) SECOND TIER.—Notwithstanding paragraph (1)—

''(A) if a regulated entity, or a regulated entity-affiliated party—

''(i) commits any violation described in any subparagraph of paragraph (1);

''(ii) recklessly engages in an unsafe or unsound practice in conducting the affairs of such regulated entity; or

''(iii) breaches any fiduciary duty; and

''(B) the violation, practice, or breach—

''(i) is part of a pattern of misconduct;

''(ii) causes or is likely to cause more than a minimal loss to such regulated entity; or

''(iii) results in pecuniary gain or other benefit to such party,

the regulated entity or regulated entity-affiliated party shall forfeit and pay a civil penalty of not more than $50,000 for each day during which such violation, practice, or breach continues.

''(3) THIRD TIER.—Notwithstanding paragraphs (1) and (2), any regulated entity which, or any regulated entity-affiliated party who—

''(A) knowingly—

''(i) commits any violation or engages in any conduct described in any subparagraph of paragraph (1);

''(ii) engages in any unsafe or unsound practice in conducting the affairs of such regulated entity; or

''(iii) breaches any fiduciary duty; and

''(B) knowingly or recklessly causes a substantial loss to such regulated entity or a substantial pecuniary gain or other benefit to such party by reason of such violation, practice, or breach,

shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under paragraph (4) for each day during which such violation, practice, or breach continues.

''(4) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN PARAGRAPH (3).—The maximum daily amount of any civil penalty which may be assessed pursuant to paragraph (3) for any violation, practice, or breach described in such paragraph is—

''(A) in the case of any person other than a regulated entity, an amount not to exceed $2,000,000; and

''(B) in the case of any regulated entity, $2,000,000.'';

(3) in subsection (c)(1)(B), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party'';

(4) in subsection (d), by striking the first sentence and inserting the following: ''If a regulated entity or regulated entity-affiliated party fails to comply with an order of the Director imposing a civil money penalty under this section, after the order is no longer subject to review as provided under subsection (c)(1) and section 1374, the Director may, in the discretion of the Director, bring an action in the United States District Court for the District of Columbia, or the United States district court within the jurisdiction of which the headquarters of the regulated entity is located, to obtain a monetary judgment against the regulated entity or regulated entity affiliated party and such other relief as may be available, or request that the Attorney General of the United States bring such an action.''; and

(5) in subsection (g), by striking ''subsection (b)(3)'' and inserting ''this section, unless authorized by the Director by rule, regulation, or order''.

SEC. 166. REMOVAL AND PROHIBITION AUTHORITY.

(a) IN GENERAL.—Subtitle C of title XIII of the Housing and Community Development Act of 1992 is amended—

(1) by redesignating sections 1377, 1378, 1379, 1379A, and 1379B (12 U.S.C. 4637–41) as sections 1379, 1379A, 1379B, 1379C, and 1379D, respectively; and

(2) by inserting after section 1376 (12 U.S.C. 4636) the following new section:

''SEC. 1377. REMOVAL AND PROHIBITION AUTHORITY.

''(a) AUTHORITY TO ISSUE ORDER.—Whenever the Director determines that—

''(1) any regulated entity-affiliated party has, directly or indirectly—

''(A) violated—

''(i) any law or regulation;

''(ii) any cease-and-desist order which has become final;

''(iii) any condition imposed in writing by the Director in connection with the grant of any application or other request by such regulated entity; or

''(iv) any written agreement between such regulated entity and the Director;

''(B) engaged or participated in any unsafe or unsound practice in connection with any regulated entity; or

''(C) committed or engaged in any act, omission, or practice which constitutes a breach of such party's fiduciary duty;

''(2) by reason of the violation, practice, or breach described in any subparagraph of paragraph (1)—

''(A) such regulated entity has suffered or will probably suffer financial loss or other damage; or

''(B) such party has received financial gain or other benefit by reason of such violation, practice, or breach; and

''(3) such violation, practice, or breach—

''(A) involves personal dishonesty on the part of such party; or

''(B) demonstrates willful or continuing disregard by such party for the safety or soundness of such regulated entity, the Director may serve upon such party a written notice of the Director's intention to remove such party from office or to prohibit any further participation by such party, in any manner, in the conduct of the affairs of any regulated entity.

''(b) SUSPENSION ORDER.—

''(1) SUSPENSION OR PROHIBITION AUTHORITY.—If the Director serves written notice under subsection (a) to any regulated entity-affiliated party of the Director's intention to issue an order under such subsection, the Director may—

''(A) suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of the regulated entity, if the Director—

''(i) determines that such action is necessary for the protection of the regulated entity; and

''(ii) serves such party with written notice of the suspension order; and

''(B) prohibit the regulated entity from releasing to or on behalf of the regulated entity-affiliated party any compensation or other payment of money or other thing of current or potential value in connection with any resignation, removal, retirement, or other termination of employment or office of the party.

''(2) EFFECTIVE PERIOD.—Any suspension order issued under this subsection—

''(A) shall become effective upon service; and

''(B) unless a court issues a stay of such order under subsection (g) of this section, shall remain in effect and enforceable until—

''(i) the date the Director dismisses the charges contained in the notice served under subsection (a) with respect to such party; or

''(ii) the effective date of an order issued by the Director to such party under subsection (a).

''(3) COPY OF ORDER.—If the Director issues a suspension order under this subsection to any regulated entity-affiliated party, the Director shall serve a copy of such order on any regulated entity with which such party is affiliated at the time such order is issued.

''(c) NOTICE, HEARING, AND ORDER.—A notice of intention to remove a regulated entity-affiliated party from office or to prohibit such party from participating in the conduct of the affairs of a regulated entity shall contain a statement of the facts constituting grounds for such action, and shall fix a time and place at which a hearing will be held on such action. Such hearing shall be fixed for a date not earlier than 30 days nor later than 60 days after the date of service of such notice, unless an earlier or a later date is set by the Director at the request of (1) such party, and for good cause shown, or (2) the Attorney General of the United States. Unless such party shall appear at the hearing in person or by a duly authorized representative, such party shall be deemed to have consented to the issuance of an order of such removal or prohibition. In the event of such consent, or if upon the record made at any such hearing the Director shall find that any of the grounds specified in such notice have been established, the Director may issue such orders of suspension or removal from office, or prohibition from participation in the conduct of the affairs of the regulated entity, as it may deem appropriate, together with an order prohibiting compensation described in subsection (b)(1)(B). Any such order shall become effective at the expiration of 30 days after service upon such regulated entity and such party (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Director or a reviewing court.

''(d) PROHIBITION OF CERTAIN SPECIFIC ACTIVITIES.—Any person subject to an order issued under this section shall not—

''(1) participate in any manner in the conduct of the affairs of any regulated entity;

''(2) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any regulated entity;

''(3) violate any voting agreement previously approved by the Director; or

''(4) vote for a director, or serve or act as a regulated entity-affiliated party.

''(e) INDUSTRY-WIDE PROHIBITION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), any person who, pursuant to an order issued under this section, has been removed or suspended from office in a regulated entity or prohibited from participating in the conduct of the affairs of a regulated entity may not, while such order is in effect, continue or commence to hold any office in, or participate in any manner in the conduct of the affairs of, any regulated entity.

''(2) EXCEPTION IF DIRECTOR PROVIDES WRITTEN CONSENT.—If, on or after the date an order is issued under this section which removes or suspends from office any regulated entity-affiliated party or prohibits such party from participating in the conduct of the affairs of a regulated entity, such party receives the written consent of the Director, the order shall, to the extent of such consent, cease to apply to such party with respect to the regulated entity described in the written consent. If the Director grants such a written consent, it shall publicly disclose such consent.

''(3) VIOLATION OF PARAGRAPH (1) TREATED AS VIOLATION OF ORDER.—Any violation of paragraph (1) by any person who is subject to an order described in such subsection shall be treated as a violation of the order.

''(f) APPLICABILITY.—This section shall only apply to a person who is an individual, unless the Director specifically finds that it should apply to a corporation, firm, or other business enterprise.

''(g) STAY OF SUSPENSION AND PROHIBITION OF REGULATED ENTITY-AFFILIATED PARTY.—Within 10 days after any regulated entity-affiliated party has been suspended from office and/or prohibited from participation in the conduct of the affairs of a regulated entity under this section, such party may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district in which the headquarters of the regulated entity is located, for a stay of such suspension and/or prohibition and any prohibition under subsection (b)(1)(B) pending the completion of the administrative proceedings pursuant to the notice served upon such party under this section, and such court shall have jurisdiction to stay such suspension and/or prohibition.

''(h) SUSPENSION OR REMOVAL OF REGULATED ENTITY-AFFILIATED PARTY CHARGED WITH FELONY.—

''(1) SUSPENSION OR PROHIBITION.—

''(A) IN GENERAL.—Whenever any regulated entity-affiliated party is charged in any information, indictment, or complaint, with the commission of or participation in a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, the Director may, if continued service or participation by such party may pose a threat to the regulated entity or impair public confidence in the regulated entity, by written notice served upon such party—

''(i) suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of any regulated entity; and

''(ii) prohibit the regulated entity from releasing to or on behalf of the regulated entity-affiliated party any compensation or other payment of money or other thing of current or potential value in connection with the period of any such suspension or with any resignation, removal, retirement, or other termination of employment or office of the party.

''(B) PROVISIONS APPLICABLE TO NOTICE.—

''(i) COPY.—A copy of any notice under paragraph (1)(A) shall also be served upon the regulated entity.

''(ii) EFFECTIVE PERIOD.—A suspension or prohibition under subparagraph (A) shall remain in effect until the information, indictment, or complaint referred to in such subparagraph is finally disposed of or until terminated by the Director.

''(2) REMOVAL OR PROHIBITION.—

''(A) IN GENERAL.—If a judgment of conviction or an agreement to enter a pretrial diversion or other similar program is entered against a regulated entity-affiliated party in connection with a crime described in paragraph (1)(A), at such time as such judgment is not subject to further appellate review, the Director may, if continued service or participation by such party may pose a threat to the regulated entity or impair public confidence in the regulated entity, issue and serve upon such party an order that—

''(i) removes such party from office or prohibits such party from further participation in any manner in the conduct of the affairs of the regulated entity without the prior written consent of the Director; and

''(ii) prohibits the regulated entity from releasing to or on behalf of the regulated entity-affiliated party any compensation or other payment of money or other thing of current or potential value in connection with the termination of employment or office of the party.

''(B) PROVISIONS APPLICABLE TO ORDER.—

''(i) COPY.—A copy of any order under paragraph (2)(A) shall also be served upon the regulated entity, whereupon the regulated entity-affiliated party who is subject to the order (if a director or an officer) shall cease to be a director or officer of such regulated entity.

''(ii) EFFECT OF ACQUITTAL.—A finding of not guilty or other disposition of the charge shall not preclude the Director from instituting proceedings after such finding or disposition to remove such party from office or to prohibit further participation in regulated entity affairs, and to prohibit compensation or other payment of money or other thing of current or potential value in connection with any resignation, removal, retirement, or other termination of employment or office of the party, pursuant to subsections (a), (d), or (e) of this section.

''(iii) EFFECTIVE PERIOD.—Any notice of suspension or order of removal issued under this subsection shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (4) unless terminated by the Director.

''(3) AUTHORITY OF REMAINING BOARD MEMBERS.—If at any time, because of the suspension of one or more directors pursuant to this section, there shall be on the board of directors of a regulated entity less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board not so suspended, until such time as there shall be a quorum of the board of directors. In the event all of the directors of a regulated entity are suspended pursuant to this section, the

Director shall appoint persons to serve temporarily as directors in their place and stead pending the termination of such suspensions, or until such time as those who have been suspended cease to be directors of the regulated entity and their respective successors take office.

''(4) HEARING REGARDING CONTINUED PARTICIPATION.—Within 30 days from service of any notice of suspension or order of removal issued pursuant to paragraph (1) or (2) of this subsection, the regulated entity-affiliated party concerned may request in writing an opportunity to appear before the Director to show that the continued service to or participation in the conduct of the affairs of the regulated entity by such party does not, or is not likely to, pose a threat to the interests of the regulated entity or threaten to impair public confidence in the regulated entity. Upon receipt of any such request, the Director shall fix a time (not more than 30 days after receipt of such request, unless extended at the request of such party) and place at which such party may appear, personally or through counsel, before one or more members of the Director or designated employees of the Director to submit written materials (or, at the discretion of the Director, oral testimony) and oral argument. Within 60 days of such hearing, the Director shall notify such party whether the suspension or prohibition from participation in any manner in the conduct of the affairs of the regulated entity will be continued, terminated, or otherwise modified, or whether the order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the regulated entity, and prohibiting compensation in connection with termination will be rescinded or otherwise modified. Such notification shall contain a statement of the basis for the Director's decision, if adverse to such party. The Director is authorized to prescribe such rules as may be necessary to effectuate the purposes of this subsection.

''(i) HEARINGS AND JUDICIAL REVIEW.—

''(1) VENUE AND PROCEDURE.—Any hearing provided for in this section shall be held in the District of Columbia or in the Federal judicial district in which the headquarters of the regulated entity is located, unless the party afforded the hearing consents to another place, and shall be conducted in accordance with the provisions of chapter 5 of title 5, United States Code. After such hearing, and within 90 days after the Director has notified the parties that the case has been submitted to it for final decision, it shall render its decision (which shall include findings of fact upon which its decision is predicated) and shall issue and serve upon each party to the proceeding an order or orders consistent with the provisions of this section. Judicial review of any such order shall be exclusively as provided in this subsection. Unless a petition for review is timely filed in a court of appeals of the United States, as provided in paragraph (2), and thereafter until the record in the proceeding has been filed as so provided, the Director may at any time, upon such notice and in such manner as it shall deem proper, modify, terminate, or set aside any such order. Upon such filing of the record, the Director may modify, terminate, or set aside any such order with permission of the court.

''(2) REVIEW OF ORDER.—Any party to any proceeding under paragraph (1) may obtain a review of any order served pursuant to paragraph (1) (other than an order issued with the consent of the regulated entity or the regulated entity-affiliated party concerned, or an order issued under subsection (h) of this section) by the filing in the United States Court of Appeals for the District of Columbia Circuit or court of appeals of the United States for the circuit in which the headquarters of the regulated entity is located, within 30 days after the date of service of such order, a written petition praying that the order of the Director be modified, terminated, or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Director, and thereupon the Director shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record shall (except as provided in the last sentence of paragraph (1)) be exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the Director. Review of such proceedings shall be had as provided in chapter 7 of title 5, United States Code. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28, United States Code.

''(3) PROCEEDINGS NOT TREATED AS STAY.—The commencement of proceedings for judicial review under paragraph (2) shall not, unless specifically ordered by the court, operate as a stay of any order issued by the Director.''.

(b) CONFORMING AMENDMENTS.—

(1) 1992 ACT.—Section 1317(f) of the Housing and Community Development Act of 1992 (12 U.S.C. 4517(f)) is amended by striking ''section 1379B'' and inserting ''section 1379D''.

(2) FANNIE MAE CHARTER ACT.—The second sentence of subsection (b) of section 308 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended by striking ''The'' and inserting ''Except to the extent that action under section 1377 of the Housing and Community Development Act of 1992 temporarily results in a lesser number, the''.

(3) FREDDIE MAC ACT.—The second sentence of subparagraph (A) of section 303(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)(A)) is amended by striking ''The'' and inserting ''Except to the extent that action under section 1377 of the Housing and Community Development Act of 1992 temporarily results in a lesser number, the''.

SEC. 167. CRIMINAL PENALTY.

Subtitle C of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4631 et seq.) is amended by inserting after section 1377 (as added by the preceding provisions of this Act) the following new section:

''SEC. 1378. CRIMINAL PENALTY.

''Whoever, being subject to an order in effect under section 1377, without the prior written approval of the Director, knowingly participates, directly or indirectly, in any manner (including by engaging in an activity specifically prohibited in such an order) in the conduct of the affairs of any regulated entity shall, notwithstanding section 3571 of title 18, be fined not more than $1,000,000, imprisoned for not more than 5 years, or both.''.

SEC. 168. SUBPOENA AUTHORITY.

Section 1379D(c) of the Housing and Community Development Act of 1992 (12 U.S.C. 4641(c)), as so redesignated by section 166(a)(1) of this Act, is further amended—

(1) by striking ''request the Attorney General of the United States to'' and inserting '', in the discretion of the Director,'';

(2) by inserting ''or request that the Attorney General of the United States bring such an action,'' after ''District of Columbia,''; and

(3) by striking ''or may, under the direction and control of the Attorney General, bring such an action''.

SEC. 169. CONFORMING AMENDMENTS.

Subtitle C of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4631 et seq.), as amended by the preceding provisions of this Act, is amended—

(1) in section 1372(c)(1) (12 U.S.C. 4632(c)), by striking ''that enterprise'' and inserting ''that regulated entity'';

(2) in section 1379 (12 U.S.C. 4637), as so redesignated by section 166(a)(1) of this Act—

(A) by inserting '', or of a regulated entity-affiliated party,'' before ''shall not affect''; and

(B) by striking ''such director or executive officer'' each place such term appears and inserting ''such director, executive officer, or regulated entity-affiliated party'';

(3) in section 1379A (12 U.S.C. 4638), as so redesignated by section 166(a)(1) of this Act, by inserting ''or against a regulated entity-affiliated party,'' before ''or impair'';

(4) by striking ''An enterprise'' each place such term appears in such subtitle and inserting ''A regulated entity'';

(5) by striking ''an enterprise'' each place such term appears in such subtitle and inserting ''a regulated entity'';

(6) by striking ''the enterprise'' each place such term appears in such subtitle and inserting ''the regulated entity''; and

(7) by striking ''any enterprise'' each place such term appears in such subtitle and inserting ''any regulated entity''.

Subtitle E—General Provisions

SEC. 181. BOARDS OF ENTERPRISES.

(a) FANNIE MAE.—

(1) IN GENERAL.—Section 308(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended—

(A) in the first sentence, by striking ''eighteen persons, five of whom shall be appointed annually by the President of the United States, and the remainder of whom'' and inserting ''13 persons, or such other number that the Director determines appropriate, who'';

(B) in the second sentence, by striking ''appointed by the President'';

(C) in the third sentence—

(i) by striking ''appointed or''; and

(ii) by striking '', except that any such appointed member may be removed from office by the President for good cause'';

(D) in the fourth sentence, by striking ''elective''; and

(E) by striking the fifth sentence.

(2) TRANSITIONAL PROVISION.—The amendments made by paragraph (1) shall not apply to any appointed position of the board of directors of the Federal National Mortgage Association until the expiration of the annual term for such position during which the effective date under Section 185 occurs.

(b) FREDDIE MAC.—

(1) IN GENERAL.—Section 303(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)) is amended—

(A) in subparagraph (A)—

(i) in the first sentence, by striking ''18 persons, 5 of whom shall be appointed annually by the President of the United States and the remainder of whom'' and inserting ''13 persons, or such other number as the Director determines appropriate, who''; and

(ii) in the second sentence, by striking ''appointed by the President of the United States'';

(B) in subparagraph (B)—

(i) by striking ''such or''; and

(ii) by striking '', except that any appointed member may be removed from office by the President for good cause''; and

(C) in subparagraph (C)—

(i) by striking the first sentence; and

(ii) by striking ''elective''.

(2) TRANSITIONAL PROVISION.—The amendments made by paragraph (1) shall not apply to any appointed position of the board of directors of the Federal Home Loan Mortgage Corporation until the expiration of the annual term for such position during which the effective date under Section 185 occurs.

SEC. 182. REPORT ON PORTFOLIO OPERATIONS, SAFETY AND SOUNDNESS, AND MISSION OF ENTERPRISES.

Not later than the expiration of the 12-month period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall submit a report to the Congress which shall include—

(1) a description of the portfolio holdings of the enterprises (as such term is defined in section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502) in mortgages

(including whole loans and mortgage-backed securities), non-mortgages, and other assets;

(2) a description of the risk implications for the enterprises of such holdings and the consequent risk management undertaken by the enterprises (including the use of derivatives for hedging purposes), compared with off-balance sheet liabilities of the enterprises (including mortgage-backed securities guaranteed by the enterprises);

(3) an analysis of portfolio holdings for safety and soundness purposes;

(4) an assessment of whether portfolio holdings fulfill the mission purposes of the enterprises under the Federal National Mortgage Association Charter Act and the Federal Home Loan Mortgage Corporation Act; and

(5) an analysis of the potential systemic risk implications for the enterprises, the housing and capital markets, and the financial system of portfolio holdings, and whether such holdings should be limited or reduced over time.

SEC. 183. CONFORMING AND TECHNICAL AMENDMENTS.

(a) 1992 ACT.—Title XIII of the Housing and Community Development Act of 1992 is amended by striking section 1383 (12 U.S.C. 1451 note).

(b) TITLE 18, UNITED STATES CODE.—Section 1905 of title 18, United States Code, is amended by striking ''Office of Federal Housing Enterprise Oversight'' and inserting ''Federal Housing Finance Agency''.

(c) FLOOD DISASTER PROTECTION ACT OF 1973.—Section 102(f)(3)(A) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)(3)(A)) is amended by striking ''Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' and inserting ''Director of the Federal Housing Finance Agency''.

(d) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT.—Section 5 of the Department of Housing and Urban Development Act (42 U.S.C. 3534) is amended by striking subsection (d).

(e) TITLE 5, UNITED STATES CODE.—

(1) DIRECTOR'S PAY RATE.—Section 5313 of title 5, United States Code, is amended by striking the item relating to the Director of the Office of Federal Housing Enterprise Oversight, Department of Housing and Urban Development and inserting the following new item:

''Director of the Federal Housing Finance Agency.''.

(2) EXCLUSION FROM SENIOR EXECUTIVE SERVICE.—Section 3132(a)(1)(D) of title 5, United States Code, is amended—

(A) by striking ''the Federal Housing Finance Board,''; and

(B) by striking ''the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' and inserting ''the Federal Housing Finance Agency''.

(f) INSPECTOR GENERAL ACT OF 1978.—Section 8G(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(g) FEDERAL DEPOSIT INSURANCE ACT.—Section 11(t)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C.1821(t)(2)(A)) is amended by adding at the end the following new clause:

''(vii) The Federal Housing Finance Agency.''.

(h) 1997 EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT.—Section 10001 of the 1997 Emergency Supplemental Appropriations Act for Recovery From Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those In Bosnia (42 U.S.C. 3548) is amended—

(1) by striking ''the Government National Mortgage Association, and the Office of Federal Housing Enterprise Oversight'' and inserting ''and the Government National Mortgage Association''; and

(2) by striking '', the Government National Mortgage Association, or the Office of Federal Housing Enterprise Oversight'' and inserting ''or the Government National Mortgage Association''.

(i) NATIONAL HOMEOWNERSHIP TRUST ACT.—Section 302(b)(4) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12851(b)(4)) is amended by striking ''the chairperson of the Federal Housing Finance Board'' and inserting ''the Director of the Federal Housing Finance Agency''.

SEC. 184. STUDY OF ALTERNATIVE SECONDARY MARKET SYSTEMS.

(a) IN GENERAL.—The Director of the Federal Housing Finance Agency, in consultation with the Board of Governors of the Federal Reserve System, the Secretary of the Treasury, and the Secretary of Housing and Urban Development, shall conduct a comprehensive study of the effects on financial and housing finance markets of alternatives to the current secondary market system for housing finance, taking into consideration changes in the structure of financial and housing finance markets and institutions since the creation of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(b) CONTENTS.—The study under this section shall—

(1) include, among the alternatives to the current secondary market system analyzed—

(A) repeal of the chartering Acts for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation;

(B) establishing bank-like mechanisms for granting new charters for limited purposed mortgage securitization entities;

(C) permitting the Director of the Federal Housing Finance Agency to grant new charters for limited purpose mortgage securitization entities, which shall include analyzing the terms on which such charters should be granted, including whether such charters should be sold, or whether such charters and the charters for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation should be taxed or otherwise assessed a monetary price; and

(D) such other alternatives as the Director considers appropriate;

(2) examine all of the issues involved in making the transition to a completely private secondary mortgage market system;

(3) examine the technological advancements the private sector has made in providing liquidity in the secondary mortgage market and how such advancements have affected liquidity in the secondary mortgage market; and

(4) examine how taxpayers would be impacted by each alternative system, including the complete privatization of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(c) REPORT.—The Director of the Federal Housing Finance Agency shall submit a report to the Congress on the study not later than the expiration of the 24-month period beginning on the effective date under section 185.

SEC. 185. EFFECTIVE DATE.

Except as specifically provided otherwise in this title, this title shall take effect on and the amendments made by this title shall take effect on, and shall apply beginning on, the expiration of the 6-month period beginning on the date of the enactment of this Act.

TITLE II—FEDERAL HOME LOAN BANKS

SEC. 201. DEFINITIONS.

Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended—

(1) by striking paragraphs (1), (10), and (11);

(2) by redesignating paragraphs (2) through (9) as paragraphs (1) through (8), respectively;

(3) by redesignating paragraphs (12) and (13) as paragraphs (9) and (10), respectively; and

(4) by adding at the end the following:

''(11) DIRECTOR.—The term 'Director' means the Director of the Federal Housing Finance Agency.

''(12) AGENCY.—The term 'Agency' means the Federal Housing Finance Agency.''.

SEC. 202. DIRECTORS.

(a) ELECTION.—Section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) NUMBER; ELECTION; QUALIFICATIONS; CONFLICTS OF INTEREST.—

''(1) IN GENERAL.—The management of each Federal Home Loan Bank shall be vested in a board of 13 directors, or such other number as the Director determines appropriate, each of whom shall be a citizen of the United States. All directors of a Bank who are not independent directors pursuant to paragraph (3) shall be elected by the members.

''(2) MEMBER DIRECTORS.—A majority of the directors of each Bank shall be officers or directors of a member of such Bank that is located in the district in which such Bank is located.

''(3) INDEPENDENT DIRECTORS.—At least two-fifths of the directors of each Bank shall be independent directors, who shall be appointed by the Director of the Federal Housing Finance Agency from a list of individuals recommended by the Federal Housing Enterprise Board, and shall meet the following criteria:

''(A) IN GENERAL.—Each independent director shall be a bona fide resident of the district in which such Bank is located.

''(B) PUBLIC INTEREST DIRECTORS.—At least 2 of the independent directors under this paragraph of each Bank shall be representatives chosen from organizations with more than a 2-year history of representing consumer or community interests on banking services, credit needs, housing, community development, economic development, or financial consumer protections.

''(C) OTHER DIRECTORS.—

''(i) QUALIFICATIONS.—Each independent director that is not a public interest director under subparagraph (B) shall have demonstrated knowledge of, or experience in, financial management, auditing and accounting, risk management practices, derivatives, project development, or organizational management, or such other knowledge or expertise as the Director may provide by regulation.

''(ii) CONSULTATION WITH BANKS.—In appointing other directors to serve on the board of a Federal home loan bank, the Director of the Federal Housing Finance Agency may consult with each Federal home loan bank about the knowledge, skills, and expertise needed to assist the board in better fulfilling its responsibilities.

''(D) CONFLICTS OF INTEREST.—Notwithstanding subsection (f)(2), an independent director under this paragraph of a Bank may not, during such director's term of office, serve as an officer of any Federal Home Loan Bank or as a director or officer of any member of a Bank.

''(E) COMMUNITY DEMOGRAPHICS.—In appointing independent directors of a Bank pursuant to this paragraph, the Director shall take into consideration the demographic makeup of the community most served by the Affordable Housing Program of the Bank pursuant to section 10(j).'';

(2) in the first sentence of subsection (b), by striking ''elective directorship'' and inserting ''member directorship established pursuant to subsection (a)(2)'';

(3) in subsection (c)—

(A) by striking ''elective'' each place such term appears and inserting ''member'', except—

(i) in the second sentence, the second place such term appears; and

(ii) each place such term appears in the fifth sentence; and

(B) in the second sentence—

(i) by inserting ''(A) except as provided in clause (B) of this sentence,'' before ''if at any time''; and

(ii) by inserting before the period at the end the following: '', and (B) clause (A) of this sentence shall not apply to the directorships of any Federal home loan bank resulting from the merger of any two or more such banks''; and

(4) by striking ''elective'' each place such term appears (except in subsections (c), (e), and (f)).

(b) TERMS.—

(1) IN GENERAL.—Section 7(d) of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) is amended—

(A) in the first sentence, by striking ''3 years'' and inserting ''4 years''; and

(B) in the second sentence—

(i) by striking ''Federal Home Loan Bank System Modernization Act of 1999'' and inserting ''Federal Housing Finance Reform Act of 2007''; and

(ii) by striking ''1/3'' and inserting ''1/4''.

(2) SAVINGS PROVISION.—The amendments made by paragraph (1) shall not apply to the term of office of any director of a Federal home loan bank who is serving as of the effective date of this title under section 211, including any director elected to fill a vacancy in any such office.

(c) CONTINUED SERVICE OF INDEPENDENT DIRECTORS AFTER EXPIRATION OF TERM.—Section 7(f)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1427(f)(2)) is amended—

(1) in the second sentence, by striking ''or the term of such office expires, whichever occurs first'';

(2) by adding at the end the following new sentence: ''An independent Bank director may continue to serve as a director after the expiration of the term of such director until a successor is appointed.'';

(3) in the paragraph heading, by striking ''APPOINTED'' and inserting ''INDEPENDENT''; and

(4) by striking ''appointive'' each place such term appears and inserting ''independent''.

(d) CONFORMING AMENDMENTS.—Section 7(f)(3) of the Federal Home Loan Bank Act (12 U.S.C. 1427(f)(3)) is amended—

(1) in the paragraph heading, by striking ''ELECTED'' and inserting ''MEMBER''; and

(2) by striking ''elective'' each place such term appears in the first and third sentences and inserting ''member''.

(e) COMPENSATION.—Subsection (i) of section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) is amended to read as follows:

''(i) DIRECTORS' COMPENSATION.—

''(1) IN GENERAL.—Each Federal home loan bank may pay the directors on the board of directors for the bank reasonable and appropriate compensation for the time required of such directors, and reasonable and appropriate expenses incurred by such directors, in connection with service on the board of directors, in accordance with resolutions adopted by the board of directors and subject to the approval of the Director.

''(2) ANNUAL REPORT BY THE BOARD.—The Director shall include, in the annual report submitted to the Congress pursuant to section 1319B of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, information regarding the compensation and expenses paid by the Federal home loan banks to the directors on the boards of directors of the banks.''.

(f) TRANSITION RULE.—Any member of the board of directors of a Federal Home Loan Bank serving as of the effective date under section 211 may continue to serve as a member of such board of directors for the remainder of the term of such office as provided in section 7 of the Federal Home Loan Bank Act, as in effect before such effective date.

SEC. 203. FEDERAL HOUSING FINANCE AGENCY OVERSIGHT OF FEDERAL HOME LOAN BANKS.

The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.), other than in provisions of that Act added or amended otherwise by this Act, is amended—

(1) by striking sections 2A and 2B (12 U.S.C. 1422a, 1422b);

(2) in section 6 (12 U.S.C. 1426(b)(1))—

(A) in subsection (b)(1), in the matter preceding subparagraph (A), by striking ''Finance Board approval'' and inserting ''approval by the Director''; and

(B) in each of subsections (c)(4)(B) and (d)(2), by striking ''Finance Board regulations'' each place that term appears and inserting ''regulations of the Director'';

(3) in section 8 (12 U.S.C. 1428), in the section heading, by striking ''BY THE BOARD'';

(4) in section 10(b) (12 U.S.C. 1430(b)), by striking ''by formal resolution'';

(5) in section 10 (12 U.S.C. 1430), by adding at the end the following new subsection:

''(k) MONITORING AND ENFORCING COMPLIANCE WITH AFFORDABLE HOUSING AND COMMUNITY INVESTMENT PROGRAM REQUIREMENTS.—The requirements under subsection (i) and (j) that the Banks establish Community Investment and Affordable Housing Programs, respectively, and contribute to the Affordable Housing Program, shall be enforceable by the Director with respect to the Banks in the same manner and to the same extent as the housing goals under subpart B of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4561 et seq.) are enforceable under section 1336 of such Act with respect to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.'';

(6) in section 11 (12 U.S.C. 1431)—

(A) in subsection (b)—

(i) in the first sentence—

(I) by striking ''The Board'' and inserting ''The Office of Finance, as agent for the Banks,''; and

(II) by striking ''the Board'' and inserting ''such Office''; and

(ii) in the second and fourth sentences, by striking ''the Board'' each place such term appears and inserting ''the Office of Finance'';

(B) in subsection (c)—

(i) by striking ''the Board'' the first place such term appears and inserting ''the Office of Finance, as agent for the Banks,''; and

(ii) by striking ''the Board'' the second place such term appears and inserting ''such Office''; and

(C) in subsection (f)—

(i) by striking the two commas after ''permit'' and inserting ''or''; and

(ii) by striking the comma after ''require'';

(7) in section 15 (12 U.S.C. 1435), by inserting ''or the Director'' after ''the Board'';

(8) in section 18 (12 U.S.C. 1438), by striking subsection (b);

(9) in section 21 (12 U.S.C. 1441)—

(A) in subsection (b)—

(i) in paragraph (5), by striking ''Chairperson of the Federal Housing Finance Board'' and inserting ''Director''; and

(ii) in the heading for paragraph (8), by striking ''FEDERAL HOUSING FINANCE BOARD'' and inserting ''DIRECTOR''; and

(B) in subsection (i), in the heading for paragraph (2), by striking ''FEDERAL HOUSING FINANCE BOARD'' and inserting ''DIRECTOR'';

(10) in section 23 (12 U.S.C. 1443), by striking ''Board of Directors of the Federal Housing Finance Board'' and inserting ''Director'';

(11) by striking ''the Board'' each place such term appears in such Act (except in section 15 (12 U.S.C. 1435), section 21(f)(2) (12 U.S.C. 1441(f)(2)), subsections (a), (k)(2)(B)(i), and (n)(6)(C)(ii) of section 21A (12 U.S.C. 1441a), subsections (f)(2)(C), and (k)(7)(B)(ii) of section 21B (12 U.S.C. 1441b), and the first two places such term appears in section 22 (12 U.S.C. 1442)) and inserting ''the Director'';

(12) by striking ''The Board'' each place such term appears in such Act (except in sections 7(e) (12 U.S.C. 1427(e)), and 11(b) (12 U.S.C. 1431(b)) and inserting ''The Director'';

(13) by striking ''the Board's'' each place such term appears in such Act and inserting ''the Director's'';

(14) by striking ''The Board's'' each place such term appears in such Act and inserting ''The Director's'';

(15) by striking ''the Finance Board'' each place such term appears in such Act and inserting ''the Director'';

(16) by striking ''Federal Housing Finance Board'' each place such term appears and inserting ''Director'';

(17) in section 11(i) (12 U.S.C. 1431(i), by striking ''the Chairperson of''; and

(18) in section 21(e)(9) (12 U.S.C. 1441(e)(9)), by striking ''Chairperson of the''.

SEC. 204. JOINT ACTIVITIES OF BANKS.

Section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1431) is amended by adding at the end the following new subsection:

''(l) JOINT ACTIVITIES.—Subject to the regulation of the Director, any two or more Federal Home Loan Banks may establish a joint office for the purpose of performing functions for, or providing services to, the Banks on a common or collective basis, or may require that the Office of Finance perform such functions or services, but only if the Banks are otherwise authorized to perform such functions or services individually.''.

SEC. 205. SHARING OF INFORMATION BETWEEN FEDERAL HOME LOAN BANKS.

(a) IN GENERAL.—The Federal Home Loan Bank Act is amended by inserting after section 20 (12 U.S.C. 1440) the following new section:

''SEC. 20A. SHARING OF INFORMATION BETWEEN FEDERAL HOME LOAN BANKS.

''(a) REGULATORY AUTHORITY.—The Director shall prescribe such regulations as may be necessary to ensure that each Federal Home Loan Bank has access to information that the Bank needs to determine the nature and extent of its joint and several liability.

''(b) NO WAIVER OF PRIVILEGE.—The Director shall not be deemed to have waived any privilege applicable to any information concerning a Federal Home Loan Bank by transferring, or permitting the transfer of, that information to any other Federal Home Loan Bank for the purpose of enabling the recipient to evaluate the nature and extent of its joint and several liability.''.

(b) REGULATIONS.—The regulations required under the amendment made by subsection (a) shall be issued in final form not later than 6 months after the effective date under section 211 of this Act.

SEC. 206. REORGANIZATION OF BANKS AND VOLUNTARY MERGER.

Section 26 of the Federal Home Loan Bank Act (12 U.S.C. 1446) is amended—

(1) by inserting ''(a) REORGANIZATION.—'' before ''Whenever''; and

(2) by striking ''liquidated or'' each place such phrase appears;

(3) by striking ''liquidation or''; and

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

''(b) VOLUNTARY MERGERS.—Any two or more Banks may, with the approval of the Director, and the approval of the boards of directors of the Banks involved, merge. The Director shall promulgate regulations establishing the conditions and procedures for the consideration and approval of any such voluntary merger, including the procedures for Bank member approval.''.

SEC. 207. SECURITIES AND EXCHANGE COMMISSION DISCLOSURE.

(a) IN GENERAL.—The Federal Home Loan Banks shall be exempt from compliance with—

(1) sections 13(e), 14(a), 14(c), and 17A of the Securities Exchange Act of 1934 and related Commission regulations; and

(2) section 15 of that Act and related Securities and Exchange Commission regulations with respect to transactions in capital stock of the Banks.

(b) MEMBER EXEMPTION.—The members of the Federal Home Loan Banks shall be exempt from compliance with sections 13(d), 13(f), 13(g), 14(d), and 16 of the Securities Exchange Act of 1934 and related Securities and Exchange Commission regulations with respect to their ownership of, or transactions in, capital stock of the Federal Home Loan Banks.

(c) EXEMPTED AND GOVERNMENT SECURITIES.—

(1) CAPITAL STOCK.—The capital stock issued by each of the Federal Home Loan Banks under section 6 of the Federal Home Loan Bank Act are—

(A) exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933; and

(B) ''exempted securities'' within the meaning of section 3(a)(12)(A) of the Securities Exchange Act of 1934.

(2) OTHER OBLIGATIONS.—The debentures, bonds, and other obligations issued under section 11 of the Federal Home Loan Bank Act are—

(A) exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933;

(B) ''government securities'' within the meaning of section 3(a)(42) of the Securities Exchange Act of 1934;

(C) excluded from the definition of ''government securities broker'' within section 3(a)(43) of the Securities Exchange Act of 1934;

(D) excluded from the definition of ''government securities dealer'' within section 3(a)(44) of the Securities Exchange Act of 1934; and

(E) ''government securities'' within the meaning of section 2(a)(16) of the Investment Company Act of 1940.

(d) EXEMPTION FROM REPORTING REQUIREMENTS.—The Federal Home Loan Banks shall be exempt from periodic reporting requirements pertaining to—

(1) the disclosure of related party transactions that occur in the ordinary course of business of the Banks with their members; and

(2) the disclosure of unregistered sales of equity securities.

(e) TENDER OFFERS.—The Securities and Exchange Commission's rules relating to tender offers shall not apply in connection with transactions in capital stock of the Federal Home Loan Banks.

(f) REGULATIONS.—In issuing any final regulations to implement provisions of this section, the Securities and Exchange Commission shall consider the distinctive characteristics of the Federal Home Loan Banks when evaluating the accounting treatment with respect to the payment to Resolution Funding Corporation, the role of the combined financial statements of the twelve Banks, the accounting classification of redeemable capital stock, and the accounting treatment related to the joint and several nature of the obligations of the Banks.

SEC. 208. COMMUNITY FINANCIAL INSTITUTION MEMBERS.

(a) TOTAL ASSET REQUIREMENT.—Paragraph (10) of section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422(10)), as so redesignated by section 201(3) of this Act, is amended by striking ''$500,000,000'' each place such term appears and inserting ''$1,000,000,000''.

(b) USE OF ADVANCES FOR COMMUNITY DEVELOPMENT ACTIVITIES.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) in paragraph (2)(B)—

(A) by striking ''and''; and

(B) by inserting '', and community development activities'' before the period at the end;

(2) in paragraph (3)(E), by inserting ''or community development activities'' after ''agriculture,''; and

(3) in paragraph (6)—

(A) by striking ''and''; and

(B) by inserting '', and 'community development activities' '' before ''shall''.

SEC. 209. TECHNICAL AND CONFORMING AMENDMENTS.

(a) RIGHT TO FINANCIAL PRIVACY ACT OF 1978.—Section 1113(o) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413(o)) is amended—

(1) by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''; and

(2) by striking ''Federal Housing Finance Board's'' and inserting ''Federal Housing Finance Agency's''.

(b) RIEGLE COMMUNITY DEVELOPMENT AND REGULATORY IMPROVEMENT ACT OF 1994.—Section 117(e) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4716(e)) is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(c) TITLE 18, UNITED STATES CODE.—Title 18, United States Code, is amended by striking ''Federal Housing Finance Board'' each place such term appears in each of sections 212, 657, 1006, 1014, and inserting ''Federal Housing Finance Agency''.

(d) MAHRA ACT OF 1997.—Section 517(b)(4) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(e) TITLE 44, UNITED STATES CODE.—Section 3502(5) of title 44, United States Code, is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(f) ACCESS TO LOCAL TV ACT OF 2000.—Section 1004(d)(2)(D)(iii) of the Launching Our Communities' Access to Local Television Act of 2000 (47 U.S.C. 1103(d)(2)(D)(iii)) is amended by striking ''Office of Federal Housing Enterprise Oversight, the Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(g) SARBANES-OXLEY ACT OF 2002.—Section 105(b)(5)(B)(ii)(II) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7215(B)(5)(b)(ii)(II)) is amended by inserting ''and the Director of the Federal Housing Finance Agency'' after ''Commission,''.

SEC. 210. STUDY OF AFFORDABLE HOUSING PROGRAM USE FOR LONG-TERM CARE FACILITIES.

The Comptroller General shall conduct a study of the use of affordable housing programs of the Federal home loan banks under section 10(j) of the Federal Home Loan Bank Act to determine how and the extent to which such programs are used to assist long-term care facilities for low- and moderate-income individuals, and the effectiveness and adequacy of such assistance in meeting the needs of affected communities. The study shall examine the applicability of such use to the affordable housing programs required to be established by the enterprises pursuant to the amendment made by section 139 of this Act. The Comptroller General shall submit a report to the Director of the Federal Housing Finance Agency and the Congress regarding the results of the study not later than the expiration of the 1-year period beginning on the date of the enactment of this Act. This section shall take effect on the date of the enactment of this Act.

SEC. 211. EFFECTIVE DATE.

Except as specifically provided otherwise in this title, this title shall take effect on and the amendments made by this title shall take effect on, and shall apply beginning on, the expiration of the 6-month period beginning on the date of the enactment of this Act.

TITLE III—TRANSFER OF FUNCTIONS, PERSONNEL, AND PROPERTY OF OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT, FEDERAL HOUSING FINANCE BOARD, AND DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Subtitle A—Office of Federal Housing Enterprise Oversight

SEC. 301. ABOLISHMENT OF OFHEO.

(a) IN GENERAL.—Effective at the end of the 6-month period beginning on the date of the enactment of this Act, the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development and the positions of the Director and Deputy Director of such Office are abolished.

(b) DISPOSITION OF AFFAIRS.—During the 6-month period beginning on the date of the enactment of this Act, the Director of the Office of Federal Housing Enterprise Oversight shall, for the purpose of winding up the affairs of the Office of Federal Housing Enterprise Oversight and in addition to carrying out its other responsibilities under law—

(1) manage the employees of such Office and provide for the payment of the compensation and benefits of any such employee which accrue before the effective date of the transfer of such employee pursuant to section 303; and

(2) may take any other action necessary for the purpose of winding up the affairs of the Office.

(c) STATUS OF EMPLOYEES BEFORE TRANSFER.—The amendments made by title I and the abolishment of the Office of Federal Housing Enterprise Oversight under subsection (a) of this section may not be construed to affect the status of any employee of such Office as employees of an agency of the United States for purposes of any other provision of law before the effective date of the transfer of any such employee pursuant to section 303.

(d) USE OF PROPERTY AND SERVICES.—

(1) PROPERTY.—The Director of the Federal Housing Finance Agency may use the property of the Office of Federal Housing Enterprise Oversight to perform functions which have been transferred to the Director of the Federal Housing Finance Agency for such time as is reasonable to facilitate the orderly transfer of functions transferred pursuant to any other provision of this Act or any amendment made by this Act to any other provision of law.

(2) AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, and any successor to any such agency, department, or instrumentality, which was providing supporting services to the Office of Federal Housing Enterprise Oversight before the expiration of the period under subsection (a) in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall—

(A) continue to provide such services, on a reimbursable basis, until the transfer of such functions is complete; and

(B) consult with any such agency to coordinate and facilitate a prompt and reasonable transition.

(e) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not affect the validity of any right, duty, or obligation of the United States, the Director of the Office of Federal Housing Enterprise Oversight, or any other person, which—

(A) arises under or pursuant to the title XIII of the Housing and Community Development Act of 1992, the Federal National Mortgage Association Charter Act, the Federal Home Loan Mortgage Corporation Act, or any other provision of law applicable with respect to such Office; and

(B) existed on the day before the abolishment under subsection (a) of this section.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Director of the Office of Federal Housing Enterprise Oversight in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall abate by reason of the enactment of this Act, except that the Director of the Federal Housing Finance Agency shall be substituted for the Director of the Office of Federal Housing Enterprise Oversight as a party to any such action or proceeding.

SEC. 302. CONTINUATION AND COORDINATION OF CERTAIN REGULATIONS.

All regulations, orders, determinations, and resolutions that—

(1) were issued, made, prescribed, or allowed to become effective by—

(A) the Office of Federal Housing Enterprise Oversight; or

(B) a court of competent jurisdiction and that relate to functions transferred by this subtitle; and

(2) are in effect on the date of the abolishment under section 301(a) of this Act, shall remain in effect according to the terms of such regulations, orders, determinations, and resolutions,

and shall be enforceable by or against the Director of the Federal Housing Finance Agency until modified, terminated, set aside, or superseded in accordance with applicable law by such Director, as the case may be, any court of competent jurisdiction, or operation of law.

SEC. 303. TRANSFER AND RIGHTS OF EMPLOYEES OF OFHEO.

(a) TRANSFER.—Each employee of the Office of Federal Housing Enterprise Oversight shall be transferred to the Federal Housing Finance Agency for employment no later than the date of the abolishment under section 301(a) of this Act and such transfer shall be deemed a transfer of function for purposes of section 3503 of title 5, United States Code.

(b) GUARANTEED POSITIONS.—Each employee transferred under subsection (a) shall be guaranteed a position with the same status, tenure, grade, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date of transfer, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(c) APPOINTMENT AUTHORITY FOR EXCEPTED SERVICE EMPLOYEES.—

(1) IN GENERAL.—In the case of employees occupying positions in the excepted service, any appointment authority established pursuant to law or regulations of the Office of Personnel Management for filling such positions shall be transferred, subject to paragraph (2).

(2) DECLINE OF TRANSFER.—The Director of the Federal Housing Finance Agency may decline a transfer of authority under paragraph (1) (and the employees appointed pursuant thereto) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policy-making, policy-determining, or policy-advocating character.

(d) REORGANIZATION.—If the Director of the Federal Housing Finance Agency determines, after the end of the 1-year period beginning on the date of the abolishment under section 301(a), that a reorganization of the combined work force is required, that reorganization shall be deemed a major reorganization for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code.

(e) EMPLOYEE BENEFIT PROGRAMS.—Any employee of the Office of Federal Housing Enterprise Oversight accepting employment with the Director of the Federal Housing Finance Agency as a result of a transfer under subsection (a) may retain for 12 months after the date such transfer occurs membership in any employee benefit program of the Federal Housing Finance Agency or the Office of Federal Housing Enterprise Oversight, as applicable, including insurance, to which such employee belongs on the date of the abolishment under section 301(a) if—

(1) the employee does not elect to give up the benefit or membership in the program; and

(2) the benefit or program is continued by the Director of the Federal Housing Finance Agency,

The difference in the costs between the benefits which would have been provided by such agency and those provided by this section shall be paid by the Director of the Federal Housing Finance Agency. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by such Director, the employee shall be permitted to select an alternate Federal health insurance program within 30 days of such election or notice, without regard to any other regularly scheduled open season.

SEC. 304. TRANSFER OF PROPERTY AND FACILITIES.

Upon the abolishment under section 301(a), all property of the Office of Federal Housing Enterprise Oversight shall transfer to the Director of the Federal Housing Finance Agency.

Subtitle B—Federal Housing Finance Board

SEC. 321. ABOLISHMENT OF THE FEDERAL HOUSING FINANCE BOARD.

(a) IN GENERAL.—Effective at the end of the 6-month period beginning on the date of enactment of this Act, the Federal Housing Finance Board (in this title referred to as the ''Board'') is abolished.

(b) DISPOSITION OF AFFAIRS.—During the 6-month period beginning on the date of enactment of this Act, the Board, for the purpose of winding up the affairs of the Board and in addition to carrying out its other responsibilities under law—

(1) shall manage the employees of such Board and provide for the payment of the compensation and benefits of any such employee which accrue before the effective date of the transfer of such employee under section 323; and

(2) may take any other action necessary for the purpose of winding up the affairs of the Board.

(c) STATUS OF EMPLOYEES BEFORE TRANSFER.—The amendments made by titles I and II and the abolishment of the Board under subsection (a) may not be construed to affect the status of any employee of such Board as employees of an agency of the United States for purposes of any other provision of law before the effective date of the transfer of any such employee under section 323.

(d) USE OF PROPERTY AND SERVICES.—

(1) PROPERTY.—The Director of the Federal Housing Finance Agency may use the property of the Board to perform functions which have been transferred to the Director of the Federal Housing Finance Agency for such time as is reasonable to facilitate the orderly transfer of functions transferred under any other provision of this Act or any amendment made by this Act to any other provision of law.

(2) AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, and any successor to any such agency, department, or instrumentality, which was providing supporting services to the Board before the expiration of the period under subsection (a) in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall—

(A) continue to provide such services, on a reimbursable basis, until the transfer of such functions is complete; and

(B) consult with any such agency to coordinate and facilitate a prompt and reasonable transition.

(e) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not affect the validity of any right, duty, or obligation of the United States, a member of the Board, or any other person, which—

(A) arises under the Federal Home Loan Bank Act or any other provision of law applicable with respect to such Board; and

(B) existed on the day before the effective date of the abolishment under subsection (a).

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Board in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall abate by reason of the enactment of this Act, except that the Director of the Federal Housing Finance Agency shall be substituted for the Board or any member thereof as a party to any such action or proceeding.

SEC. 322. CONTINUATION AND COORDINATION OF CERTAIN REGULATIONS.

(a) IN GENERAL.—All regulations, orders, determinations, and resolutions described under subsection (b) shall remain in effect according to the terms of such regulations, orders, determinations, and resolutions, and shall be enforceable by or against the Director of the Federal Housing Finance Agency until modified, terminated, set aside, or superseded in accordance with applicable law by such Director, any court of competent jurisdiction, or operation of law.

(b) APPLICABILITY.—A regulation, order, determination, or resolution is described under this subsection if it—

(1) was issued, made, prescribed, or allowed to become effective by—

(A) the Board; or

(B) a court of competent jurisdiction and relates to functions transferred by this subtitle; and

(2) is in effect on the effective date of the abolishment under section 321(a).

SEC. 323. TRANSFER AND RIGHTS OF EMPLOYEES OF THE FEDERAL HOUSING FINANCE BOARD.

(a) TRANSFER.—Each employee of the Board shall be transferred to the Federal Housing Finance Agency for employment not later than the effective date of the abolishment under section 321(a), and such transfer shall be deemed a transfer of function for purposes of section 3503 of title 5, United States Code.

(b) GUARANTEED POSITIONS.—Each employee transferred under subsection (a) shall be guaranteed a position with the same status, tenure, grade, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date of transfer, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(c) APPOINTMENT AUTHORITY FOR EXCEPTED AND SENIOR EXECUTIVE SERVICE EMPLOYEES.—

(1) IN GENERAL.—In the case of employees occupying positions in the excepted service or the Senior Executive Service, any appointment authority established under law or by regulations of the Office of Personnel Management for filling such positions shall be transferred, subject to paragraph (2).

(2) DECLINE OF TRANSFER.—The Director of the Federal Housing Finance Agency may decline a transfer of authority under paragraph (1) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policymaking, policy-determining, or policy-advocating character, and noncareer positions in the Senior Executive Service (within the meaning of section 3132(a)(7) of title 5, United States Code).

(d) REORGANIZATION.—If the Director of the Federal Housing Finance Agency determines, after the end of the 1-year period beginning on the effective date of the abolishment under section 321(a), that a reorganization of the combined workforce is required, that reorganization shall be deemed a major reorganization for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code.

(e) EMPLOYEE BENEFIT PROGRAMS.—

(1) IN GENERAL.—Any employee of the Board accepting employment with the Federal Housing Finance Agency as a result of a transfer under subsection (a) may retain for 12 months after the date on which such transfer occurs membership in any employee benefit program of the Federal Housing Finance Agency or the Board, as applicable, including insurance, to which such employee belongs on the effective date of the abolishment under section 321(a) if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Director of the Federal Housing Finance Agency.

(2) COST DIFFERENTIAL.—The difference in the costs between the benefits which would have been provided by the Board and those provided by this section shall be paid by the Director of the Federal Housing Finance Agency. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by such Director,

the employee shall be permitted to select an alternate Federal health insurance program within 30 days after such election or notice, without regard to any other regularly scheduled open season.

SEC. 324. TRANSFER OF PROPERTY AND FACILITIES.

Upon the effective date of the abolishment under section 321(a), all property of the Board shall transfer to the Director of the Federal Housing Finance Agency.

Subtitle C—Department of Housing and Urban Development

SEC. 341. TERMINATION OF ENTERPRISE-RELATED FUNCTIONS.

(a) TERMINATION DATE.—For purposes of this subtitle, the term ''termination date'' means the date that occurs 6 months after the date of the enactment of this Act.

(b) DETERMINATION OF TRANSFERRED FUNCTIONS AND EMPLOYEES.—

(1) IN GENERAL.—Not later than the expiration of the 3-month period beginning on the date of the enactment of this Act, the Secretary, in consultation with the Director of the Office of Federal Housing Enterprise Oversight, shall determine—

(A) the functions, duties, and activities of the Secretary of Housing and Urban Development regarding oversight or regulation of the enterprises under or pursuant to the authorizing statutes, title XIII of the Housing and Community Development Act of 1992, and any other provisions of law, as in effect before the date of the enactment of this Act, but not including any such functions, duties, and activities of the Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development and such Office; and

(B) the employees of the Department of Housing and Urban Development necessary to perform such functions, duties, and activities.

(2) ENTERPRISE-RELATED FUNCTIONS.—For purposes of this subtitle, the term ''enterprise-related functions of the Department'' means the functions, duties, and activities of the Department of Housing and Urban Development determined under paragraph (1)(A).

(3) ENTERPRISE-RELATED EMPLOYEES.—For purposes of this subtitle, the term ''enterprise-related employees of the Department'' means the employees of the Department of Housing and Urban Development determined under paragraph (1)(B).

(c) DISPOSITION OF AFFAIRS.—During the 6-month period beginning on the date of enactment of this Act, the Secretary of Housing and Urban Development (in this title referred to as the ''Secretary''), for the purpose of winding up the affairs of the Secretary regarding the enterprise-related functions of the Department of Housing and Urban Development (in this title referred to as the ''Department'') and in addition to carrying out the Secretary's other responsibilities under law regarding such functions—

(1) shall manage the enterprise-related employees of the Department and provide for the payment of the compensation and benefits of any such employee which accrue before the effective date of the transfer of any such employee under section 343; and

(2) may take any other action necessary for the purpose of winding up the enterprise-related functions of the Department.

(d) STATUS OF EMPLOYEES BEFORE TRANSFER.—The amendments made by titles I and II and the termination of the enterprise-related functions of the Department under subsection (b) may not be construed to affect the status of any employee of the Department as employees of an agency of the United States for purposes of any other provision of law before the effective date of the transfer of any such employee under section 343.

(e) USE OF PROPERTY AND SERVICES.—

(1) PROPERTY.—The Director of the Federal Housing Finance Agency may use the property of the Secretary to perform functions which have been transferred to the Director of the Federal Housing Finance Agency for such time as is reasonable to facilitate the orderly transfer of functions transferred under any other provision of this Act or any amendment made by this Act to any other provision of law.

(2) AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, and any successor to any such agency, department, or instrumentality, which was providing supporting services to the Secretary regarding enterprise-related functions of the Department before the termination date under subsection (a) in connection with such functions that are transferred to the Director of the Federal Housing Finance Agency shall—

(A) continue to provide such services, on a reimbursable basis, until the transfer of such functions is complete; and

(B) consult with any such agency to coordinate and facilitate a prompt and reasonable transition.

(f) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not affect the validity of any right, duty, or obligation of the United States, the Secretary, or any other person, which—

(A) arises under the authorizing statutes, title XIII of the Housing and Community Development Act of 1992, or any other provision of law applicable with respect to the Secretary, in connection with the enterprise-related functions of the Department; and

(B) existed on the day before the termination date under subsection (a).

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Secretary in connection with the enterprise-related functions of the Department shall abate by reason of the enactment of this Act, except that the Director of the Federal Housing Finance Agency shall be substituted for the Secretary or any member thereof as a party to any such action or proceeding.

SEC. 342. CONTINUATION AND COORDINATION OF CERTAIN REGULATIONS.

(a) IN GENERAL.—All regulations, orders, and determinations described in subsection (b) shall remain in effect according to the terms of such regulations, orders, determinations, and resolutions, and shall be enforceable by or against the Director of the Federal Housing Finance Agency until modified, terminated, set aside, or superseded in accordance with applicable law by such Director, any court of competent jurisdiction, or operation of law.

(b) APPLICABILITY.—A regulation, order, or determination is described under this subsection if it—

(1) was issued, made, prescribed, or allowed to become effective by—

(A) the Secretary; or

(B) a court of competent jurisdiction and that relate to the enterprise-related functions of the Department; and

(2) is in effect on the termination date under section 341(a).

SEC. 343. TRANSFER AND RIGHTS OF EMPLOYEES OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(a) TRANSFER.—

(1) IN GENERAL.—Except as provided in paragraph (2), each enterprise-related employee of the Department shall be transferred to the Federal Housing Finance Agency for employment not later than the termination date under section 341(a) and such transfer shall be deemed a transfer of function for purposes of section 3503 of title 5, United States Code.

(2) AUTHORITY TO DECLINE.—An enterprise-related employee of the Department may, in the discretion of the employee, decline transfer under paragraph (1) to a position in the Federal Housing Finance Agency and shall be guaranteed a position in the Department with the same status, tenure, grade, and pay as that held on the day immediately preceding the date that such declination was made. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date that the transfer would otherwise have occurred, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(b) GUARANTEED POSITIONS.—Each enterprise-related employee of the Department transferred under subsection (a) shall be guaranteed a position with the same status, tenure, grade, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date of transfer, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(c) APPOINTMENT AUTHORITY FOR EXCEPTED AND SENIOR EXECUTIVE SERVICE EMPLOYEES.—

(1) IN GENERAL.—In the case of employees occupying positions in the excepted service or the Senior Executive Service, any appointment authority established under law or by regulations of the Office of Personnel Management for filling such positions shall be transferred, subject to paragraph (2).

(2) DECLINE OF TRANSFER.—The Director of the Federal Housing Finance Agency may decline a transfer of authority under paragraph (1) (and the employees appointed pursuant thereto) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policymaking, policy-determining, or policy-advocating character, and noncareer positions in the Senior Executive Service (within the meaning of section 3132(a)(7) of title 5, United States Code).

(d) REORGANIZATION.—If the Director of the Federal Housing Finance Agency determines, after the end of the 1-year period beginning on the termination date under section 341(a), that a reorganization of the combined workforce is required, that reorganization shall be deemed a major reorganization for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code.

(e) EMPLOYEE BENEFIT PROGRAMS.—

(1) IN GENERAL.—Any enterprise-related employee of the Department accepting employment with the Federal Housing Finance Agency as a result of a transfer under subsection (a) may retain for 12 months after the date on which such transfer occurs membership in any employee benefit program of the Federal Housing Finance Agency or the Department, as applicable, including insurance, to which such employee belongs on the termination date under section 341(a) if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Director of the Federal Housing Finance Agency.

(2) COST DIFFERENTIAL.—The difference in the costs between the benefits which would have been provided by the Department and those provided by this section shall be paid by the Director of the Federal Housing Finance Agency. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by such Director, the employee shall be permitted to select an alternate Federal health insurance program within 30 days after such election or notice, without regard to any other regularly scheduled open season.

SEC. 344. TRANSFER OF APPROPRIATIONS, PROPERTY, AND FACILITIES.

Upon the termination date under section 341(a), all assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other

funds employed, held, used, arising from, available to, or to be made available to the Department in connection with enterprise-related functions of the Department shall transfer to the Director of the Federal Housing Finance Agency. Unexpended funds transferred by this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

AMENDMENT NO. 12 OFFERED BY MR. BACHUS

Mr. BACHUS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. BACHUS:

Page 94, strike lines 8 and 9.

Page 98, strike ''helpful'' in line 20 and all that follows through line 22, and insert ''for''.

Strike line 4 on page 127 and all that follows through line 7 on page 156.

Page 156, lines 11 and 12, strike ''adding after section 1337, as added by section 139 of this Act,'' and insert ''striking sections 1337 and 1338 and inserting''.

Page 156, line 14, strike ''**SEC. 1338.**'' and insert ''**SEC. 1337.**''.

Page 261, line 17, strike ''or 1337''.

Page 268, line 10, strike ''or 1337''.

Page 318, strike ''The study'' in line 17 and all that follows through ''this Act.'' in line 20.

Mr. BACHUS. Mr. Chairman, I yield to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Before I begin my general statement, if I could, I would like to engage Chairman FRANK and thank him for agreeing to engage in a colloquy on the receivership provision of the legislation.

Chairman FRANK, with your consent, with your consent I would like to introduce into the RECORD a statement that has been agreed to by your staff and by my staff, and I look forward to working on these issues going forward with you, and I would just yield to you for your affirmation.

Mr. FRANK of Massachusetts. I thank the gentleman. First of all, let me say, given that our staffs have worked this out, it would be a good thing for neither one of us to mess it up. I have read it over. It does correctly reinforce the point this is not creating any new governmental involvement. We don't want anyone to misinterpret this.

This is not to increase regulation, not to increase any kind of entitlement or entanglement. I thank the gentleman for this initiative. I very much agree this ought to go on the RECORD as something that is universally agreed to in the Congress.

Mr. ROYCE. Reclaiming my time, Mr. Chairman, I rise today to express my opposition to H.R. 1427.

H.R. 1427 is supposed to be legislation to reform oversight of the Nation's 14 housing government-sponsored enterprises. That would be our two GSEs, Fannie Mae, Freddie Mac and 12 Federal Home Loan Banks.

Over the past number of years, I have worked very hard to reform legislation of these GSEs. I believe better oversight is needed to protect our Nation's housing sector from disruption should one of the GSEs face financial difficulty.

I am disappointed that I will not be able to support the bill authored by our committee's chairman. However, to be fair, I do acknowledge that the chairman has added a number of positive provisions to this year's bill. And I would also like to thank the chairman for his willingness to work on improving the section on receivership.

Improvements aside, I am deeply troubled that legislation intended to improve the safety and soundness of the GSEs has become a vehicle to redistribute wealth. The Affordable Housing Fund in this bill unnecessarily confiscates money from the mortgage market. I adamantly oppose the creation of an Affordable Housing Fund today, as I have since its inception.

In 2005, I was the first Member of Congress to offer an amendment in a Financial Services Committee to strike the reform from GSE legislation. Since then, I have continuously and consistently opposed the housing fund in any form, shape or size. As I said over 2 years ago, the creation of this fund is an experiment in socialism, and anyone supporting its adoption is attempting to countermand the basic principles of free markets and limited government.

With that expression, I will yield back to the ranking member.

Mr. BACHUS. I thank the gentleman from California.

Mr. Chairman, I said earlier in the debate, we do not need another housing program. If we determine that the 90 some-odd housing programs are not being effective in addressing the needs of low-income and middle-income Americans, then we need to first reform those programs.

But, in passing legislation to strengthen the financial stability of our GSEs, we do not need at the same time to impose a $3 billion cost on them. Those are opposing actions.

If we are to do it, we certainly don't need to do what we are doing in this bill, and that's impose it on those who depend on Freddie and Fannie. Those are low- and middle-income American homeowners. In fact, regrettably, that's what we do in this fund. While we do a lot of great things, we do that.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

I appreciate the gentleman for offering this. This is the central question we will be debating today, and I realize we are going to be debating it in a number of forums, I hope not all 17 that are offered, but several.

There was a legitimate question here. I have to say I do want to defend my friend, the gentleman from Alabama, from my friend, the gentleman from California, who said that anybody who would support such an idea is advocating socialism. I do not think the gentleman from Alabama was advocating socialism when he joined 208 other Republicans in voting for the Housing Trust Fund 2 years ago. I think that's a little bit excessive.

We have, I think, some economic disputes here. First of all, the notion that all of this money, $500 million, roughly 5 percent of the profits of the two institutions together, the notion that all of it will be passed along to the people who take out the mortgages, the banks and everybody else, incorrectly assumes that Fannie Mae and Freddie Mac have a degree of pricing power that virtually allows them to set prices however they wish.

In fact, there was a time when they had a very large share of the market, and might have had such monopoly power. They no longer do. There is economic competition. Fannie Mae and Freddie Mac are not the only games in town. The notion that this will all get passed along and none of it go to the shareholders is faulty economics.

In fact, this will come out of the profits of these institutions, and it will, I believe, reduce the return of the shareholders. Now, I think that's legitimate. These are institutions that receive significant benefits because of various Federal laws and the way those laws are interpreted by the market.

We say that they shouldn't keep all of the benefits. By the way, those who believe this ought not just to be opposing the Affordable Housing Fund. We have long had goals of, affordable housing goals, which dictate to Fannie Mae and Freddie Mac that they must buy certain kinds of loans rather than others. We have got that to the point where they have to give preference to people whose incomes are at 80 percent and medium and below. That also impinges upon the profitability of Fannie Mae.

In other words, the argument is that anything that impinges on the argument of Fannie and Freddie will automatically be passed along to the home buyers. I think that's faulty economics. But if you think that's true, then why are you supporting, I would ask the Members on the other side, the housing goals.

Why would Members be voting for the amendment offered by the gentleman from New Jersey, which would severely restrict the portfolio? Eighty-five percent of the profits of Fannie Mae are being made on the portfolio. Now many on the administration and many on the other side want to severely restrict the portfolio, reduce it or say they can only be used for the lowest income mortgages.

That amendment, which many on the other side apparently plan to vote for, would have a far more serious impact on the profitability of Fannie Mae and Freddie Mac than on this housing fund by 8, 10 times as much. It is simply inconsistent to argue that you cannot impinge on the profitability of Fannie Mae and Freddie Mac without hurting the average mortgage buyer, and then

be for this much more significant impact on the profitability, and the economics are the same.

The argument is no direct passthrough here. The argument is that if you impinge on that profitability, they will raise their prices. First of all, the answer is, of course, they wish. They wish they had that kind of pricing power. I don't think they do.

To the extent that there is some impact, it will be far more greatly achieved if the amendment were to be adopted by the gentleman from New Jersey and other efforts to restrict the portfolio.

The gentleman from Alabama also said we have all these other housing programs. No. We do not have enough programs currently being funded that build affordable housing for families. We have 202 for the elderly. We have 811 for the disabled, both of which the administration has tried to cut back.

We are not building public housing. We have the voucher program. The voucher program, on an annual basis, adds to the demand for housing in a way that does not increase supply. There is not now a generally funded affordable housing construction program for families, for working people.

So the notion, and I would challenge Members who say there is duplication, show me which program this duplicates. It doesn't restrict it to the elderly and the disabled. It is a general family affordable housing program. That's what we think we should get into. It does it without taking money from the general Treasury. It pays for itself.

Finally, people have said, well, how is it going to be spent? We made this point very clear.

In the first year, it will go to Mississippi and Louisiana State authorities. Subsequently, none of it will be spent until a second bill passes this House and the Senate, and we will collectively decide how to spend it. I know there are people who think the Federal Government should provide affordable housing. That's the only argument for this amendment.

Mr. PRICE of Georgia. Mr. Chairman, I move to strike the requisite number of words, and I yield to my good friend from Alabama.

Mr. BACHUS. I thank the gentleman from Georgia and I thank the chairman.

I would like to briefly respond to two things that the chairman said. But before I do, I would like to acknowledge and thank the chairman. He said, in voting against this bill 2 years ago, I was not promoting and voting for it, I was not promoting socialism. Let me also acknowledge that 2 years ago, when the chairman voted for this bill, he was not opposing socialism. So, I think we both acknowledge that I was not promoting socialism, and you certainly weren't opposing socialism, nor are you today.

Now, the chairman has said that this isn't going to cost anything. It's out of the profits. It's not going to come from homeowners, it's not going to come from Fannie Mae, it's not going to come from Freddie Mac.

Mr. FRANK of Massachusetts. Would the gentleman yield?

Mr. BACHUS. Yes.

Mr. FRANK of Massachusetts. I said it would come from the shareholders. I didn't say it wouldn't come from Fannie Mae or Freddie Mac.

Mr. BACHUS. Oh, it would come from shareholders.

Mr. FRANK of Massachusetts. Yes.

Mr. PRICE of Georgia. Reclaiming my time.

I yield to the gentleman from Alabama.

Mr. BACHUS. Let me say this, the shareholders, that's the profits of the company, and the profits have to be generated somewhere. This idea that it doesn't cost anybody anything, and there is not a cost to the customers of the corporations, who are homeowners, it would be, indeed, a historic moment in this body if we passed legislation that cost billions of dollars, but it didn't cost anybody anything.

□ 1730

It would probably be the first time in the history of this universe. And if it does happen, we should pause, because we will have figured out basically how to defy the principles of mathematics and economics.

Third, the chairman mentioned Katrina, and I mentioned Katrina earlier in this debate, and let me point out, and I think this is probably conclusive evidence of why we do not need to pass a $3 billion additional housing fund.

The chairman correctly said that we passed this bill before, and I voted for it and it had money in there for Katrina. Well, this bill creates $3 billion, much of which will go to Katrina. Well, it was only 2 months ago that we appropriated $3 billion for Katrina. That is the 3 billion that we voted for; and there is no reason to pass legislation, which actually passed this body, went to the President and passed appropriating $3 billion, and here we come appropriating another $3 billion.

So I will continue to say we determined we needed $3 billion when I voted for this bill before, and I stand by that. We didn't need $6 billion, we needed $3 billion. That is why we voted for $3 billion. That is why 2 months ago we said this is what it will cost.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Mr. Chairman, parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Do we not go back and forth between the parties in recognition?

The CHAIRMAN. The Chair accords priority to members of the committee.

Mr. FRANK of Massachusetts. Without regard to party? The gentleman from Colorado is a member of the committee.

The CHAIRMAN. The Chairman did not see the gentleman from Colorado standing at the time he recognized the gentlewoman from Illinois.

The Chair will go to the gentlewoman from Illinois, and that will be followed by the gentleman from Colorado. So there is an understanding, the Chair intends to recognize members of the committee first in the order in which they are standing, regardless of which side of the aisle they may come from.

Mrs. BIGGERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to support the amendment to strike the Affordable Housing Fund.

I think the reason that we are having so much trouble talking about this, I know that in our March 15 hearing we urged the chairman if we could spend some time working this out prior to coming to the floor, and obviously that hasn't happened. But I think, because of all the questions, because we haven't had a hearing on this and we don't know what the national fund is; and he keeps saying we have got an Affordable Housing Fund now.

It is estimated by CBO that it is going to be $3 billion over a 5-year period. If that is 1.2 basis points, then it will be the $3 billion. But there is still no dollar limit as to how large the fund can become. Where will the money for the fund ultimately come from? We don't know, talking about is it going to be from lower and middle Americans, or is it going to be from shareholders?

But I think these are all things that need to be considered before we have the fund. And I know it is, ''Trust me. We are going to have a national fund and we will figure out how it is going to work.'' But I think that, in this day and age, that we really need to give the regulator some idea of what their job is.

I agree with so much of this bill. I think it is a shame. I voted for the bill last time, and I was very proud to do that. A lot of people didn't vote for the bill. And suddenly, most of the bill that was in that bill is now in this bill.

But unlike last year's legislation, I think this bill has included in this provision that doesn't permit the regulator to focus on the very important duties in this bill, and rather to have this Affordable Housing Trust Fund I think it is too bad. The new regulator has the duty to write those regulations and then administer an Affordable Housing Grant Fund program from day one, when we don't know what this national trust fund is going to end up being. I don't think that this is an appropriate time to do it.

So I urge that we would strike the Affordable Housing Trust Fund from this bill, and would urge support of that amendment.

Mr. PERLMUTTER. Mr. Chairman, I move to strike the last word, and I yield to Mr. FRANK from Massachusetts.

Mr. FRANK of Massachusetts. I unfortunately have to again correct the ranking member. There was no money for affordable housing construction of any significance for Katrina affected areas.

The gentleman from Alabama incorrectly stated that we already voted $3 billion for Katrina. In the bill that we passed for the hurricane, there was one proposal for project-based section 8 that could help build 4,500 units. There was no other money in that bill for housing construction. Members will go back and read the debate, and they will see it was always contemplated by those of us for the bill that would be accompanied by this bill.

The assertion that this duplicates money voted for housing construction in Katrina has zero accuracy. This was always contemplated to be the second bill.

Additionally, the gentleman said I said the money wouldn't come from anywhere. No, quite to the contrary. I said several times in this hearing that it would come from the shareholders. I do not believe that Fannie and Freddie have monopoly pricing power that allows them simply to pass along every cost. Beyond that, I did note know that there were other positions being taken that would reduce the portfolio of Fannie and Freddie that would have far more impact on the profitability than the housing fund.

So those who believe that when you impact Fannie and Freddie's profitability you raise the cost of mortgages, they should not be for any other reductions in the housing fund.

I thank the gentleman from Colorado and I return his time to him.

Mr. PERLMUTTER. I would like to say something to the gentlelady from Illinois. The Affordable Housing Fund has specific and definite parameters as to how it is derived and how it is built. So I am not sure what she is saying is there is no certainty attached to it.

And the other thing is this is a classic tail wagging the dog argument. My friends on the other side, here we have, as Mr. BACHUS aptly pointed out, an entity. And it is a government entity, these GSEs with trillions of dollars of assets. And what we are talking about here is $500 million of affordable housing passing from one government entity to potentially another. It is less than one one-thousandth of the overall asset base of the particular GSEs, and less than 10 or 13 percent of the several billion dollars misstatement in accounting, which is what we are really trying to get to in this bill.

These entities could not account for their funds properly. They need more oversight. And I find my friends on the other side disregarding the purpose of this bill, which is the oversight to rail against the affordable housing for people in low and very low income situations from profits that are generated by a government entity.

They are saying that is wrong, that is socialism.

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

Mr. PERLMUTTER. I yield to the gentleman from Alabama.

Mr. BACHUS. The gentleman keeps saying this is a government entity. This actually is a government-sponsored entity. And what we do in this bill is we try to separate and say that there is no implied guarantee by the government for this entity; it needs to generate its own profits. And it does that from homeowners whose mortgages they purchase or back.

Mr. PERLMUTTER. Reclaiming my time. Government-sponsored entity, government entity. In this instance, this is minute compared to the assets of this government-sponsored entity, and this is a classic tail wagging the dog. I would urge a ''no'' vote on this amendment.

Mr. GARRETT of New Jersey. Mr. Chairman, I move to strike the last word.

First of all, let me commend the chairman on his work on this legislation with regard to the underlying and the basic principle where this whole legislation came from; and that is, to create a world class regulator, I think was the buzz word when we first started working on this, with regard to the GSEs. And when the night is done and we vote on final passage of this, I hope that the language in the bill, I see the chairman is leaving. But I hope that the chairman will stick to his promise and the assertions that what we have in this is a good regulator, and it will not have any amendments that will water that down.

But to the point of the ranking member's amendment, I stand in support of the amendment. We should look at this and realize that what we have in this housing fund is an MTI, a mortgage tax increase. After this bill becomes law and a prospective homeowner goes to buy his next house and he sits there at the lawyer's office with the stack of papers this high that they have to fill out, somewhere in those documents buried in all the fine print and other costs that always are found in a home purchase at the last minute will be increased costs to them, an MTI, a mortgage tax increase.

Why is that? Because, as the ranking member indicates, you can't pull money out of thin air. We are not creating perpetual motion by this bill. They are trying to set with the housing fund a new flow of money to go into this. But where does it come from?

Now, the chairman of the committee constantly retorts that it is not coming from the perspective home buyer, it is not coming from the low and moderate income individual, who is just getting enough money together to buy that first house. And yet the door is slammed shut on them because one more tax, an MTI, a mortgage tax increase, is coming through this bill.

The chairman would suggest that it is coming exclusively from the stockholders. I don't see the chairman on floor at this time, but I would offer and entertain from the chairman whether he would accept an amendment to the bill right now that would specifically say that: That no increase in fees can be charged; that we cannot raise any taxes on the individual; and that all the money has to come from the stockholders.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of New Jersey. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I wouldn't accept such an amendment because it would be impossible to enforce the economics of what's involved, to the extent that an entity has pricing power, monopoly pricing power or duopoly that can pass along the costs.

I would just note that the gentleman from New Jersey has an amendment that would have a far more significant negative impact on the profitability of these institutions than this bill.

Mr. GARRETT of New Jersey. Reclaiming my time. Because I have heard the gentleman make that charge with regard to my amendment, which has not come to the floor yet and I will be glad to get into a debate on my amendment later on. But the amendment that is before us right now addresses the issue as far as this MTI, mortgage tax increase.

And I appreciate the chairman now coming to the floor and saying specifically that his comments earlier was not absolutely correct when he said it would all come from the stockholders. Before he said it would come from the stockholders and not from the home buyers. Now he just indicated that you can't put that in language because you cannot actually prove that is going to occur. And that is my point, that at the end of the day the GSEs are in control of this. They will have the tax on them; they will have to decide where this tax is going to be placed. Is it on the poor, low income family, who has no bargaining rights with the GSEs at all; or will be with their stockholders, which the chairman just admitted that we as a legislative body cannot control.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of New Jersey. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I am disappointed in the gentleman's naive economics. No, you cannot by statute affect this economic question.

My point is that is a measure of where the pricing power is, and it is impossible to sort out where it comes from when you are talking about profits. A corporation will maximize profit. One of the restraints on that will be competition.

My belief is that there is sufficient competition in this field so their ability to put all the costs on the customers and not have much on the company shareholders is far less than the gentleman from New Jersey thinks. That is not something you do by statute, as in every other context he would recognize.

Mr. GARRETT of New Jersey. And I am not naive in my politics or on economics at all. Because we know that, in business, at the end of the day the cost of anything that we buy is eventually paid for by whom? By the consumer.

You can say that you are pushing it off onto the stockholders or the investors of the company, but at that point in time you realize that if it raises the price too much for the stockholders or investors to invest in that company, what will they do? They will step back and they will not invest in that entity anymore, they will not invest in that company anymore, which raises the overall cost for investment for that entity. In this situation, then where does the cost go to? It goes to the consumer.

Mr. Chairman, we should be opposed to this mortgage tax increase.

□ 1745

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to talk about this for a moment. First of all, let me just address the gentleman from Alabama's amendment, who's a very honorable person and a very, very good and highly thought-of colleague.

But it's very important that we recognize that his amendment is designed to do one and one thing only, and that is to gut this bill. And that's what the design is. So no matter which way you talk, whatever the arguments you use, it's designed to gut the bill.

Now, for the last year and a half, 2 years in our Committee on Financial Services, we've talked about the affordable housing trust fund. It has been moved out in many respects as a bipartisan measure.

Now, this is tailored. It's tailored specifically. I want to put into the RECORD a letter. It comes from the Most Reverend Nicholas DiMarzio, who is the Bishop of Brooklyn, Chairman of the Domestic Policy Committee for the United States Conference of Catholic Bishops. Here is what he says.

He says, ''As Chairman of the Domestic Policy Committee of the United States Conference of Catholic Bishops, I write in strong support of a provision in H.R. 1427, the Federal Housing Financial Reform Act of 2007, that provides some $500 million a year from Fannie Mae and Freddie Mac as a dedicated source of funding for an affordable housing trust fund.

''As you know, the Catholic community serves tens of thousands of men and women and children who struggle to avoid homelessness and maintain adequate housing. Besides sheltering homeless people who turn to us for help, our Catholic Charities, agencies, dioceses and parishes have built and continue to maintain thousands of affordable units. But despite our efforts and the efforts of so many others, there is just not enough affordable housing available. And we believe that a trust fund will be a stable source of money for building and rehabilitating affordable housing for very low income people.

''Our experience demonstrates to us how homelessness and inadequate, substandard housing destroys lives, undermines families, hurts communities and weakens the very social fabric of our Nation. By setting aside money for a National Housing Trust Fund, Congress acts to make the shelter needs of low income families a national priority.''

This brings us to the crux of this matter. And the crux of this matter, gentleman from Alabama, and my colleagues on the other side of the aisle, is that we have a pressing need. We have a pressing need for affordable housing. And nowhere is that pressing need more pressing than in Louisiana and Mississippi, where this is targeted to.

How those people have suffered; how much they've begged and pleaded for help. And yes, we have passed Katrina funds, but not for this.

And in committee, time and time again, we've raised these issues, and your very amendment, my distinguished friend from Alabama, was defeated in committee.

Now, it's very clear that 75 percent of the affordable housing funds available in the first year will go to Louisiana. 25 percent of such funds will go to Mississippi for affordable housing arising out of the costs and out of the terrible agonies of Hurricanes Katrina and Rita.

It's about time that we responded to these needs. And there's no better way of dealing with it than through Fannie Mae and Freddie Mac.

But I do want to set the record straight so we understand, from the point from the gentleman from New Jersey and others, and the public who's listening to this debate and watching this debate, to make sure that you understand exactly what this housing fund is based upon. It is funds and where the funds are derived from. They're derived through contributions by Fannie Mae and Freddie Mac in amounts equal to 1.2 basic points on each GSE's total outstanding mortgages, including both those held in the portfolio and those that have been securitized each year, from 2007 through 2011. And the program sunsets in 5 years. This is not a permanency. This is an emergency situation where affordable housing is needed. We're infusing this in. We're targeting it to the area in this country where the greatest need is, and then we're sunsetting it in 5 years. That's the responsible way of doing it. And I submit that the gentleman's amendment should be defeated.

Mr. HENSARLING. Mr. Chairman, I move to strike the requisite number of words.

I'd like to yield 30 seconds to the ranking member.

Mr. BACHUS. I appreciate the gentleman from Texas.

Let me say this to the gentleman from Georgia. He said that my amendment guts the bill because, as he sees it, the bill is this pressing need for affordable housing, when I say this bill is all about establishing an independent world class regulator for Fannie and Freddie. So I think that is true. I think you're acknowledging that what we're doing is establishing a strong regulator. What y'all are doing is establishing an affordable housing fund.

Mr. SCOTT of Georgia. Will the gentleman yield for one moment, please? Who better to deal with affordable housing than Fannie Mae and Freddie Mac?

Mr. HENSARLING. Reclaiming my time.

The CHAIRMAN. The gentleman from Texas controls the time.

Mr. HENSARLING. Mr. Chairman, I heard the gentleman from Georgia earlier read some correspondence from a bishop. I don't have any correspondence from a bishop this evening, but I do have some correspondence from some hard working families in the Fifth Congressional District of Texas talking about what we could do to make their housing affordable. And I think it's particularly important when we think about my friends from the other side of the aisle earlier today, literally just a couple of hours ago, passing the single largest tax increase in American history that will amount to roughly $2,700 a year on the families in the Fifth District of Texas.

I heard from the Freeman family in Mesquite, and they wrote me, that ''With the extra $2,700 being forced to pay to Washington, my family could lose our home, or we may be forced to give up education because the money won't be there to pay for it. It is really unfair that the low man on the totem pole is always having to give everything up. These extra taxes are not needed.''

Well, one way we can make housing affordable is not tax people with homes in the first place.

I heard from the Kirkendoll family in Garland, Texas. ''Dear Congressman Hensarling, I am unemployed on Social Security and my wife works. At this point, between taxes and utilities, we're at the breaking point of being able to keep a home.''

You know, one of the greatest ways that a home is affordable is you don't take money away from the family in the first place. And so, besides the single largest tax increase in American history that the Democrat majority passed earlier today, now they want to pass on a mortgage tax on hard working families struggling to make ends meet as well.

I heard from the Stevens family in Mesquite, Texas. ''Congressman Hensarling, I wanted to let you know that I'm a single mom that does not receive any type of child support, and a tax increase of this amount would break me. I would be at risk of losing my home with this type of increase. I'm writing to ask your help to keep this from happening. This will be devastating to middle income families and families in my situation.''

Mr. Chairman, I have many more letters like this. And so we've heard so much rhetoric from our friends on the other side of the aisle that somehow we don't care about affordable housing. The greatest affordable housing program in the history of this Nation is a good job and a low tax rate. And yet, with the single largest tax increase in American history passed by the majority earlier today, they threaten the almost 8 million new jobs empowering people to buy homes. You take the tax relief away. You increase taxes on capital dividends, capital gains, you start taking those jobs away.

And then you pass on this roughly $2,700 a year on hard working families all over America, you've got a double whammy. You start taking their jobs away, and then you start taking their ability to pay for these mortgages.

I listened very closely to the chairman of the committee earlier when he accused the gentleman of New Jersey from, I guess, subscribing to naive economics. I will admit, it's been a number of years ago, but I actually studied economics. I have a degree in economics. I spent 10 years in private business. And what I know about economics is that when you have a government sanctioned duopoly, as opposed to an atomistic competitive marketplace, they have a great ability to pass on costs to their customers, in this case, ultimately, the homeowner.

So I guess the gentleman, our chairman, has studied a different economics than I do. And I did listen when the chairman said that it's the shareholders that will pay. So I'm offering an amendment later this evening that says this so-called affordable housing fund will go away if the regulator determines that interest rates go up. And since the chairman believes that only shareholders will pay, I look forward to him accepting that amendment.

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members, I am surprised at the information that is being given from my friends on the opposite side of the aisle about this bill. Mr. GARRETT from New Jersey gets up and talks about the mortgage tax increase. There is no MTI. He made that up. There is no MTI identified in and for this bill. I don't know where they're getting this from. They have vivid imaginations, and they would have you believe that somehow, in order to create this housing trust fund and have the GSEs participate in it, there must be something that they've made up called a mortgage tax increase.

Did anyone tell my friends on the opposite side of the aisle that the GSEs have many places they can take the money from?

First of all, it is important for everyone to know and understand, this money does not come from the general fund. This money does not come from something called an MTI. This is after-profit tax from the GSEs. And they have all of these programs, they have not only programs that they could eliminate, they could rearrange, and get millions of dollars from, but the investors, instead of getting huge profits, they could be reduced a little bit so that money could go into this housing trust fund.

You would think that the Members on the opposite side of the aisle don't have a housing crisis in their district. Well, I've been to Alabama. I've been in Mr. BACHUS' district. I want to tell you, he's got some terrible housing problems. He's got a crisis.

But Mr. HENSARLING does, too. I don't know where those letters are coming from, but let me tell you about his district. Renter households, 81,740 including 14,931 extremely low income households in Mr. HENSARLING's district.

Of these extremely poor households, 56 percent of them are paying more than half of their incomes for housing. In this district, there's a deficit of 9,571 units that are affordable and available to extremely poor households.

I don't mind speaking up for the least of these and poor. I don't mind trying to help the people in my district. But I do mind carrying the burden for all over America, for districts where there are people in need, and somehow their representatives forget to represent them.

And my friend would have you believe that he's so concerned about the safety and soundness of these GSEs, and that they want independent world class regulation. And we've created that in this bill, we have compromised, we have worked with them, we have put a new agency in. We have done a great job.

Are you willing to sacrifice that because you don't believe the government should participate in helping the least of these get some low income housing? Are you willing to give up all that we have worked for to ensure that we have GSEs that are safe and sound because you don't want to help poor people, low income people, people who work every day but simply cannot afford to own a home or have a decent place to live?

□ 1800

I don't think so. I know some of my friends on the opposite side of the aisle may have some questions about how this is all going to work, but I really don't believe that what you mean is that you would give up this bill; that you would rather not see this bill passed, with all of the good that is in it, even FM Watch that was organized some time ago to deal with bringing down the GSEs or supporting this housing trust fund. These are your friends that you have worked with. They like the bill and they like the housing trust fund, and they have letters of support that they have passed out all over this Congress.

So I would say that even if you have some questions, you don't quite understand it, understand this: A housing crisis, people in need, moneys that can be gotten from GSEs that does not create something called an MTI, that can help people to have a decent quality of life. Just understand that. And couple that with the knowledge that you have worked very hard to make sure that these GSEs are safe and sound and you don't want to give that up at this point.

The Acting CHAIRMAN (Mr. HASTINGS of Florida). The question is on the amendment offered by the gentleman from Alabama (Mr. BACHUS).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. BACHUS. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Alabama will be postponed.

AMENDMENT NO. 22 OFFERED BY MR. KANJORSKI

Mr. KANJORSKI. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 22 offered by Mr. KANJORSKI:

Page 300, line 24, strike '', and'' and insert the following: ''. The Federal Housing Enterprise Board may recommend individuals who are identified by the Board's own independent process or included on a list of individuals recommended by the board of directors of the Bank involved, which shall be submitted to the Federal Housing Enterprise Board by such board of directors. The number of individuals on any such list submitted by a Bank's board of directors shall be equal to at least two times the number of independent directorships to be filled. All independent directors appointed''.

Mr. KANJORSKI. Mr. Chairman, this amendment is drawn for the purposes of clarifying the process used by the new regulator's advisory committee to recommend candidates to serve as independent directors on the boards of each of the Federal Home Loan Banks. This proposal is a simple, yet important, corporate governance reform.

Today, the Federal Home Loan Banks benefit from the service and the guidance of individuals appointed by the regulator to serve on the boards of each of the Federal Home Loan Banks in addition to those board directors elected by member financial institutions. Because the public-private partnership in guiding and monitoring the activities of a Federal Home Loan Bank is an important one, H.R. 1427 would preserve the election and appointment systems for constituting the Federal Home Loan Bank boards.

Under the bill the advisory committee would recommend a list of individuals to serve as appointed independent directors to the head of the new regulatory agency. This individual would then make the final determination about whom to appoint to the independent director seats on the boards of each of the Federal Home Loan Banks.

Independent directors help to focus a Federal Home Loan Bank on its statutory mission. These public appointees also help to ensure that each board has the knowledge, skills, and expertise needed to properly direct and supervise the management of the Federal Home Loan Bank. For this appointment system to work best and for independent directors to perform the role that Congress intended, the director of the new regulatory agency overseeing the housing government-sponsored enterprises should have a choice among a variety of qualified candidates when making appointments just as the voters should have a choice of candidates in elections. My amendment would allow such a choice to occur via two specific methods:

First, it would allow the advisory board to establish its own independent process for identifying individuals to serve as appointed directors. Second, the amendment would build on the rulemaking recently adopted by the existing regulator that has the boards at each of the Federal Home Loan Banks recommending individuals to serve as independent directors.

Under this second route, each board of directors at a Federal Home Loan Bank would put forward at least two candidates for each vacant independent director seat. If a board submitted just one name for consideration, we could create a system by which the independent directors could become beholden to the group that nominated them.

For the appointed directors to remain effective and push the system's mission, we need to make sure that we keep their independence in place. By mandating that a Federal Home Loan Bank board provide at least two recommendations, we will help to prevent these unusually cozy relationships from ever developing.

In sum, Mr. Chairman, my amendment refines the processes to be used by the Federal Housing Enterprise Board in recommending individuals to serve as appointed directors on the boards of the Federal Home Loan Banks in a way that helps to preserve their independence and to ensure that they help a Federal Home Loan Bank to achieve its intended mandatory objectives.

I urge the adoption of this proposal.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KANJORSKI. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman for yielding.

I want to express my support for this. We have talked to Members on the other side. My understanding, this is one of nine that was going to be agreed to.

The gentleman from Pennsylvania has been one of the leading Members of the House in insisting on the public functioning of this board and the members, and this is another chapter in the book he is writing about how to protect the input here from citizens. So I strongly hope that the amendment is adopted. It is my understanding that it was acceptable on the Republican side as well.

Mr. HASTINGS of Florida. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI).

The amendment was agreed to.

AMENDMENT NO. 29 OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 29 offered by Mr. HENSARLING:

Page 128, line 22, strike ''temporarily''.

Page 129, line 4, strike ''or''.

Page 129, line 7, strike the period and insert ''; or''.

Page 129, after line 7, insert the following: ''(D) are contributing to an increase in the cost of mortgages to homebuyers.''.

Mr. HENSARLING. Mr. Chairman, I actually had alluded to this. I hope that the chairman was able to listen at the time. This goes further into the discussion of the mortgage tax that those of us on this side of the aisle believe is being imposed upon the American people by this so-called Affordable Housing Fund.

Earlier this evening the chairman said that he believes that this will be paid by the shareholders. We believe on this side of the aisle that, due to the duopoly power, the Fannie and Freddie, that they already control roughly 80 percent of the market in which they operate, that a substantial portion of the cost of the so-called Affordable Housing Fund will, indeed, be imposed upon homeowners in the form of higher mortgages, indeed, functionally a mortgage tax, a new mortgage tax on the American people.

I was heartened to hear, although I disagree with his economic analysis, that the chairman has concluded that this will be paid by the shareholders.

My amendment is fairly simple. It amends the section dealing with having the regulator suspend the program. Now, we know that within the language the program can be suspended, essentially, dealing with systemic risk of the economy. What my amendment does is, if the regulator finds out that, contrary to the chairman's opinion, that there is a mortgage tax, that indeed it has an adverse impact upon the cost of housing in America, that mortgages rise, that the program will be terminated.

So, again, I hope I understood the chairman correctly when he said that he thought this cost would go to shareholders. If he does, I would hope that he would accept the amendment. And if the chairman chooses not to accept the amendment, and I am sure the gentleman will let us know soon, then I guess what we are admitting is that, indeed, there is a mortgage tax to be imposed on hardworking homeowners, some of which we heard from earlier this evening from the Fifth District of Texas, and we know how an additional tax is going to adversely impact them in the ability to keep their homes.

So I hope the chairman is right that shareholders, as opposed to homeowners, end up paying this if we are going to be stuck with this particular program.

So this is a very simple amendment that says if we have a mortgage tax, the program is suspended. If we are confident there is no mortgage tax, then there shouldn't be any opposition to this particular legislation.

With that, Mr. Chairman, I request an ''aye'' vote.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is another effort to try to kill the fund, this time by obfuscation.

We have tried to work out some agreement. There are about 11 different amendments that try to do the same thing. Members should just be ready to be here all night and maybe until Tuesday or come back on Tuesday.

I understand the objections to the fund. What I don't understand is why Members wouldn't be willing to accept two, maybe three chances to defeat it.

Now, with regard to the economics, first of all, there is this myth that we have said it's not coming from anywhere. We do believe that it will come primarily from the shareholders.

By the way, in earlier debates on this, some of the opponents of the bill said the same thing. If you go back and look at the transcripts of our committee, although I can't understand why anybody would want to do that, you will find people saying we were unfairly levying on the shareholders. That didn't work.

There are people who do not believe that the Federal Government should be encouraging the construction of affordable housing, and understand that however we propose to do it, they will object to it. If we try to do it through appropriations, that will be a problem because of the deficit. Here we try to do it by taking, we believe, essentially from the profits of Fannie Mae and Freddie Mac.

Now, as to the legitimacy of their concern, I will repeat, and the gentleman from New Jersey seemed annoyed when I mentioned it, he has an amendment that, by making restrictions on the portfolio of Fannie Mae and Freddie Mac, their main profit generators, would hit their profits far more than anything you could conceivably attribute to this amendment. So it would have, if you believe that this is going to hurt the borrowers, a much more negative effect.

I heard the gentleman from Texas say this is a government-sanctioned duopoly. At one point it might have been. In fact, today, the securitization

market is far more competitive. It's not atomistic, but there are states, economic states, between duopoly and atomic, and this is where we are here. There are significant private competitors to Fannie Mae and Freddie Mac. You will know that because some Members, Mr. Chairman, have heard from them who don't like what we are doing here. And we believe that the primary burden here will come from the shareholders. The notion that Fannie Mae and Freddie Mac can raise prices at will does not seem to me to reflect economic reality.

Now, the gentleman from New Jersey said why don't you pass a statute saying that? That is the naivete of economics. You can't pass a law that says economic reality shall be X or Y or Z. There is an interplay among various forces. We do believe that the great bulk of this will come from the shareholders.

By the way, it amounts to 5 percent of the profit. Other amendments would restrict the profit by far more. And if people legitimately believe that any restriction on the profit was going to hurt the mortgage borrowers, then they wouldn't be offering those other amendments.

There is a common thread here. They don't think the Federal Government should help build affordable housing. We strongly disagree with that. We believe that the Federal Government should. The calculation that is being asked to be made here is a very difficult one to make.

The gentleman prides himself on his economic expertise that he learned some time ago. I don't know where he learned that you could easily make this kind of calculation. There will be legitimate debate.

□ 1815

And by the way, what he does say here is that if at any point it turns out that there is an impact, you know, things can happen slow, the competitive situation can be more or less, a lot of factors will affect this. If at any point it happens, then the fund is permanently shut down. You will note that he strikes the word ''temporarily.'' This is an effort, once again, to kill the fund.

Mr. HENSARLING. Will the gentleman yield?

Mr. FRANK of Massachusetts. Not yet.

I understand people who don't like it. And by the way, I would note again, not the gentleman from Texas, but 209 Republicans in October 2005 voted for legislation that included exactly this sort of fund. Some of us voted against it because of a provision that is not now in this bill that would have kept the Catholic Church and others in the religious field from building housing. But I don't understand why, if it's so terrible today, it wasn't then.

Mr. Chairman, now I will yield to the gentleman.

Mr. HENSARLING. I thank the chairman for yielding.

I want to make it very clear; I have agendas, I don't have hidden agendas. I want to make it very clear, I do disagree with this program. But if we are going to have the program——

Mr. FRANK of Massachusetts. I'm sorry, I didn't hear what you said.

Mr. HENSARLING. Again, I thank the chairman for yielding.

I simply said that you seem to imply that this was designed to somehow kill the program. I just wanted to make it very clear that any way I could get rid of this program, I would. But I would ask the chairman for a clarification.

Mr. FRANK of Massachusetts. I thank the gentleman, and I understand that. And that's clearly what's involved here. And we will hear four or five different ways to do it.

Let me just say this; this has now become a late night TV commercial, it might be a late night debate. It will slice, it will dice, it will cut. We are going to see the magic nine cut knife as a way to kill the Affordable Housing Program. And we will have everybody but a TV pitchman demonstrating it. And maybe he will throw in a few Ginsu knives as well to knock off a couple other programs, but this is simply one more assault out of many that we will hear today on affordable housing.

Mr. PRICE of Georgia. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from Texas.

Mr. HENSARLING. I thank the gentleman for yielding.

I was going to ask the chairman for a clarification. What I heard earlier in the evening is that shareholders will pay the cost of the Affordable Housing Fund. And what I think I'm hearing now is that the shareholders will pay substantially most of the housing fund, which leaves some portion paid by somebody else.

So I am asking the chairman, in his opinion, if it is no longer being paid totally by the shareholders, doesn't that mean that some portion is indeed being paid by the homeowner? Thus, we can debate the quantity of the mortgage tax that will be imposed upon the homeowner. But it seems to me if we've gone from total shareholder payment to substantial shareholder payment, there is a mortgage tax. And I might request the gentleman from Georgia to yield to the chairman for clarification.

Mr. PRICE of Georgia. I yield to the chairman.

Mr. FRANK of Massachusetts. Well, in the first place, the universe is not exhausted by the borrowers and the shareholders. There are banks involved. There are many other people in the transaction. And yes, I think there will be various distributions, of course, and it will differ at different times and different economic circumstances, depending on the competitive situation.

I believe that it is possible in some circumstances a very small percentage of the 5 percent might go on to the mortgages. It is likely to be de minimis. And the answer is it doesn't come just from the shareholders, it comes from the banks, from the mortgage brokers——

Mr. HENSARLING. Thank you.

Mr. PRICE of Georgia. Reclaiming my time.

Mr. FRANK of Massachusetts. I'm sorry for trying to answer the question.

Mr. PRICE of Georgia. I appreciate the chairman's candor, because what we have just heard from the chairman is important because it's the first time that the chairman has recognized and appreciated that, in fact, mortgages will go up, and they will go up on individuals that may be the least able to afford them in this Nation. And therefore, I think the contention of my good friend from Texas, that this is indeed a mortgage tax on individuals least likely to be able to afford them is accurate. I appreciate the gentleman pointing that out.

Mr. BLUMENAUER. Mr. Chairman, I move to strike the requisite words.

Mr. Chairman, one listens to the ebb and flow of this debate, and you sort of lose track of what it is that we are about here this evening.

As Senator Moynihan said, that we're entitled to our own opinions, we're not entitled to our own facts. And perhaps if my friend from Texas had spent less time making up things to try and scare people back home in terms of political fantasy and spent some time dealing with the substance that we have here this evening, we would have less disagreement.

It was cited earlier that this proposal is an experiment in socialism. Well, one can look at the history of how the special status of these entities evolved from being government agencies to being in this special hybrid status of the government-sponsored enterprises. The fact is that the Federal Government sets the ground rules. Congress sets the ground rules.

As my friend, the chairman of the committee, pointed out, that there are costs associated with everything we do. Goals for affordable housing entail some cost. The regulations entail some cost and consequence. Focusing in on the lowest income has some costs and consequences. This is all right. This is what we are about here this evening is to determine whether or not, as Congress exercises its oversight, its focus, that it is appropriate in nature and it is reasonable in its outcome.

Mr. FRANK has pointed out that what we are talking about here, in terms of this fund, is a tiny fraction of the overall profits of multi trillion dollar holdings. He has also pointed out, and something that has not been refuted by our friends who are trying to kill it, is that there are other proposals that they are talking about which would bear far greater impact on the profitability of the enterprises. The question we should be asking is whether the goal is one that is appropriate. And it seems to me very strongly that what has been identified here is an appropriate goal. It is consistent with the

creation of these entities. It speaks to a crying need in community after community.

I would strongly urge that we vote down this and each of these proposals to gut this essential provision that would help us make substantial progress in providing affordable housing for those who need it most.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I really believe that it is so comical to see our friends on the other side of the aisle come up with the various and different ways to so-called ''skin this cat'' and gut the bill. This is very clever way my great friend from Texas, whom I have great respect for (Mr. HENSARLING), but, Mr. Chairman, let me just read for the RECORD exactly what his amendment says so that we can really fully understand the lengths to creative linguistic judgments that they will go to cleverly try to skin the cat and gut the bill.

Mr. HENSARLING says his amendment will permanently eliminate the Affordable Housing Fund contributions in the case of certain factors in the bill that, as written, merely require a suspension of fund contributions. And two, also requires permanent eliminations of the Affordable Housing Fund contributions if a determination is made that such contributions are contributing to an increase in the cost of mortgages to home buyers. Putting the issue in a considerably complex box.

Now, we know from the dynamics of economics what is happening in our society today, especially in the housing market. We know what the ravages of Hurricane Rita and Katrina has done to the area which we are targeting the bill. We also know that there is no segment in society that is most impacted and in need of affordable housing than the very, very poor, those people who need the help. This is where this bill is being targeted.

And his amendment would prevent the reinstatement of affordable housing funds when a GSE's financial problems temporarily cause a suspension of funds contributions is resolved, and would also create a new condition to shut down the fund that could arbitrarily result in the permanent elimination of the Affordable Housing Fund. That is exactly what the gentleman's amendment does, and that is exactly why we need to defeat it.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. HENSARLING. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 21 OFFERED BY MR. HINOJOSA

Mr. HINOJOSA. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 21 offered by Mr. HINOJOSA:

Page 140, line 3, before the semicolon insert the following: ''; except that the Director may, at the request of a State, waive the requirements of this subparagraph with respect to a geographic area or areas within the State if (i) the travel time or distance involved in providing counseling with respect to such area or areas, as otherwise required under this subparagraph, on an in-person basis is excessive or the cost of such travel is prohibitive, and (ii) the State provides alternative forms of counseling for such area or areas, which may include interactive telephone counseling, on-line counseling, interactive video counseling, and interactive home study counseling''.

Mr. HINOJOSA. Mr. Chairman, today I am offering an amendment to the housing counseling amendment that I passed in committee. Today's amendment will permit States to seek a waiver of the in-person pre-purchase housing counseling requirement if the person obtaining the mortgage lives in a remote area of the country, which includes the majority of rural America.

I urge my colleagues to support the amendment.

Mr. Chairman, during the Financial Services Committee mark up of H.R. 1427, I offered an amendment to the Affordable Housing Fund section of H.R. 1427 that requires that homebuyers who fall below 50 percent of the median income obtain pre-purchase in-person housing counseling. The Committee adopted the amendment by voice vote.

My amendment recognizes the fact that we have a very unstable housing market at the moment.

It also acknowledges that minorities are becoming victims of predatory lending, and that the poorest of the poor, which includes a considerable percentage of my congressional district and other rural districts, need financial literacy in general—and in-person housing counseling in particular—before they enter into any kind of loan agreement.

The amendment that passed in committee does not require any funding from the Affordable Housing Fund. The funding for such counseling usually comes from the Department of Housing and Urban Development or the States. My amendment merely requires that existing counseling information be provided in-person for those who fall below 50 percent of the median income, which tends to be renters.

Today, I am offering an amendment to the housing counseling amendment that passed in committee. Today's amendment will permit states to seek a waiver of the in-person pre-purchase housing counseling requirement if the person obtaining that mortgage lives in a remote area of the country, which includes the majority of rural America.

The alternative forms of housing counseling may include interactive telephone counseling, on-line counseling, interactive video conferencing, or interactive home study counseling. A complete waiver of the counseling requirement under Section (g)(2)(d) may be granted only for borrowers for whom it is not possible to provide such alternative forms of counseling. Very few households meet this criteria.

Mr. Chairman, I believe that this amendment No. 21, provides states with the appropriate waiver authority they need to take into account the difficulties of providing in-person housing counseling, Financial Literacy Education, to those living in remote areas of the United States.

I urge my colleagues to support amendment No. 21.

Mr. FRANK of Massachusetts. Mr. Chairman, I am impressed with the precision and exactitude of my friend from Texas. I am actually used to Texans talking slower. I appreciate my friend getting to the point so quickly, and I apologize for my not being there.

It is a very good amendment and I think has been agreed to by both sides.

The gentleman from Texas has been a strong proponent of housing counseling. We all agree that if we had had more of that earlier, we might have less of a problem than we have today. He has been very strong on the questions of literacy. So I very much appreciate this amendment and hope it is adopted.

Mr. HINOJOSA. Mr. Chairman, I yield to the gentleman from Texas (Mr. NEUGEBAUER).

Mr. NEUGEBAUER. Mr. Chairman, we have no objection to the amendment.

Mr. FRANK of Massachusetts. Thank you, Mr. Chairman. Not elegant, but effective. I hope the amendment is adopted.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HINOJOSA).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. NEUGEBAUER

Mr. NEUGEBAUER. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. NEUGEBAUER:

Page 60, line 2, after ''posed'' insert ''to the enterprises''.

□ 1830

Mr. NEUGEBAUER. Mr. Chairman, I rise tonight to make a clarifying amendment on this bill. One of the things that this bill does is it clarifies the amendment to ensure that the portfolio standard be based solely on the safety and soundness to the enterprises and not any of the broader systemic concerns.

We have the financial housing industry financing model of the world. Because of the model we have in place today, America enjoys one of the highest home ownership rates in the history of this country. More people own a home today than at any time in the history of this country. Primarily a lot of that housing affordability and the ability for Americans has been because of our tremendous secondary market, the ability to provide home mortgages for Americans all over this country.

This legislation clarifies that when the regulator looks at regulating this entity, that he looks at the safety and soundness of that entity and not external factors. Just like when we regulate banks, we set certain standards for their capital, for their loan ratios and all of those other factors, and we should not look at this entity any different than we look at other entities. So really this is a clarifying amendment. It just says we are going to look at the safety and soundness of how this company is running their business.

We shouldn't put things out there that the regulator is not able to, quite honestly, articulate, because what is a systemic risk? That becomes a point of order that sometimes the regulator cannot explain what exactly the systemic risk is they believe it is. It is a way to limit their portfolios.

I want to thank Ms. BEAN of Illinois and Mr. MOORE of Kansas and Mr. MILLER of California for joining me in clarifying the importance of making sure that as we put together a first class world regulator for these very important entities to the American home ownership, that we do not put in place things that would inhibit the ability of these entities to be able to deliver the quality mortgage products that they have delivered to the country over these years.

So I think this is a very clear amendment. It clarifies the language and makes sure we don't have any question about what the intent of the regulator is and what the duty of the regulator is. I encourage my colleagues to support this amendment.

Ms. BEAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today in support of H.R. 1427. I want to thank Chairman FRANK for his hard work in crafting such a strong GSE reform bill, and I am pleased that the Financial Services Committee was able to move this bill to the floor so quickly. Passage of this legislation is necessary to further strengthen the U.S. financial system and is essential in establishing a sound regulatory environment for the housing GSEs, Fannie Mae, Freddie Mac and the Federal Home Loan Banks.

In order to ensure that the GSEs are able to perform their Congressionally chartered functions as efficiently, successfully and safely as possible, Congress must put into place a robust, world class regulator capable of overseeing the safety and soundness of Fannie Mae and Freddie Mac's operations as well as their housing mission.

However, over the last several months, as Congress has considered how best to achieve this goal, much attention has been drawn to the scope of the new regulator's authority in developing criteria to oversee Fannie Mae and Freddie Mac's portfolios, which are critical in providing liquidity and stability to our Nation's housing market.

On this issue in particular, I believe Chairman FRANK's intent in crafting this legislation has been clear from the beginning, to provide bank-like oversight authority, to ensure the safe and sound operations of the GSE portfolios.

However, when asked about the portfolio language Chairman FRANK negotiated with Secretary Paulson, James Lockhart, the current GSE regulator, was quoted in January as saying, ''My view is that inherent in any safety and soundness activity, one has to be concerned about systemic risk, and I don't think it has to say the word to have that as a potential consideration.'' In contrast, during the committee's oversight hearing, Chairman FRANK once again reiterated what has been his consistent view, that the language was envisioned to only cover mission and safety and soundness concerns.

This apparent ambiguity about the interpretation of the bill's portfolio language fueled concerns on both sides of the aisle and underscores the need to clarify its intent.

Mr. Chairman, the term ''safety and soundness'' is a well-defined term in banking law and regulation. What is less clear is the application of a so-called systemic risk standard. First, there is no systemic risk standard applicable to banks or financial services holding companies, and certainly no such standard imposed on the mortgages they hold.

Second, the question of whether or not to apply a systemic risk standard to Fannie Mae and Freddie Mac has already been asked and answered definitively by this House. In the 109th Congress, Representative ROYCE offered an amendment to the GSE reform authorizing systemic risk as a consideration for regulating the GSE portfolios. This amendment was overwhelmingly rejected on a bipartisan vote of 346–73.

Such a strong repudiation highlights several of the questions the proponents of systemic risk have been unable to adequately address. Number one, how to define it; two, demonstrate how there could be a systemic risk to the overall economy that would not first trigger safety and soundness concerns to the enterprises themselves; and, three, why should GSEs be held to a different standard than other holders of mortgage assets.

Furthermore, Mr. Chairman, I was extremely concerned yesterday following the administration's release of its official Statement of Administration Policy. In it, the administration suggests that the portfolio authority contained in H.R. 1427 helps to address the systemic risk that Fannie Mae and Freddie Mac pose to our financial system.

The SAP leaves no doubt that the administration interprets the current language of H.R. 1427 to authorize an application of systemic risk, which is why I urge my colleagues to support this bipartisan amendment I am offering today with Representatives NEUGEBAUER, MOORE and MILLER. As it did in the 109th Congress, the House must once again reject the vague notion of systemic risk and be clear that it is not intended to be a criterion applied by the new GSE regulator.

This amendment is very straightforward. It would ensure if there is sufficient risk posed to each company, the regulator would have the authority to adjust the portfolio. However, the regulator would not be authorized to shrink, cap or limit the size of the GSE portfolios based simply upon a nebulous determination that the portfolios are too large or that they might pose a risk to the overall system.

Again, I want to thank Representatives RANDY NEUGEBAUER, DENNIS MOORE and GARY MILLER for their support and hard work on this issue. I am pleased the amendment has received such strong and broad-based support. I am equally pleased to see that portrayed associations representing the leaders have endorsed this amendment.

Mr. GARY G. MILLER of California. Mr. Chairman, I move to strike the requisite word.

I rise in support of this amendment. The GSE regulator should have authority to limit the size and growth of a GSE portfolio, but specifically addressing safety and soundness are mission concerns with respect to the institution. This was clearly the intent of the language that was introduced within the bill, and this merely clarifies the language in this amendment.

This is a clarifying amendment, not a weakening of the regulator, and that needs to be clearly understood. The amendment mitigates concerns that the regulator could establish an overly broad scope in viewing possible risk to the portfolio.

The goal of this bill is to create a strong regulator. This bill creates that. But such an overly broad view could lead to unnecessary limits on the enterprise's portfolio activity to the detriment of the housing financing system.

The amendment would simply add three words, those are ''to the enterprise,'' to Factor 6 of section 115, so the language would read ''any potential risks posed to the enterprise by the nature of the portfolio holding.''

Systemic risk can be considered by the regulator, it just must be in the context of safety and soundness and the mission of a GSE. The problems we are having in the housing market today are basically in the subprime and the jumbo market. The reason is because about 18.1 percent of those loans are fixed-rate, 30-year loans. If you look at the conforming marketplace, 82 percent is a fixed-rate, 30-year loan.

The problem in the marketplace is not GSEs in the conforming. The problem is in the subprime and jumbo. So you don't want a regulator to look at the problem in the marketplace and say let's limit the portfolio of a GSE, and restrict the only sector of the marketplace that is not having a high amount of defaults and foreclosures, to the detriment of the marketplace.

If you go back to the 1980s and the 1990s when this country was in a major

housing recession, if you went to a lender, it was almost impossible to get a loan if you did not comply with the conforming requirements. They would not make you a loan to build a house. And if you wanted to buy a house, it had to be based on the underwriting criteria of the conforming marketplace. Thereby, the lender could take and sell that loan off to the conforming market, which are the GSEs.

Lenders at that point in time were facing foreclosures and default rates and having to set aside reserves to deal with it. They did not have the assets to go make loans and hold those loans in their portfolios, because they were limited based on the defaults they currently had. But they would make loans that met the criteria of the GSEs and the conforming marketplaces. Thereby you could go get loans.

This amendment takes no authority out of the regulator's hands to address systemic risk related to safety and soundness or mission of the enterprise. But that is what we need to understand. If the enterprises' portfolio are properly regulated from the standpoint of safety and soundness, the issue of systemic risk becomes moot. Therefore, a broader scope of regulation of portfolios is overreaching and unnecessary in addressing this safety and soundness.

The House previously rejected systemic risk in an amendment in the 2005 bill by a vote of 73 to 346. At that point in the bill, in the 109th Congress, we wanted to make sure that systemic risk only applied within the GSEs, not something outside, and it was clearly defeated. We did the right thing.

The amendment is consistent with the agreement and with the statements by the Treasury and OFHEO and the portfolio provisions. The language is not intended in any way to weaken the agreement with the Treasury. Rather, it is an attempt to clarify the language in the bill to better reflect that agreement.

As an original cosponsor of this bill, I believe this amendment is consistent with our intention for the portfolio provisions. Treasury Under Secretary Robert Steel confirmed this in his testimony to the committee on March 15 in an exchange with Chairman FRANK, when Chairman FRANK noticed that the current language ''could go beyond the safety and soundness mission.''

Chairman FRANK suggested to Secretary Steel that the language should be improved to ensure that the provisions would not be used beyond the scope, and Steel agreed at that point in time.

Similarly, OFHEO Director Lockhart testified, ''My reading of the systemic risk is it's part of a regulator's job; it's part of safety and soundness.''

Further, in a letter following the hearing, Lockhart wrote, ''We did agree that systemic risk outside of safety and soundness should not be a part of the regulator's approach.''

What they are saying in our bill is that this needs to be clarified. This language does that. It is harmful to the housing markets to reduce GSE portfolios when it is absolutely unnecessary.

We have to look at history and this GSE market has been very good. This amendment has been supported by the National Association of Realtors, the National Association of Homebuilders, the National Association of Mortgage Brokers, the National Association of Federal Credit Unions and the Independent Community Bankers of America.

This is a good amendment, and I request an ''aye'' vote.

Mr. MOORE of Kansas. Mr. Chairman, I move to strike the last word.

As a cosponsor of this amendment, I rise in support of the effort of my colleagues from Illinois, Texas and California to amend and clarify language in H.R. 1427. I have served on the Financial Services Committee since I was elected to Congress in 1998, and in that time I have learned about the regulation of financial institutions.

I strongly believe, Mr. Chairman, that the regulators of financial institutions likes GSEs, should have its authority to assess the risk of an enterprise and to protect the safety and soundness of those entities.

H.R. 1427 grants the new regulators strong authority to promote safety and soundness. Within the scope of that authority is the power to require the GSEs to alter their portfolios in accordance with that goal. I am not aware of any financial institution whose regulator has the power to alter their business on the basis of potential risks it poses to the broader financial markets.

Passage of this amendment would clarify the duties of the new regulator to focus on risk to the enterprises, which is consistent with the authority that other regulators to financial institutions currently possess.

Mr. Chairman, GSEs fill a vital role in the housing market by providing stability, liquidity and affordability. The new regulator has the responsibility of ensuring the safety and soundness of GSEs, and in doing so it will protect the viability of the GSEs.

In keeping with the purpose of H.R. 1427, the Bean-Neugebauer-Moore-Miller amendment will ensure that there is certainty within the markets so that Freddie Mac and Fannie Mae will be able to continue to serve their charter, while being subject to new, robust regulation.

Mr. Chairman, I urge my colleagues to adopt this.

□ 1845

Mr. BAKER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, reluctantly, I must speak with concern about the gentleman's underlying proposed amendment. There are more than sufficient reasons for me to express these concerns in my opinion.

Going back briefly into the record of the difficulties of Fannie Mae and Freddie Mac of their derivatives portfolio, I bring to the House's attention this OFHEO special report issued in 2003 in which they determined that senior management and the board were quite aware that the skills and systems in corporate accounting were at the least challenged, and that the derivatives group lacked sufficient knowledge and training to administer the risk.

Nonetheless, they chose to move forward with an approach to FAS 133 hedging that was complicated requiring huge volume of monthly accounting events as hedges were designated, and chose to structure some very complicated securitization transactions without proper guidance.

In looking at the annual shareholder report, under their derivatives disclosure, they state: ''We principally used the following types of derivatives: Euro Interbank offered rate interest rate swaps; LIBOR based options including swaptions; LIBOR exchange traded futures and foreign currency swaps.

If we go further and look to the counterparties with which the enterprises now must engage hedging strategies, we find that Deutsche Bank holds $38.952 billion of Freddie's; BNP Paribas, $28.156 billion; Barclays, $22 billion; Dresdner Bank, $4 billion; and please excuse me because my German is poor, Kreditanstalt fur Wiederaufbau holds $2.5 billion.

Now in understanding why we should have concern about the restraint of a regulator's authority to analyze the portfolio, the underlying safety and soundness conditions, and the elements of world economy that surround their hedging strategies, one only has to remember for a short moment the days surrounding LTCM when there was a Russian currency liquidity crisis, and people who had no expectation across several different currency transactions and swaps, were called upon to liquidate their positions and make cash available and were unable to do so.

It led the Federal Reserve to meet an emergency session in the New York Fed office, and they were surprised to see who was sitting around the table holding these positions, including many commercial banks of whom they had no knowledge were participants.

Let me say it this way, if you don't care about any of that, of our insured depository institutions in this country, almost 8,000, of the tier one capital requirement, that is money you have to have by law in your sock drawer. That says if it rains, you have money to mop up the floor. Almost 50 percent of them meet their tier one capital requirement by holding GSE securities. My goodness, if there were to be the slightest of stumble, it goes to the core of our financial depository institution's safety and soundness.

There are foreign central banks invested in Fannies and Freddies, and if you don't care about that, at least think about your pensioners. There are billions of dollars of Fannies and

Freddies spread across this economic fabric woven together in an extrinsically complicated matter, and we are going to tell this regulator you can only look through the keyhole, you can't look at the room? It makes no sense.

Now I know I will probably lose on this position. The home builders are a powerful enterprise. But for the record, I want to be loud and clear, this is a mistake.

Mr. Chairman, I would be happy to yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. The gentleman from Louisiana has consistently been one of the most constructive Members in this regard. Some of us were not as tuned in as we should have been earlier, and I appreciate that.

I differ with him somewhat in emphasis here because I do think if there were to be any of the threats that he very lucidly and cogently outlines, they would have to involve a threat to the safety and soundness of Freddie and Fannie. That is, I have a metaphor problem. I don't see Freddie and Fannie as pulling down the temple without getting a couple of rocks in their own head. But I do understand it is a matter of concern.

Let me also add, I have some uneasiness because I have worked very closely, and all of us here have been the beneficiary of the very thoughtful approach of Secretary of the Treasury Paulson and Under Secretary Steel. We have come to some agreements.

The Acting CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

As I was saying, Secretary Paulson and Under Secretary Steel made it possible for us to come to agreement.

I would like to say to Mr. BAKER, as he looks and as I look at who has come there, and I think some statements were made that shouldn't have been made that made people nervous. I want to give my friend from Louisiana and others the assurance, Mr. Chairman, that assuming this wins, and it looks likely to, I don't consider it to be the last word on the subject. I think the concerns he has talked about are legitimate.

We are going to have a bill from the other body, and we will get to a conference. I want to promise that I plan to continue to work with the gentleman from Louisiana, as well as the ranking members on the other side, the Secretary of the Treasury. We win here and we are going there. Maybe we have to move back a little bit. I understand where this comes from.

I agree with him that I don't think there is a point now in trying to fight it here, but I do want to acknowledge that I don't consider it a solely settled issue, and I am hoping that we will find some way to accommodate the very legitimate concerns that he has as we go further.

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

Mr. FRANK of Massachusetts. I yield to the gentleman from Louisiana.

Mr. BAKER. I certainly appreciate the chairman's comments and his recognition that the posture of the bill, if this amendment is adopted, may need further examination. I look forward to working with him on it.

On a broader matter, let me say as to the construction of the bill generally, the chairman has done an extraordinary job of giving the regulator the powers and tools that he needs, save in this one area. I hope in moving forward, we can construct a box that makes appropriate regulatory sense. The Treasury has expressed these concerns to me tonight, and I am expressing those views on their behalf as well.

Mr. FRANK of Massachusetts. Let me say, I appreciate that. The Treasury has chosen well in having you do it. I just want to give you my commitment that we will continue to work on this issue.

Mr. HENSARLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to associate myself with the comments of the gentleman from Louisiana. I, too, wish to raise my voice loud and clear on the issue, but certainly in a far less articulate manner than the gentleman from Louisiana who is well versed on this issue.

In my opinion, Mr. Chairman, the only thing worse than a regulated monopoly is an unregulated monopoly. I don't necessarily trust private companies. I trust competitive marketplaces, and wherever Fannie and Freddie goes, I feel the competitive marketplace leaves.

Since I have been on the committee 4½ years now, we have heard frequently from our past Federal Reserve chairman and our present Federal Reserve chairman. Their voices could not be more clear on the matter that they believe the GSEs pose a very significant systemic risk to our economy.

Now in a competitive marketplace, you are punished for misleading accounting. In a competitive marketplace, you are punished for bad business decisions. In a competitive marketplace, you are certainly, certainly punished for fraud. We no longer have an Enron. We no longer have a WorldCom. We no longer have an Arthur Andersen. We no longer have a New Century.

A competitive marketplace, before they could lead to systemic risk, took care of those who may have engaged in faulty accounting, fraud, or poor business decisions.

But that is not the case with Fannie and Freddie. And now where we finally have empowered the regulator to do something, the first thing we do is clip his wings. I just feel on this matter, I am going to listen to Chairman Greenspan and I am going to listen to Chairman Bernanke, and I don't totally know the impact of the language of the people who offered the amendment, including my dear friend from Texas, completely, I don't know if I completely understand its impact, but what it seems to do, all of a sudden it seems to say well, the regulator can make sure that Fannie and Freddie can't harm themselves, but they can't make sure that they don't harm the rest of us. That is my interpretation of this amendment.

So again, if we are going to sanction a government, if we are going to create essentially a duopoly, and the last time I looked at the records controlled 80 percent of the market in which they operate, and as opposed to retrenching, they seem to prosper when they misstate their earnings, when they have billions and billions of misstated earnings, when they mislead the government and when they mislead their investors, when they couldn't produce audited financials in years, and, I believe, hold more debt than the publicly held debt of the Federal Government, I think we ought to err on the side of strengthening the regulator's ability to protect us by the systemic risk of what we, we in Congress, have created in the first place.

So I, too, wanted to raise my voice loud and clear on this issue. I certainly appreciate the chairman's willingness to work with the gentleman from Louisiana and others of us on the committee who are very concerned about the potential systemic risk posed by the activities of Fannie and Freddie.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. NEUGEBAUER).

The amendment was agreed to.

AMENDMENT EN BLOC OFFERED BY MR. FRANK OF MASSACHUSETTS.

Mr. FRANK of Massachusetts. Mr. Chairman, as the designee of the Members I am about to name, I ask unanimous consent that the following amendments be considered en bloc: No. 2 from Ms. EDDIE BERNICE JOHNSON of Texas with a modification which is at the desk; No. 3 from Mr. BOOZMAN; No. 6 from Mr. TERRY; No. 7 from Mr. DONNELLY; No. 11 from Mr. BLUNT; No. 20 from Mr. MCCAUL of Texas; and No. 31 from Mr. BAKER.

I ask further that the debate on the amendment en bloc and any amendment thereto be limited to 20 minutes, equally divided and controlled by the majority and minority.

I am proud to report that I am the designee of all these people. I have rarely been so popular.

The Acting CHAIRMAN. The Clerk will designate the amendments.

Amendment en bloc consisting of amendment Nos. 2, 3, 6, 7, 11, 20 and 31 offered by Mr. FRANK of Massachusetts:

AMENDMENT NO. 2 OFFERED BY MS. EDDIE BERNICE JOHNSON OF TEXAS

The text of the amendment is as follows:

Page 140, line 3, before the semicolon insert the following: ''and a program of financial

literacy and education to promote an understanding of consumer, economic, and personal finance issues and concepts, including saving for retirement, managing credit, long-term care, and estate planning and education on predatory lending, identity theft, and financial abuse schemes, that is approved by the Director''.

AMENDMENT NO. 3 OFFERED BY MR. BOOZMAN

The text of the amendment is as follows:

Page 139, strike lines 22 through 25 and insert the following:

''(D) is made available for purchase only by, or in the case of assistance under this paragraph, is made available only to, homebuyers who have, before purchase—

''(i) completed a program''.

Page 140, after line 3, insert the following:

''(ii) demonstrated, in accordance with regulations as the Director shall issue setting forth requirements for sufficient evidence, that they are lawfully present in the United States; and''.

AMENDMENT NO. 6 OFFERED BY MR. TERRY

The text of the amendment is as follows:

Page 303, line 4, strike ''and''.

Page 303, after line 4, insert the following:

(B) in the first sentence, by inserting after ''less than one'' the following: ''or two, as determined by the board of directors of the appropriate Federal home loan bank,''; and

Page 303, line 5, strike ''(B)'' and insert ''(C)''.

AMENDMENT NO. 7 OFFERED BY MR. DONNELLY

The text of the amendment is as follows:

Page 140, line 3, before the semicolon insert the following: '', except that entities providing such counseling shall not discriminate against any particular form of housing''.

AMENDMENT NO. 11 OFFERED BY MR. BLUNT

The text of the amendment is as follows:

Page 154, line 6, strike the closing quotation marks and the last period.

Page 154, after line 6, insert the following:

''(p) FUNDING ACCOUNTABILITY AND TRANSPARENCY.—Any grant under this section to a grantee from the affordable housing fund established under subsection (a), any assistance provided to a recipient by a grantee from affordable housing fund grant amounts, and any grant, award, or other assistance from an affordable housing trust fund referred to in subsection (o) shall be considered a Federal award for purposes of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note). Upon the request of the Director of the Office of Management and Budget, the Director of the Federal Housing Finance Agency shall obtain and provide such information regarding any such grants, assistance, and awards as the Director of the Office of Management and Budget considers necessary to comply with the requirements of such Act, as applicable pursuant to the preceding sentence.''.

AMENDMENT NO. 20 OFFERED BY MR. MCCAUL OF TEXAS

The text of the amendment is as follows:

Page 154, line 3, after the period insert the following: ''Notwithstanding any other provision of law, assistance provided using amounts transferred to such affordable housing trust fund pursuant to this subsection may not be used for any of the activities specified in clauses (i) through (vi) of subsection (i)(6).''.

AMENDMENT NO. 31 OFFERED BY MR. BAKER

The text of the amendment is as follows:

Page 23, line 16, strike ''5 members'' and insert ''3 members''.

Page 23, line 20, after the semicolon insert ''and''.

Page 23, line 22, strike ''; and'' and insert a period.

Strike line 23 on page 23 and all that follows through line 5 on page 24.

MODIFICATION TO AMENDMENT NO. 2 OFFERED BY MS. EDDIE BERNICE JOHNSON OF TEXAS

The Acting CHAIRMAN. The Clerk will report the modification to amendment No. 2.

The Clerk read as follows:

Modification to amendment No. 2 offered by Ms. EDDIE BERNICE JOHNSON of Texas:

In lieu of amendment No. 2, on page 140, line 3, before the semicolon insert the following: ''and a program of financial literacy and education to promote an understanding of consumer, economic, and personal finance issues and concepts, including saving for retirement, managing credit, long-term care, and estate planning and education on predatory lending, identity theft, and financial abuse schemes relating to homeownership that is approved by the Director''.

Mr. FRANK of Massachusetts (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Acting CHAIRMAN. Without objection, amendment No. 2 is modified and the amendments shall be considered en bloc.

There was no objection.

The Acting CHAIRMAN. Without objection, the gentleman from Massachusetts (Mr. FRANK) and a member of the minority each will control 10 minutes.

There was no objection.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to one of the authors, the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I rise today to support this amendment and certainly want to thank the chairman of the committee and other members of the committee.

My amendment, as modified, addresses the need for public knowledge and understanding of basic financial principles. It also seeks to reduce our Nation's already enormous consumer debt. My amendment requires that anyone who receives Federal assistance through the affordable housing fund committee attend a financial literacy program.

We must educate our Nation's consumers to make informed decisions when managing their personal finances. Many consumers, especially first time homeowners, do not fully understand the complex financial agreements into which they are entering. For most families, their home is their single largest financial investment.

Therefore, it is vital to provide working families with the knowledge on how to buy and keep their homes. The number of foreclosures rise every month all over the country. And in the Dallas area, we have one of the highest foreclosure rates in the Nation.

My amendment will work to reduce the number of foreclosures and solidify a strong housing market. Education truly is the key to building a strong housing market and strong communities. Homeownership is a dream for many Americans. It represents security and it builds pride in our neighborhoods, and it is essential in creating positive, productive communities.

My amendment will help families fully understand their financial commitments and allow them to successfully achieve their part of the American dream.

I appreciate the chairman including my amendment en bloc.

The Acting CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. NEUGEBAUER) for 10 minutes.

Mr. NEUGEBAUER. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas (Mr. BOOZMAN).

□ 1900

Mr. BOOZMAN. Mr. Chairman, I thank the gentleman from Texas for yielding me so much time.

In the interest of trying to curry favor with the gentleman from Massachusetts and the gentleman from Texas, I'll be very, very brief.

My amendment is a very commonsense amendment that ensures that any homeowner applying for or receiving assistance through the affordable housing funds are in the United States legally.

Not passing this amendment will only make it possible and probable, highly probable, that people residing in this country illegally will receive these benefits at the expense of U.S. taxpayers.

Mr. FRANK of Massachusetts. Mr. Chairman, first I yield myself 30 seconds to thank the gentleman from Arkansas.

There are actually four amendments trying to achieve the same purpose. I must say I thought his did it in the best possible way, leaving flexibility. There may be legislation adopted. I am hoping this may save us some time later, but I do want to say we completely agree.

Let's be clear now, with the adoption of this amendment, no one will be able to benefit from the Affordable Housing Fund who cannot demonstrate that he or she is legally in this country. I think that was very helpful. I'm glad that it's going to go through unanimously, and I thank the gentleman from Arkansas for the straightforward way in which he did it.

Mr. Chairman, I believe there are no Members left on our side who need to be recognized, so I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, it's my pleasure to yield 5 minutes to the gentleman from Texas (Mr. MCCAUL).

Mr. MCCAUL of Texas. Mr. Chairman, I rise today in support of an important amendment to H.R. 1427. As we all know, the underlying bill creates an Affordable Housing Fund. In addition, the bill provides for the establishment of an Affordable Housing Trust Fund, should Congress decide to create one in the future. All the moneys from the Affordable Housing Fund would then be transferred into the Affordable Housing Trust Fund.

While I have serious concerns that a fund like this creates the opportunity for fraud, waste and abuse, and detracts from the bipartisan goal of GSE reform, I would like to commend the chairman of the Financial Services Committee for including in the bill a list of prohibited uses for the housing fund grants. These prohibitions include political activities, advocacy and lobbying.

I know that my friends on the other side of the aisle agree with me when I say that government grants should not be used to fund political activities of any sort. If they didn't, they would not have included it in this bill.

My amendment simply applies the exact same restrictions on any future trust fund. While an argument can be made against this amendment that the prohibitions are implied in the text of the bill, it is important in my view that when we are dealing with the taxpayers' dollars that we are as clear and explicit as possible.

I thank the chairman.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MCCAUL of Texas. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I thank the gentleman. I really appreciate his offering this amendment. As I said, I understand there will be some philosophical differences over the existence of the fund, but it certainly is incumbent upon us to make sure that that's all we're debating, not whether it would be misused or abused.

We tried to deal with that. You never anticipate everything, and the gentleman's amendment is a very good addition of the kind of safeguards we want so that we can be debating the real issue and not other things, and so I am grateful that you're offering it.

Mr. MCCAUL of Texas. I thank the chairman.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. DONNELLY).

Mr. DONNELLY. Mr. Chairman, my amendment, along with my good friend and colleague, Mr. FEENEY from Florida, will ensure that pre-purchase financial counselors for low income, first-time home buyers who are to receive Affordable Housing Fund grant moneys do not discriminate against any particular form of housing in the performance of their duties or rendering financial advice.

My amendment will prohibit any existing biases from entering into the financial advice that counselors administer to first-time home buyers, and it ensures that the advice that they are providing is strictly financial, not editorial.

These first-time home buyers need to have access to information about all of the types of affordable housing that is available to them, whether it is a manufactured home, condominium or any other form of quality affordable housing.

We want to ensure that the people who benefit from this program have all of the information they need to make a sound decision based on their financial needs, but counselors should not steer them to or away from specific types of housing.

Mr. Chairman, I urge my colleagues to support this amendment, and I see that my good friend Mr. FEENEY is on the floor as well.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1½ minutes to the gentleman from Florida (Mr. FEENEY).

Mr. FEENEY. Mr. Chairman, I will not need that much. I thank the chairman. I thank Congressman DONNELLY.

I think it is important as we get people into counseling to give them the best advice about how they can qualify for good loans and how can get good credit and how they can take care of their financial needs as they move into housing that we not allow counselors to be biased in the forms of the housing that they may like or not, but give all of the options out to the customers.

I want to applaud the gentleman for his good amendment. I want to encourage my colleagues to join in supporting it.

Mr. FRANK of Massachusetts. Mr. Chairman, how much time do I have remaining?

The Acting CHAIRMAN. The gentleman from Massachusetts (Mr. FRANK) has 6 minutes remaining. The gentleman from Texas (Mr. NEUGEBAUER) has 7½ minutes remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 2 minutes. I don't see other sponsors.

Just to say, in the absence of the minority, I don't mean to be presumptuous and others may want to speak as well, but one of the amendments we're adopting was offered by the gentleman from Missouri, the minority whip, to require that any assistance provided in the fund from the National Affordable Housing Trust Fund be considered a Federal award for the purposes of the Federal Funding Accountability and Transparency Act, full disclosure, et cetera.

I appreciate, once again, the gentleman from Missouri offering this. I have heard the gentleman from Texas' amendment. These are two safeguards that we neglected to put in.

What it makes clear is that while this is not going to be Federal funding, it will be treated, since it comes from this Federal enactment, with all of the safeguards that would apply if it were Federal funds. And I think the whip has done a very good job in doing this. He's picked up an existing set of rules, and this is one more example I think of the extent to which, and I know this doesn't do away with all the controversies, but it does allow us to argue, as I said, on a philosophical basis.

So I just want to acknowledge my appreciation to the whip for coming up with this, and I'm glad we're able to adopt it.

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

Mr. NEUGEBAUER. Mr. Speaker, we have no other people to speak on this en bloc, and so I yield back the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment en bloc offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment en bloc was agreed to.

AMENDMENT NO. 14 OFFERED BY MR. MCHENRY

Mr. MCHENRY. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Mr. MCHENRY:

Page 156, line 4, after ''Congress'' insert ''and the Director of the Federal Housing Finance Agency''.

Page 156, after line 4, insert the following new subsection:

(e) DETERMINATION AND SUSPENSION OF ALLOCATIONS.—Not later than the expiration of the 3-month period that begins upon the expiration of the period referred to in subsection (d), the Director of the Federal Housing Finance Agency shall review the report submitted pursuant to such subsection and shall make an independent determination of whether the requirement under section 1337(b) of the Housing and Community Development Act of 1992 (as added by the amendment made by subsection (a) of this section) that the enterprises make allocations to the affordable housing fund established under section 1337(a) of such Act—

(1) will decrease the availability or affordability of credit for homebuyers of one- to four-family residences; or

(2) will increase the costs, to homebuyers, involved in purchasing such residences.

If the Director determines that such requirement will decrease such availability or affordability, or will increase the costs of purchasing such residences, notwithstanding such section 1337(b) or any other provision of law, the requirement under such section to allocate amounts to the affordable housing fund shall not apply, and shall not have any force or effect, with respect to the year in which such determination is made or any year thereafter.

Mr. MCHENRY. Mr. Chairman, I want to start by commending the ranking member, SPENCER BACHUS, and the chairman of the Financial Services Committee, Mr. FRANK, for the open dialogue that we've had in the Financial Services Committee and here on the floor. This amendment process I think has been a healthy one, and I appreciate the chairman engaging in this debate.

The amendment that I offer today builds on an amendment offered and passed in the committee during markup, which I participated in and which I voted for the amendments as well. It requires a GAO study to investigate the Affordable Housing Fund's effects on availability and affordability of credit for home buyers. That's what the amendment added to the bill.

Essentially the GAO study will tell if the costs of the funds are being passed on to home buyers. Some of us on this side of the aisle, many free market conservatives, believe that what is deemed the Affordable Housing Fund, the Housing Trust Fund, will be passed on straight to the mortgage consumers of America; in essence, a tax increase on those who have mortgages, especially middle income individuals.

My amendment takes what is in the bill and goes it one step further. If, as a result of the GAO's report, the Director of the Federal Housing Finance Agency determines that the Affordable Housing Fund is increasing mortgage costs for consumers, my amendment suspends the assessment of Freddie and Fannie. I think this is a healthy thing.

As the bill stands, Freddie and Fannie will allocate an amount equal to 1.2 basis points of their total portfolio to the fund for fiscal years 2007 through 2011. Over these 5 years, the fund will accumulate an estimated $3 billion for the purposes of these housing initiatives. But Fannie and Freddie are publicly traded companies, and as someone who analyzed the economics of this, I'm concerned that a 1.2 basis point assessment of the total portfolio will simply be a 1.2 percent tax increase on those that have mortgages.

And what I want to make sure is those costs are not going to be passed on to the consumer. What I'm concerned about is that it will be a mortgage tax increase, and that is the reason why I have concerns about the housing fund as it now stands.

So what my amendment does is alleviate those concerns, and if my amendment passes, I think it would be far easier to accept the housing fund as it now stands, and that is my big concern with the bill.

I want to commend the chairman for putting in much-needed reforms to Fannie and Freddie and the government-sponsored enterprises, and we want to make sure that middle income Americans, middle income home buyers will be able to have affordable access to mortgages. That's what Fannie and Freddie are there for. We want to make sure that this does not raise and increase the cost of home buying.

I would ask my colleagues to support my simple amendment that would alleviate some concerns that we, on this side of the aisle, a few on this side of the aisle, have with this bill, and I encourage my colleagues to vote for it.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

In response to the gentleman's amendment, let me just try to cut through a lot of this to get to exactly why we oppose this amendment and why it's important. And again, this amendment is again designed to obliterate the program.

Now, it's very important for us to understand, we're dealing right now with a very volatile housing market. We're dealing with a situation where the subprime market has melted down. We're dealing with a situation where we've had record foreclosures. We're dealing with a situation where the area we're targeting this to go to first for the first year has suffered the worst natural disaster, where people are homeless as we speak.

There is a need for government. We have a constitutional responsibility to take care of the public interests. If there ever was a need for the public interest, it is needed in affordable housing. We do not need this kind of amendment that in effect does this, all the studying he may want to say, and I respect the gentleman from North Carolina. I do not question his motives, and I do not dislike him as a person. I just dislike greatly his amendment because his amendment goes, again, at the effort to cut this bill, which is totally designed for the least of us, for people that can't afford it, for people that need our help.

That's why we have this measure, and when you look at the marketplace, you cannot apply the activities of the free marketplace dealing with housing and put all of the convertibles you want to put on it as it applies to middle class or upper class individuals. We're not dealing with people with money. We're dealing with people that don't have any money. That's why we're providing this measure to them.

So that if your amendment goes into effect, in effect you will be requiring the Director to determine if the GSE's allocations to the fund will decrease the availability or affordability of credit to home buyers or will increase the costs to home buyers. If the Director determines that the GSE's allocation to the fund will decrease the availability or affordability of credit to the home buyer will increase the costs to the home buyers, the requirement to allocate amounts to the funds shall be terminated.

□ 1915

All of that power you are putting arbitrarily into a person's hands to say, on his whim, kill the program, done with the program, based upon what he sees and what he says. That's why this bill, this amendment, must be defeated, and we recommend strongly a ''no'' vote on your amendment for that reason.

The Acting CHAIRMAN. The Committee will rise informally.

The SPEAKER pro tempore (Mr. AL GREEN of Texas) assumed the chair.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1495. An act to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

H.R. 2206. An act making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1495) ''An Act to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and that on May 17, appoints Mrs. BOXER, Mr. BAUCUS, Mr. LIEBERMAN, Mr. CARPER, Mrs. CLINTON, Mr. LAUTENBERG, Mr. INHOFE, Mr. WARNER, Mr. VOINOVICH, Mr. ISAKSON, and Mr. VITTER, to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2206) ''An Act making emergency supplemental appropriations and additional supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. INOUYE, Mr. REID, Mr. COCHRAN and, Mr. MCCONNELL, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of committee of conference accompanying the bill (S. Con. Res. 21) entitled ''Concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012.''.

The SPEAKER pro tempore. The Committee will resume its sitting.

FEDERAL HOUSING FINANCE REFORM ACT OF 2007

The Committee resumed its sitting.

Mr. NEUGEBAUER. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from North Carolina.

Mr. MCHENRY. Mr. Chairman, I thank my colleague from Texas for yielding. I want to thank my colleague across the aisle for his informative discussion. I respect him immensely. I appreciate him laying out his arguments against my amendment.

What I would say is that we both have the same intent, affordable housing for as many Americans as possible. That should be the intent with this legislation, and I think it does, in terms of the reforms implemented for the government-sponsored enterprises that we are talking about today. The concern that I have is that, in essence, we are going to be taxing the middle class, and those that are on, let's say, lower middle class, which the government-sponsored enterprises, Fannie and Freddie were provided to provide liquidity in the marketplace.

We are going to be taxing those mortgages to pass it on to people who, you said, don't have money. So it's a transfer from that middle-class group to some folks that are on the edges of society.

My concern with that is that rather than us designing programs to bring them into the mortgage marketplace, so that they can provide for themselves, that this simply will supplement additional government programs and further lock people into receiving government money, rather than receiving a help out.

So my concern is that we are going to be taxing those that can really afford to deal with additional taxes.

Mr. SCOTT of Georgia. Would the gentleman yield just for a clarification.

The Acting CHAIRMAN. The gentleman from Texas controls the time.

Mr. SCOTT of Georgia. I am asking if he would yield for a moment to let me correct something, if he would.

The Acting CHAIRMAN. The gentleman from Texas controls the time.

Mr. NEUGEBAUER. I yield to the gentleman.

Mr. SCOTT of Georgia. I very much appreciate that. It is very important that I clear this up.

First of all, there is no inclusion of taxes here. This money is coming from the shareholders. It's coming from the shareholders of these GSEs. That's exactly where it's coming from.

Mr. NEUGEBAUER. Reclaiming my time and yielding back to Mr. MCHENRY.

Mr. MCHENRY. That is what a tax is. You are taking it from one group and giving it to another group. What this is 1.2 basis points on a portfolio. If you are talking about taking it from the shareholders, go ahead and raise the capital gains tax, because I know it is part of the budget that was passed today.

I know many of you all believe in that on your side of the aisle, some, probably, on my side of the aisle. But my point is, I don't think we should tax them. With this 1.2 basis points on a portfolio is, in fact, a tax.

The Acting CHAIRMAN. The gentleman will suspend. The gentleman from Texas controls the time and has to remain on his feet.

Mr. MCHENRY. What I would contend though is the 1.2 basis points on the portfolio is simply a tax on every mortgage that flows through Fannie and Freddie. If you are taxing the profits on Fannie and Freddie as originally designed, you can make the contention that you are taxing the shareholders of Fannie and Freddie.

But, with this design of the current bill before us, if, in fact, you believe in affordable housing, and encouraging more people into the middle class and moving people up, then what we need to do is ensure that we are not decreasing the affordability.

Mr. WATT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am always reluctant to rise in opposition to my colleague from North Carolina, because he is my close colleague from North Carolina. He is right next door to my congressional district, well, one county removed, I guess. So it's burdensome when I have to rise in opposition to his amendments.

But this one I feel strongly about. First of all, I have heard this argument several times today that this imposes some kind of tax on middle-class and low-income homeowners. I think, if you look into this, you will find that this money is either going into a trust fund, which we all support to increase homeownership and affordable housing in this country, or, as has been the case throughout Fannie and Freddie's existence, it is going to the shareholders of Fannie and Freddie.

There is no passing along of savings, no enhancement of credit to additional home buyers. This is a choice between whether the shareholders get it or if we were going to finance affordable housing by the government, whether the taxpayers would be paying for it, which this trust fund really shields the taxpayers from having put up this money. That's my first argument.

The second concern I have is that this trust fund would sunset in 5 years, and we have, as a Congress, if we pass this bill and it survives through the whole process, we will have legislated this into existence.

The effect of this amendment would be to allow the director of this new agency with all these enhanced powers that we have given to him, to unlegislate what we have legislated, which I think is an inappropriate delegation of our authority.

Now, it may be that we make a bad decision to legislate it, but we recognize that by putting a 5-year sunset in the provision and allowing ourselves to come back and correct our own decision if we find that the decision was erroneous.

It is not good from my vantage point, to say to a director of any Federal agency, we passed this as a policy matter, and we are going to give you the authority to reverse it.

Now, if some independent body were making this determination, it were a study, as the gentleman indicated, we agreed to a study by the GAO and put it in the bill. That would be an appropriate mechanism for us to get feedback where we could undo this at the end of 5 years or renew it at the end of 5 years, but that's different than saying to the director, you can go if you determine that A, B or C exists, and you can unwind what the Congress of the United States told you is the law of the land.

So if the gentleman were inclined to offer this as part of this study, which we approve, I think it might be an appropriate way to proceed, because it would help to inform us. The GAO would do the study, they would tell us what their results were, and if we agreed with them that it was a big enough mistake, then we could, even before the 5 years, we could go back and correct it. But I don't want any director of some agency to be passing legislation either directly or indirectly.

For that reason, I think this is not a good amendment. I encourage my colleagues to defeat it.

Mr. FRANK of Massachusetts. Mr. Chairman, I fully agree with my friend from North Carolina.

I rise only on one specific factual point. The gentleman from North Carolina said this would levy 1.2 basis points on the mortgages. That's in lieu of a profit. The Treasury asked us to change it.

The gentleman from North Carolina said 1.2 basis points. That's equivalent to a 1.2 percent tax. No, that's 100 times wrong. A basis point is one one-hundredth of 1 percent. So 1.2 basis points is not 1.2 percent as the gentleman said, but .012 percent.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. MCHENRY).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. MCHENRY. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from North Carolina will be postponed.

AMENDMENT NO. 15 OFFERED BY MR. KANJORSKI

Mr. KANJORSKI. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. KANJORSKI:

Strike line 22 on page 290 and all that follows through line 4 on page 293, and insert the following:

SEC. 181. BOARDS OF ENTERPRISES.

(a) FANNIE MAE.—

(1) IN GENERAL.—Subsection (b) of section 308 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended in the first sentence by striking ''eighteen persons,'' and inserting ''not less than 7 and not more than 15 persons,''.

(2) TRANSITIONAL PROVISION.—The amendments made by paragraph (1) shall not apply to any appointed position of the board of directors of the Federal National Mortgage Association until the expiration of the annual

term for such position during which the effective date under section 185 occurs.

(b) Freddie Mac—

(1) IN GENERAL.—Paragraph (2) of section 303(a) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2) is amended in subparagraph (A) by striking ''eighteen persons,'' and inserting ''not less than 7 and not more than 15 persons,''.

(2) TRANSITIONAL PROVISION.—The amendments made by paragraph (1) shall not apply to any appointed position of the Board of Directors of the Federal Home Loan Mortgage Corporation until the expiration of the annual term for such position during which the effective date under section 185 occurs.

Mr. KANJORSKI. Mr. Chairman, simply stated, my amendment would ensure a continued independent public voice in the corporate governance of Fannie Mae and Freddie Mac.

This amendment also has the support of the National Association of Home Builders and the National Association of Realtors. The bill before us would make a dramatic change in the board structures of the two government-sponsored enterprises, and this issue deserves a public debate. The charters of Fannie Mae and Freddie Mac presently require that the boards of both enterprises shall, at all times, have five members appointed by the President.

Unfortunately, the bill before us today would eliminate the requirement for presidential appointees on the boards of Fannie Mae and Freddie Mac. In my view, requiring presidential appointees to serve on the boards of Fannie Mae and Freddie Mac is entirely appropriate, given the unique nature of their charters and their important public missions.

Government-sponsored enterprises, by their very nature, are public, private entities, and they need to have a public voice at the highest levels of governance. The Presidential appointments, therefore, signal that each entity is not only accountable to its shareholders, but also to a broader national public policy interest. Additionally, the presidential appointment system gives citizens a needed voice in ensuring the viability of our Nation's housing finance system, and that the benefits of this system are widely distributed. Maintaining public representation on the GSE boards is therefore critical to ensuring continued public trust in these very important financial institutions.

This amendment would accordingly restore the presidential board appointment assistance for the GSEs. It would also restore a change made in the bill that passed the House in the last Congress by a voice vote. This change provides flexibility in the size of the corporate boards that Fannie Mae and Freddie Mac established.

This commonsense amendment to retain an independent voice on the GSE boards also has the backing of those who know our housing markets best, like the National Association Home Builders and the National Association of Realtors.

In a recent letter to me about this amendment, the home builders note that ''a diverse governing board of directors that is well balanced in knowledge and expertise in the full range of GSE-related issues and activities is critical.'' They also believe that the amendment ''will help ensure that the GSEs' board of directors are best equipped to make informed, sound judgments in fulfilling their duties, including monitoring risk management activities of the GSEs' executives.''

In sum, this amendment is one that deserves the support of everyone who wants to preserve a public voice within these public, private entities and promote good corporate governance. It has the support, as I said before, of the homeowners and the realtors.

Mr. Chairman, I urge its adoption.

Mr. FEENEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to oppose the gentleman from Pennsylvania's amendment. I can tell you that we dealt with this issue in committee on a bipartisan basis, and we decided that we wanted to take away the political operations of Fannie Mae and Freddie Mac.

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We believe that you cannot serve two masters and do a good, faithful job to both masters.

One of the reasons that Fannie and Freddie got in accounting problems in the first place is because of a complacent board of directors that was populated with political employees.

We believe in a post-Enron era that it becomes very, very important that we take advantage of corporate governance standards that are second to none. Even those of us that have criticized certain portions of Sarbanes-Oxley like section 404 as being overzealous believe deeply that Sarbanes-Oxley had some good corporate governance and conflict of interest rules that has imposed. That is why we decided that the trustees should owe a duty to the shareholders and to good corporate governance, not to the political people that may have appointed them.

And I think Mr. KANJORSKI has an understandable sympathy for having some public-oriented representatives, but the truth of the matter is you end up with members of the board of trustees that are going to have to decide between whether they owe loyalty to the person that appointed them, or to good, tough corporate governance and to the shareholders that are seeking their best wisdom.

I would ask that we strongly defer to the considered opinion on a bipartisan basis of the Financial Services Committee on this one, and that we reject the Kanjorski amendment.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI).

The question was taken; and the Acting Chairman announced that the ayes appeared to have it.

Mr. BACHUS. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Pennsylvania will be postponed.

AMENDMENT NO. 27 OFFERED BY MR. ROSKAM

Mr. ROSKAM. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 27 offered by Mr. ROSKAM:

Page 128, line 14, strike ''paragraph (2)'' and insert ''paragraphs (2) and (4)''.

Page 129, after line 22, insert the following new paragraph:

(4) LIMITING CONTRIBUTIONS TO AFFORDABLE HOUSING FUND WHEN THE GOVERNMENT HAS AN ON-BUDGET (EXCLUDING SOCIAL SECURITY) DEFICIT AND AN OFF-BUDGET (INCLUDING SOCIAL SECURITY) SURPLUS.—

(A) LIMITATION.—For any year referred to in paragraph (1) that immediately follows a fiscal year in which the Government has an actual on-budget deficit and an actual off-budget surplus, the amount of money required to be allocated to the affordable housing fund shall not exceed the amount allocated to such fund in the preceding year.

(B) DEFINITIONS.—For purposes of this paragraph:

(i) The term ''actual on-budget deficit'' means, with respect to a fiscal year, that for the fiscal year the total outlays of the Government, excluding outlays from Social Security programs, exceed the total receipts of the Government, excluding receipts from Social Security programs.

(ii) The term ''actual off-budget surplus'' means, with respect to a fiscal year, that for the fiscal year the receipts from Social Security programs exceed the outlays from Social Security programs.

(iii) The term ''Social Security programs'' means the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

Mr. ROSKAM. Mr. Chairman, this amendment would take the conversation this evening in a little bit of a different direction. It simply would postpone the diversion of funds to the Affordable Housing Trust Fund that is created in this bill until such time as Congress stops raiding the Social Security Trust Fund to pay for unrelated government programs.

This year, the majority proposed and passed a budget that assumes it will raid the entire Social Security surplus, an estimated $190 billion, to spend on other government programs, and that amount will increase to $203 billion for the year 2008.

During the course of many of our journeys to this office in this last election cycle, we stood up in senior centers and in conversations and in coffee and corner conversations, and we said, ''We will stand firmly with the seniors on behalf of Social Security.''

The chairman of the Financial Services Committee has sort of quietly admonished the Republicans on this side of the aisle who were here in the year 2005 for voting on a past bill and so forth. But there are 54 new Members of the House of Representatives, and we all took the oath of office. I took it right over there where Congressman

FEENEY is sitting, took my oath; my wife was in the audience, my children were by my side, my mom and dad were here. Fifty-four of us all came in, 13 on our side, 41 on the other side, and we took that oath of office. We were not part of the conversation in the year 2005, but many of us campaigned on the integrity of the Social Security system.

Mr. Chairman, I don't know what the parliamentary rule is on referring to quotes and so forth, and I know that it is not what in our family is called cool, so I am not going to name names. But a quick Google search of the new Members of Congress who joined me in this class, the class of 110th, criticized opponents that they defeated for voting to rob the Social Security Trust Fund and spend it on other programs.

''Those were documented votes. Those are budget votes, and they used the Social Security Trust Fund to mask the overall Federal deficit.''

Someone else said, ''We are going to make sure we have real substantive programs about how we make sure Social Security is secure.''

Or, Mr. Chairman, how about this. Another new Member said in their campaign that they would ''fight for Social Security for seniors.''

Or how about this language. That they would ''stop the raids on the Social Security Trust Fund that are used to help cover our Nation's huge Federal budget deficits.''

You get the point.

You know, life is choices. And I respect the chairman and his passion on this bill and the intellectual honesty with which he has approached this. When I saw the chairman, who was injured, I sort of thought that he might have tripped and fell over one of those Blue Dog signs that are littered all over the Cannon Building in my office. They are everywhere. Mr. Chairman, I have a copy of one of the Blue Dog signs that says, ''The Blue Dog Coalition. The national debt is $8.8 trillion, and your share of the national debt is $29,000.''

You know what? Those signs are getting a little bit faded. There is not quite so much interest in that issue right now on the part of the Blue Dogs, it seems to me.

I think we have choices to make, and I would submit that the choice that we have to make is a choice of priorities. And voting ''yes'' on this amendment says our highest priority in this conversation that we are having is to ensure the integrity of the Social Security system. It simply says, it transcends this last hour or two of debate. It doesn't get into the profitability and loss, the shareholders, and so forth. It admits, okay, great idea. But put it on pause, and take the money that the chairman has found, take the money and put it into the Social Security Trust Fund. That is what this amendment says. It says put it on pause, and use it to fund our obligations.

Look, we have got a lot of moving parts in terms of problems in this country. We have got the national debt, we have got veterans obligations, we have got pension obligations. We have got to lower gas prices. You name it. There is one thing after another that we need to do. And all this bill does is it says, great idea, terrific idea even; wrong time.

So I think the majority owes a great debt of gratitude to the chairman of the committee, because he has come up with $3 billion that can be enacted in one rollcall this evening to make the Blue Dog Coalition promise come true.

Mr. FRANK of Massachusetts. Mr. Chairman, I rise to oppose the amendment.

Sometimes I am more impressed with the gentleman's work product than others. He just made a misstatement of his own amendment, if I have the right amendment. He says, instead of putting it in the Affordable Housing Fund, put it into Social Security.

Nothing in this amendment does that. This amendment says that if there is a deficit in the Federal budget, then you don't put the money from Fannie Mae and Freddie Mac into the Affordable Housing Fund. It does not say you put it anywhere else. It is unrelated. It simply says that if you don't have enough money to meet the deficit, then you don't take money that would not otherwise go to the deficit.

There is no connection between the money being spent from Fannie Mae and Freddie Mac. This one is scored at zero by CBO; so, not spending the Affordable Housing Fund would in no way reduce the deficit.

I would yield to the gentleman if he would show me where in his amendment it says that, if we don't spend on affordable housing, we would put it into reducing the deficit. I am reading the amendment. There is nothing like that in here. I yield to the gentleman.

Mr. ROSKAM. Here's the point.

Mr. FRANK of Massachusetts. No. I am yielding for the purpose of a question. Answer the question. The gentleman said, the choice is to either put it into affordable housing or put it into the deficit. It doesn't go into the deficit now. It is Fannie Mae and Freddie Mac profit. Nothing in his amendment that I read would put it into the deficit.

Would he please explain to me what his statement meant and how it is accurate, and I will yield for that purpose.

Mr. ROSKAM. Page 2, paragraph I, the term ''actual on budget deficit'' means, with respect to the fiscal years, for fiscal year the total outlies of the government, excluding for Social Security program, exceeds the total receipts of——

Mr. FRANK of Massachusetts. I understand that. That is a definition of the deficit. Good for the gentleman. But it does not put any money into the deficit. The gentleman said that if we passed his amendment, we would be choosing to put the money, instead of into affordable housing, into helping Social Security. The amendment doesn't say that.

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

Mr. FRANK of Massachusetts. I will yield if the gentleman will give me an answer to the question. Reading his amendment doesn't get to the question. How does your amendment transfer money into Social Security?

Mr. ROSKAM. Maybe it is a two-step dance.

Mr. FRANK of Massachusetts. No.

Mr. ROSKAM. Will you yield?

Mr. FRANK of Massachusetts. I will yield, it is a two-step dance. Is the gentleman asking me to dance?

Mr. ROSKAM. The first step is to push the pause button, Mr. Chairman, and to recognize the current obligation—

Mr. FRANK of Massachusetts. I take back my time. The gentleman has now acknowledged that his statement was not accurate. The gentleman has now acknowledged that nothing in his amendment does anything about the deficit. He says it is a two-step dance. It is a Kabuki dance. It is a Dance of Seven Veils. It has got an unrepresentative argument here.

Nothing in this puts the money into Social Security. There is nothing in here that would do that. What it says is, let's not put any money into affordable housing from Fannie Mae and Freddie Mac if there is a deficit.

Frankly, the gentleman did not, it seems to me, clearly represent his amendment. He says it is a two-step dance. Is he proposing that we would then take the money from Fannie Mae and Freddie Mac, the 1.2 basis points, not 1.2 percent, and put that into the Social Security Trust Fund? He has now acknowledged that nothing in his amendment would help Social Security. I guess we will learn later what is the second step of the dance.

I am kind of older; I used to watch Arthur and Kathryn Murray teach dance, but I don't think even they could have taught us how this is going to spin into putting money into Social Security. So this amendment is a perfect definition of a non sequitur.

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

Mr. ROSKAM. Maybe it is a two-step dance.

Mr. FRANK of Massachusetts. I yield to the gentleman from North Carolina.

Mr. WATT. I want to suggest the second step of the dance, from my perspective, is the money goes into the trust fund; housing is built; that generates economic activity and reduces the deficit. So the second step to this dance is a deficit reduction using the trust fund, not under the gentleman's amendment though.

Mr. FRANK of Massachusetts. That is a far more plausible explanation than we have got.

Does the gentleman want me to yield?

Mr. ROSKAM. I thank the gentleman.

In the same way, Mr. Chairman, you have demonstrated it to the committee, and you have been a leader in this dance, basically, by saying, ''Trust me in how we are going to fund this.''

Mr. FRANK of Massachusetts. I take back my time. That is absolutely untrue. I have never asked people to trust me. If he is talking about spending affordable housing later, what I have said is it will be spent in accordance with a bill to be passed by the Congress. That is not trusting me.

And I have never said that one thing was going to accomplish the other. We have said we would set some money aside and later decide how to spend it. It doesn't do that here. It leaves the money with Fannie Mae and Freddie Mac. This isn't public money. It is a non sequitur. I repeat.

It says we have a deficit in Social Security. That is too bad. Let's keep fighting the war in Iraq for hundreds of billions of dollars, let's keep doing all these other things, but let's not take money from Fannie Mae and Freddie Mac that would not otherwise contribute a penny to Social Security and spend it on affordable housing.

Mr. MCHENRY. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I don't want to speak to the dancing capabilities of any of my colleagues, whether it be a Kabuki dance or an Arthur Murray class or however else they want to dance.

But I would like to yield to my colleague from Illinois.

Mr. ROSKAM. I thank my colleague for yielding.

Mr. Chairman, I think it is important within this context to realize who has the gavel and who has the majority.

Mr. Chairman, you have the majority. You have the ability to direct vast sums of money. And what I am suggesting is that in your earlier conversation regarding those that were a part of the 2005 vote that you sort of felt like was somehow binding into perpetuity, 54 of us, Mr. Chairman, were not part of that conversation, and 54 of us didn't really find it informative.

There are 54 of us that came in this Congress totally new, fresh. We are the Etch-A-Sketch that is clean; 41 on your side of the aisle and 13 of us.

And so what I am suggesting is in the course of the campaigns that brought us here, many, many of us, and I Googled and searched several of yours and I didn't want to string them out by naming names and so forth. But many of your new freshmen said they were champions of Social Security. Well, you know what? They have got an opportunity to vote in favor of this bill.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ROSKAM. Let me make my point, and I will reciprocate. But, like you do, you tend to finish your point.

□ 1945

Mr. Chairman, we have to make priorities.

You know, I come from the O'Hare Airport area. O'Hare is in my district. And you know, the biggest challenge in O'Hare and why everybody hates flying through it is because there are so many planes in the air. This puts another plane in the air when nationally, you know what, we've got so many things circling, we've got one obligation after another that we're not doing well.

I commend the chairman. Look, you found $3 billion. The Democrats should give you a legislative, well, I was going to say something that was a little over top. They should congratulate you for finding that type of, those type of resources. And what I'm suggesting, Mr. Chairman, is that we put this on pause. I'm not getting involved in the debate earlier about whether it's a good idea or a bad idea. Say, for the sake of argument, it's fabulous. Say, for the sake of argument, western civilization won't process forward without it. I still say that there are higher priorities. And I named any number of them.

And what you have done, Mr. Chairman, in your advocacy and the way that you have asked us to, I would characterize it as trust you on how this is going to be articulated and distributed in the future based on legislation that you will have a profound influence on. And I would also say that we've got the ability, it's a two-step process.

Mr. MCHENRY. Mr. Chairman, reclaiming my time. May I inquire how much time I have remaining?

The Acting CHAIRMAN. The gentleman from North Carolina has 2 minutes.

Mr. MCHENRY. At this point, I'd like to yield to the chairman of the Financial Services Committee for a question which is, I know the C–SPAN audience, Mr. Chairman, is very interested in my colleague's injury, and I know he circulated a Dear Colleague, but if you could explain your injury.

Mr. FRANK of Massachusetts. I decline to take up the time of the House at this late date.

Mr. SCOTT of Georgia. I move to strike the requisite number of words.

I will yield a word to my distinguished chairman.

Mr. FRANK of Massachusetts. Mr. Chairman, I'm disappointed in the gentleman from Illinois, having yielded to him, refused the same courtesy. It's my time, the gentleman from Georgia's time.

I never asked anyone to trust me. He repeats that. It is simply inaccurate.

I've said that I thought we should set some money aside for low income housing, a specific purpose, low income housing, and then in a later bill, not me personally, but the Congress, decide how best to disburse it. That is hardly saying trust me and I'm disappointed. The gentleman generally it seems to me is fairer than that.

Secondly, he says higher priority. Again, this is fantasyland. Nothing in his amendment does a penny for Social Security. And he says temporarily suspend. Hit the pause button until the deficit is over.

Let's be very straightforward. That means kill it forever. There's no pause here. No one is assuming that the deficit is going to be ended within the next 7 or 8 years, so the argument that the gentleman makes that it is more important to do Social Security trust fund than the housing fund is irrelevant because nothing, nothing in the gentleman's amendment puts a penny into the Social Security. It's one more way to kill the affordable housing fund reflecting an ideological opposition to the existence of the Federal Government helping build affordable housing.

Mr. SCOTT of Georgia. Reclaiming my time, I'd like to get into this dance just a little bit myself, because here we've got this little program that we're trying to offer to help the very, very poor. To show you how desperate the opposition is on the other side, they want to segue this program as a saviour for Social Security, when they spent the last 2 years trying to kill Social Security with private accounts.

And then to try to use, when you mentioned the Blue Dog Coalition, I want you to know I'm a member of the Blue Dog Coalition, and I take offense to that particular point. Nobody has been working harder to bring down the deficit that you all created.

Let the record speak for itself. How can you even think to take this little poor program here that we're trying to help, would get low income housing, and then claim it to try to use it to try to offset the deficit, when, in fact, we had over a $3 trillion deficit, and under your control of this Congress for the past 4 years, since 2001, you and this President sitting in the White House has borrowed more money from foreign governments and foreign nations, yes indeed, you weren't here, your party, than all of the previous 42 Presidents put together, in other words, since 1789.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. The gentleman is reminded to address his remarks to the Chair.

Mr. SCOTT of Georgia. Mr. Chairman, what I am saying is that there is very serious hypocrisy here that must be pointed out so the American people can make plain and understand the debate that is before us. This issue has nothing to do with tax increases, nothing to do with raiding Social Security savings and nothing to do with anything dealing with the debt. And my whole point is that the reason it's so hypocritical is the opposition on this side has done so much to destroy Social Security, to raise the debt and not respond. And then to pour this on the backs of this little program that we have targeted to poor people is about as hypocritical as you can get.

Mr. BACHUS. Mr. Chairman, I move to strike the requisite number of words.

What we've said on both sides of the aisle tonight, one thing we ought to be able to agree on is that last year we took $185 billion from the Social Security surplus, including everything that

we've paid in and all the interest earned last year, and we spent it.

This year, Republicans, Democrats, we passed a budget earlier today that takes $190 billion, every bit of it, every bit of the FICA taxes paid in by all of us, citizens, young and old, we spent it. We spent the interest owed from previous years on the surplus. We spent every dime of it. Next year we're going to do $200 billion.

And we can play the blame game. But I don't think the American people are interested in how much the majority is at fault, how much the minority is at fault. I think what the American people want is they want it to stop. It's, you can call it borrowing, that's a nice word. You can call it raiding. You can call it taking. But the long and short of it is we're taking money every day that the American people, the people we represent, are paying into Social Security, and they're expecting, upon their retirement, to start drawing that money out. And we all know it's not going to be there unless we change our behavior. Not you, not us, we.

In 2017, 10 years from now, 10 years from now, we're going to start having to reduce our benefits on Social Security.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. BACHUS. I will yield.

Mr. FRANK of Massachusetts. I thank the gentleman. Will he explain to me what in the world that has to do with an amendment that does not provide a penny for Social Security?

Mr. BACHUS. Let me explain what it has to do. And I think it's a good point the tape. You said, well this doesn't come to that. Let me tell you, if there is validity in taking $3 billion, there's $3 billion over there that we can take from the GSEs and we can do it without affecting their stability, and let's just presuppose for the sake of argument that we can do it without increasing the cost to middle and lower income home owners. Let's just suppose we can do all that, or shareholders. Let's suppose we can take it from the shareholders, take it from the profits and it won't cost us anything. If we can do it, if we can do it, why don't we put it in Social Security? Why don't we start a new program?

No matter how much need there is, and the gentleman from Georgia continues to talk about the need. And I, listen, I agree with you. There is a need for affordable housing for low income Americans. I'm with you. There are 90 programs right now. A lot of them don't work, and for that reason, there is a need.

And so we're passing another $3 billion over 5 years. I understand that. I understand there's a need. But you know, before we start addressing that need, let's keep our promises to the American people.

Isn't Social Security a sacred promise? How many of us, if we would raise our hands, how many of us would say no? And it is a sacred promise, why don't we start tonight with this amendment and keep that promise to the American people?

We're going to, you know, the FHA bill was in committee. We made an amendment. Okay. If we can take some of the surplus fees, the chairman, others felt like it ought to go on to housing programs.

We said, let's start putting it all in Social Security. Let's start tonight. We said 2 weeks ago, let's start 2 weeks ago and let's start putting it in to the Social Security until we reach a situation where we're not taking everything out. And once we get to, and this is what this amendment says. It says once we get to the situation where we're not borrowing, then this money can go into this new housing program. But until the day that this Congress gets to the point where we can honor our promise to seniors and not have to borrow their money from them, instead of letting it earn interest and a return, until that day to where we quit borrowing from the Social Security trust fund no new programs, no new programs.

Mr. WATT. Mr. Chairman, I move to strike the requisite number of words.

I won't take 5 minutes. I just want to remind Members that we've just spent an awful lot of time arguing about something that has nothing to do with this bill, and that there are a number of other amendments. And I fear that at some point tonight, we will regret this detour on which we have engaged.

It illustrates, and the gentleman who is in his first term here will appreciate why the rules of the House are constructed as they are. You don't have a provision to transfer this to the debt because if there were a provision in your amendment to transfer it to the debt or to Social Security, this amendment would be non germane to this bill. And without germaneness rules, you can go off and talk about, for as long as you want, as they do in the Senate sometimes, about anything that they want to talk about.

But the amendment that you have offered is marginally germane because you didn't do what you say you wanted to do. And you've made the point that, Mr. Chairman, he's made the point that he wanted to make, I'm sure, to his constituents.

So I would hope that we could get back to the amendments that are germane and relevant to this bill, and maybe finish this bill tonight. It would be wonderful.

Mr. GARRETT of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Let me just say this very briefly, that I believe that the issue of the solvency of Social Security is significantly an important issue. And I appreciate your comments on germaneness. But I appreciate the opportunity for our constituents at home to be able to hear this debate and this discussion with regard to how we see it as important and doing everything humanly possible to make sure that it is solvent and there for our seniors in the future.

I yield my time to the gentleman from Illinois.

Mr. ROSKAM. I thank the gentleman for yielding, and I appreciate my colleague's instruction on germaneness. I have drunk of that cup. I offered what I thought was a relevant but nongermane amendment and sort of learned the hard way the buzz saw of the parliamentarian on a previous bill and sort of learned my lesson. I thank the gentleman for that.

Mr. WATT. Would the gentleman yield just long enough to let me clarify that I'm not arguing about whether this is important. I'm arguing about whether it is germane, and there is a difference. I acknowledge that it is important.

□ 2000

Mr. ROSKAM. Mr. Chairman, if the gentleman from New Jersey will continue to yield, we can have a wonderful conversation about germaneness. But getting back to the chairman's point earlier about what I characterize as a ''trust in me'' argument. No, you didn't use the ''words trust in me,'' but I think it is important that the body not be left confused about the implication at least that we took about a verbal interchange that the chairman had with the gentlewoman from Illinois (Mrs. BIGGERT) when she asked, and I am quoting from the committee transcript: ''I know we have discussed the fact that there might be other ways to do this, but it seems if it is the chairman's plan to reconsider the details of the housing fund in the future, why not just take the fund out of here and then have the hearings and then make the decision.''

And at that point Mrs. BIGGERT continued: ''I cannot remember a time where we put something in and said maybe we will do this in this way but then we might do it another way and then we will go back and re-do it.''

And then she yielded to the chairman, who then said: ''The reason I do not want to leave it out now is I am very strongly committed to it, perhaps more than some other members. It is, I think, a rational part of this bill. It is a part of, frankly, an agreement.

''Let me be very clear. I believe that there is a great deal of interest on the part of the administration and some others in having a greatly increased regulatory structure for Fannie Mae and Freddie Mac.

''Not everybody who wants an increased regulatory structure for Fannie Mae and Freddie Mac is committed to that Affordable Housing Fund. If the Affordable Housing Fund was not established in this bill and was a stand-alone bill, it might get vetoed.

''I think it is less likely to cause vetoing of the whole bill. I like very much the idea of the Affordable Housing Fund. I do not believe it could stand on its own necessarily, and that is the reason for including it in this bill.''

Now, I took from that, and I think it is a very reasonable inference, Mr. Chairman, the ''trust in me'' argument, and I think that that is a consistent argument.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of New Jersey. I yield.

Mr. FRANK of Massachusetts. Mr. Chairman, that, I must say, totally disappoints me. For the third time the gentleman has tried to put words in my mouth. The words ''trust in me,'' the gentleman read that, and the gentleman's distortion, systematic distortion, has gone beyond what I can deal with in a brief intervention. But I will say this: I continually said we should address that in separate legislation. If the gentleman doesn't know the difference between passing legislation which sets guidelines and saying ''trust me,'' then the gentleman understands less in this place than I had hoped he did.

Mr. GARRETT of New Jersey. Mr. Chairman, reclaiming my time, I yield to Mr. ROSKAM.

Mr. ROSKAM. Mr. Chairman, I am always one to learn and I am always open to instruction, and I appreciate that very much. But the point is when a question is asked in committee and the ranking member of a subcommittee asks it and it is essentially not answered, I think the subtext is ''trust in me.'' And I think that the opportunity as we move forward is to say, look, we have got an opportunity to take a $3 billion fund here that has been created that the chairman of the committee has found and to do the right thing with it.

Mr. PERLMUTTER. Mr. Chairman, I move to strike the last word.

I would like to yield to the chairman of the committee, Mr. FRANK.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentleman from Illinois apparently misremembered something. He looked diligently to try to find what he said, and he couldn't find what he imputed to me. I never said ''trust in me.'' I didn't imply it. His subtext notion makes as little sense as his argument that we are going to somehow help Social Security in an amendment that doesn't touch Social Security.

What I said repeatedly was I want to reserve this now because I think this bill will not be vetoed and we will get the reservation, and for budgetary purposes, CBO scoring, it is a better way to do it, and we will then pass a separate piece of legislation. And his equation of my calling for a separate piece of legislation with my saying ''trust in me'' falls below the level that I had thought we would debate here.

I would again repeat, the gentleman from Alabama eloquently said let's start now. Let's do this. I want to be very clear, Mr. Chairman. I have never stopped him. The gentleman from Alabama had a new-found passion to help Social Security. Where is his amendment doing that? Where is his legislation doing that? This notion of let's get to Social Security, the central point is: The gentleman from Illinois' amendment does not put one penny into Social Security. Passing it would not help it. It would kill this fund forever.

What we have had is a variety of amendments. This is the fifth one tonight that finds a different way to kill affordable housing. The gentleman from Alabama was straightforward. He said he just wanted to kill it. So this has nothing to do with Social Security. It has to do with killing the Affordable Housing Trust Fund.

And I would just add this, and I thank the gentleman from Colorado for yielding, I find it somewhat ironic that Members who continue to support spending hundreds of billions of dollars on that terrible war in Iraq, which does America more harm than good, lecture me because we are going to spend half a billion dollars a year on Affordable Housing Fund out of nontax funds. Yes, let's do something about Social Security. Let's do something about the war in Iraq. Let's do something about other wasteful programs. But to take $500 million, I didn't see this concern for Social Security when we were doing the defense budget. I didn't see it when we did the authorization earlier today. I didn't see it when we were adding money.

I must be very clear, Mr. Chairman, within the rules, I am unpersuaded that the real motive of Members here is to do anything about Social Security. It is clear if you look at this pattern, they don't like the notion of the Federal Government's helping to build affordable housing, even if we do it, as we have succeeded in finding a way to do it in this bill, in a way that has no impact on the taxpayer, no impact on Social Security, and no negative consequences on the other government programs.

Mr. PERLMUTTER. Mr. Chairman, reclaiming my time, the bottom line here and the reason that I believe my friend from Illinois' amendment is irrelevant and it isn't germane is we are dealing with a government-sponsored entity that deals with affordable housing, and the purpose here is to provide affordable housing from a piece of the profits of the GSE that we are regulating tonight and we are trying to deal with. Over 5 years, this goes to $3 billion, which is less than half of the misstatement in earnings from one year from one of the entities.

This amendment needs to be defeated. I urge my colleagues to vote ''no.''

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ROSKAM).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. FEENEY. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Illinois will be postponed.

AMENDMENT NO. 26 OFFERED BY MR. BLUMENAUER

Mr. BLUMENAUER. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 26 offered by Mr. BLUMENAUER:

Page 93, after line 9, insert the following new section:

SEC. 134. CONSIDERATION OF LOCATION AND ENERGY EFFICIENCY IN ENTERPRISE UNDERWRITING GUIDELINES.

(a) FANNIE MAE.—Section 302(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)) is amended by adding at the end the following new paragraph:

''(7)(A) In establishing requirements with respect to quality, type, class, and other purchase standards for mortgages on one- to four-family residences, the corporation shall—

''(i) consider the location efficiency and energy efficiency of the residence;

''(ii) treat any savings resulting from location efficiency or energy efficiency as an equivalent reduction in recurrent monthly expenses of the mortgagor; and

''(iii) increase any limit on the amount of debt under the mortgage allowable for the mortgagor that is based on mortgagor income to account for the present value of location efficiency savings and for the present value of energy efficiency savings.

''(B) For purposes of this paragraph, the following definitions shall apply:

''(i) The term 'location efficiency' means, with respect to a mortgage for a residence, the difference between—

''(I) the average monthly transportation expenses predicted for the family of the mortgagor residing in the residence subject to the mortgage; and

''(II) the average monthly transportation expenses, for families of the same size and income as the family of the mortgagor, residing in the lower quintile of homes in the same metropolitan area or in the nation as a whole.

Location efficiency shall be determined on a neighborhood-scale basis by the use of statistically valid methods.

''(ii) The term 'present value of location efficiency savings' means, with respect to a mortgage, the monthly value of location efficiency savings multiplied by the number of months in the term of the mortgage.

''(iii) The term 'energy efficiency' means, with respect to a residence, the difference between the average monthly energy consumption predicted for the residence and the average monthly energy consumption for a similar home that minimally complies with State and local laws, codes, and regulations regarding housing quality and safety.

''(iv) The term 'present value of energy efficiency savings' means, with respect to a mortgage, the monthly value of energy efficiency savings multiplied by the number of months in the term of the mortgage.

''(v) The term 'recurrent monthly expenses' includes, with respect to a mortgage, the monthly amount of principal and interest due under the mortgage and the monthly amount paid for taxes and insurance for the residence subject to the mortgage, as calculated in accordance with standard practices in the financial services industry for calculating the qualifying ratio for a mortgagor.''.

(b) FREDDIE MAC.—Section 305(a) of the Federal Home Loan Mortgage Corporation

Act (12 U.S.C. 1454(a)) is amended by adding at the end the following new paragraph:

''(6)(A) In establishing requirements with respect to quality, type, class, and other purchase standards for mortgages on one- to four-family residences, the Corporation shall—

''(i) consider the location efficiency and energy efficiency of the residence;

''(ii) treat any savings resulting from location efficiency or energy efficiency as an equivalent reduction in recurrent monthly expenses of the mortgagor; and

''(iii) increase any limit on the amount of debt under the mortgage allowable for the mortgagor that is based on mortgagor income to account for the present value of location efficiency savings and for the present value of energy efficiency savings.

''(B) For purposes of this paragraph, the following definitions shall apply:

''(i) The term 'location efficiency' means, with respect to a mortgage for a residence, the difference between—

''(I) the average monthly transportation expenses predicted for the family of the mortgagor residing in the residence subject to the mortgage; and

''(II) the average monthly transportation expenses, for families of the same size and income as the family of the mortgagor, residing in the lower quintile of homes in the same metropolitan area or in the nation as a whole.

Location efficiency shall be determined on a neighborhood-scale basis by the use of statistically valid methods.

''(ii) The term 'present value of location efficiency savings' means, with respect to a mortgage, the monthly value of location efficiency savings multiplied by the number of months in the term of the mortgage.

''(iii) The term 'energy efficiency' means, with respect to a residence, the difference between the average monthly energy consumption predicted for the residence and the average monthly energy consumption for a similar home that minimally complies with State and local laws, codes, and regulations regarding housing quality and safety.

''(iv) The term 'present value of energy efficiency savings' means, with respect to a mortgage, the monthly value of energy efficiency savings multiplied by the number of months in the term of the mortgage.

''(v) The term 'recurrent monthly expenses' includes, with respect to a mortgage, the monthly amount of principal and interest due under the mortgage and the monthly amount paid for taxes and insurance for the residence subject to the mortgage, as calculated in accordance with standard practices in the financial services industry for calculating the qualifying ratio for a mortgagor.''.

Mr. BLUMENAUER. Mr. Chairman, I appreciate the effort that has gone into this evening's debate. It has been lively and at times amusing.

I rise to offer an amendment to extend the effort that is intended here to extend home ownership to a greater number of families.

The problem that I seek to focus on is that by having a uniform threshold for the loan limits understates the purchasing power of people in often high-cost, low-impact areas, people who live, for example, in urban areas, in central cities, who spend far less on energy and transportation than the typical person but often is faced with much higher home costs and they get caught in a double whammy. They are actually better credit risks because they have more disposable income, but they are running up against loan limits that discriminate against them.

The average American family spent over $5,100 in gasoline, home heating, and electricity last year. Families routinely list transportation cost as their second largest household expenditure on average. Sometimes it is the greatest.

Research shows that when these families live locally near where they work, shop, and socialize close to public transportation, they actually have more disposable income.

My amendment would instruct Fannie Mae and Freddie Mac to credit mortgage applications for the savings that a transportation-friendly location and energy-efficient home generate, making it easier for these homeowners to purchase these homes. By recognizing the added purchasing power home buyers generate from both transportation and energy savings, lenders can quantify these savings and place them in the ''shelter'' category of expenses. This would allow home buyers, based on his or her enhanced buying power, to either qualify for a mortgage or qualify for a larger mortgage.

This would have a particular benefit for lower income and first-time home buyers in locations that they tend to congregate that are more efficient. It will strengthen the communities that we wish to celebrate that are less impactful on the environment, requiring this energy. It would encourage families to reduce vehicle and energy use. This will translate into benefits for the larger community in terms of congestion, cleaner air, and reduced dependence on foreign oil.

Now, this is not an unknown concept. I know there are some that have some concerns about it. Fannie Mae has been a partner in pilot programs offering what are termed location and energy efficient mortgages in the past. It has been limited to just a few cities, but these programs have demonstrated that they make a difference on the lives of the families that have been able to benefit from them.

There was a pilot project in Illinois, in Chicago, for the first time, the first initiative, with the location, energy efficient mortgage, and it provided a $53,000 benefit for the people involved in terms of the home that they could qualify for.

I would respectfully suggest that this amendment would extend the effort that the committee has to promote affordable housing. It would eliminate the discrimination against people in these energy and transportation efficient areas, and it would provide more justice to people in terms of what we are trying to provide in this system.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not think we are ready to put this into a nationwide operation at this point. It has a great deal to commend it, and the gentleman is right to talk about pilot projects.

In the Committee on Financial Services we have created a task force, headed by the gentleman from Colorado (Mr. PERLMUTTER), to look at all housing programs to promote energy efficiency. This is something that we should have looked at a while ago. We have been late. There are some various programs. There are some in public housing. We tried to put some into the FHA. The chairman of the Appropriations subcommittee, my colleague from Massachusetts (Mr. OLVER), is interested in doing this, along with the gentleman from California in HOPE VI.

What I think would be best would be if we could defer this now and give it some study. There are some implications for how you carry it. There are some fairly specific calculations. It is one thing when you do it in a pilot project; it is another for Fannie and Freddie to do this nationally. And, of course, they don't do it directly. They do it through their various lenders.

So while I think in concept this is something we should be moving towards, I would hope we could do some further work on it. It is our expectation to bring out an overall housing energy promotion bill sometime this fall, and this would be an ideal candidate for inclusion in that.

I yield to my friend.

Mr. BLUMENAUER. Mr. Chairman, I thank the gentleman for yielding.

I have great respect for the chairman, and I do appreciate what he is saying, that there are some issues involved in going from a pilot project to a national effort.

I look forward to working with your task force under the chairmanship of my friend from Colorado. I understand what the gentleman is saying, and I would be happy to withdraw my amendment at the appropriate time and work with the committee in that fashion.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

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AMENDMENT NO. 17 OFFERED BY MR. GARRETT OF NEW JERSEY

Mr. GARRETT of New Jersey. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN (Mr. MORAN of Virginia). The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 17 offered by Mr. GARRETT of New Jersey:

Page 61, after line 4, insert the following new section:

SEC. 116. PORTFOLIO GUIDELINES.

Subtitle B of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4611 et seq.), as amended by section 115, is further amended by adding at the end the following new section:

''SEC. 1369F. PORTFOLIO GUIDELINES.

''(a) AFFORDABLE HOUSING REQUIREMENT.—In order for the enterprises to meet their

mission of providing for and promoting affordable housing, the Director shall require the enterprises to only hold, in their retained portfolios, mortgages and mortgage-backed securities that exclusively support affordable housing, and particularly mortgages extended to households having incomes below the median income for the area in which the property subject to the mortgage is located.

''(b) MORTGAGE-RELATED ASSETS LIMITATION.—The enterprises may purchase and retain mortgage-related assets only to the extent that the Director determines such actions are necessary for the enterprise to maintain a liquid secondary mortgage market in a manner that cannot be achieved through the activities described in subsection (a) and are consistent with the public interest.''.

Mr. GARRETT of New Jersey. Mr. Chairman, this amendment seeks to refocus the GSEs on what is their congressionally mandated responsibility, and that is, providing for and promoting affordable housing.

The amendment would direct the new regulator to require the enterprises to only hold mortgages and mortgage-backed securities that exclusively support affordable housing. That is, those mortgages that are extended to households falling below the area's median income in their retained portfolios.

Mr. Chairman, the GSEs were created by Congress to do a couple of things. First of all, to create liquidity in the secondary market, and, very importantly here, to provide affordable housing for low and moderate families. Now, to effect this worthy goal, Congress granted these enterprises a number of advantages over private firms, including exemptions from State and local taxation, and also the ability to borrow at lower rates. In fact, Mr. Chairman, Fannie and Freddie used these advantages to borrow at interest rates barely above the Treasury rate. They then buy mortgages from originators and do one of two things; either they package these securities into MBSs, that's mortgage-backed securities, and securitize them, or they retain the purchased mortgages on their own portfolio.

Interesting, the combined GSE portfolios have increased from $130 billion in the early 1990s, today it is over $1.5 trillion. The current practice of the GSEs buying derivatives to hedge against the interest rate risks created by these huge portfolios creates an enormous risk for us. And there should be some commensurate level of return on that risk to the taxpayer in the form of lower housing prices for low and moderate homeowners.

Federal Reserve studies, however, and those conducted by other organizations, have concluded, and this is important, that consumers receive no direct benefit from the GSE's expansive portfolio holding. Although GSEs as business enterprises should return a profit to their investors, they really can't lose sight of the purpose for which they were created and the additional people to whom they answer, given their special status. They are not simply another business entity.

Currently, GSE shareholders receive all of the benefits for the portfolios and none of the risk. In contrast, low and moderate income families bear all the risk and receive few of the benefits. By buying mortgages from banks that are part of the CRA requirement or holding more low income mortgages on their portfolios that might be difficult to securitize, this amendment will help the low and middle income American buyer buy their home and give low and middle income homeowners the benefits comparable to the risk.

Let me just end with this quote. Federal Reserve Chairman Bernanke, ''Tying portfolios to a purpose that provides measurable benefits to the public would help ensure that society in general, and not just the shareholders, receive a meaningful return in exchange for accepting the risk inherent in the portfolios. Moreover, defining the scope and purpose of the portfolios in this way would reduce the potential for unbridled growth in those portfolios, while avoiding the imposition of arbitrary caps.''

Mr. Chairman, this is a commonsense, good government amendment that will provide the taxpayers, particularly low and middle income taxpayers, more benefits for the risks they bear by helping Fannie and Freddie refocus their job, which is affordable housing.

I ask my colleagues on both sides of the aisle to support this commonsense amendment.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

The gentleman from New Jersey (Mr. GARRETT), I don't know what his intention is, but this is probably the most terrible of all of the amendments to come before us tonight. This amendment not just guts the affordable housing program, this amendment guts Fannie Mae and Freddie Mac as a viable enterprise. And it would have significant adverse effects on the entire U.S. housing financial system.

Now, here's what the amendment does that I understand. It would require that the new GSE regulator restrict Fannie Mae and Freddie Mac's portfolio holdings to only mortgage and mortgage-backed securities that exclusively support affordable housing. That is devastating. Particularly mortgages that are extended to households who are having incomes below the median income.

Mr. Chairman, that's like taking an orange and squeezing all of the juice out of it and then passing it off to somebody to get orange juice out of it. You are squeezing out of this operation the ability for it to have a very healthy, market-driven portfolio by restricting it to the lower elements of our economy, where there is no juice.

The portfolios of Fannie Mae and Freddie Mac play an important role in stabilizing the supply and reducing the cost of mortgage credit totally within the whole housing financial industry. So enter this effort, just to go after, I have never seen anything like it.

Mr. GARRETT of New Jersey. Will the gentleman yield?

Mr. SCOTT of Georgia. Not just yet.

This is just, again, a program designed to help very, very poor people. And you are willing to bring down the whole housing finance system just to get at it. Because this amendment would require a drastic reduction in the enterprise's portfolio holdings and subject them to micromanagement by the regulator. And the amendment would require a drastic reduction in the GSE's portfolios, which, in effect, reduces the access to competitive financing options from community banks and their home buying customers. This is a far-reaching, devastating amendment and must be rejected.

Mr. BAKER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to compliment the gentleman from New Jersey on his intended goal and merely point out the defects that exist in the current system.

I want to make clear, I am a strong advocate of affordable housing and have gone to some trouble to examine the current portfolio of both Freddie Mac and Fannie Mae.

The one thing I think is consistent and hopefully will not be objected to is to observe that poor people generally don't have money. And so when you go to a closing of a house, regardless of the price, that's not an issue, you are going to try to get as much of that appraised value financed as possible, maybe come up with the closing costs. In a lot of cases, people are actually financing the closing costs too.

So it would make sense, if you looked at an analysis of the GSE's portfolio mortgage holdings and determined the loan-to-value ratio, meaning, if it was a $100,000 house and you were borrowing at least $95,000, or up, 96, 97, 98, 99, maybe 101 because you needed help with the closing costs, that there ought to be a disproportionate amount of those loans in their portfolio as compared to, say, a commercial bank.

When you look at Fannie and Freddie's portfolio holdings, you find that Freddie has 1.5 percent of their mortgages in a 95 percent plus range. You find Fannie Mae slightly better at 2.8 95 percent plus. So then you back off and say, my goodness, if only 1 or 2 percent is in those very high-leveraged loans, where are they making their money? And where you find the bulk of their loans is in two wage earners per household who are buying a second, third home because they have 60 to 70 LTV, meaning they are putting down a bunch of money. So even if you are a person buying a modest home of $100,000, that means that you are putting down $30,000 or $40,000 at time of closing. That is not my definition of ''poor person.''

If we really want to get focused, and this is a sincere observation about these corporations, they are driven to make a profit my their shareholders.

Nothing wrong with that. But they have been given special privilege by this Congress to accomplish a particular mission, and that is to help low-income first-time home buyers. That is why I am not as affronted by the chairman's concept as some may be. This is a specific requirement to spend $500 million on affordable housing.

But to suggest that the gentleman is trying to somehow constrain the target of helping low-income people because they do such a wonderful job now, I have to suggest to you that that is really off the mark. They do a very poor job of helping first-time home buyers and low-income individuals get access to homeownership. They are in the business to make money. They do it quite well. They are the only corporation of their scale that returns double digit rates of return year after year, whether there is a housing crisis or a finance crisis, it's the facts.

I would love to work with the other side in focusing these huge corporations into the mission that Congress has described for them to perform.

Mr. Chairman, I would be happy to yield to the gentleman from New Jersey.

Mr. GARRETT of New Jersey. As many Members have said when they have come to this microphone in the past, that when you come to the floor, we can all have our own opinion on these matters, but we can't have all our own facts. To use the gentleman from Georgia and also Florida, too, I think said when it comes to the expression of squeezing all the juice out, that's maybe an appropriate expression, but then the question is where did that juice go to and what should it be used for?

Well, my suggestion is that the juice should not necessarily always be used for the benefit of the stockholders, but the juice should be basically used for, what was the intent here, to provide for affordable housing for low and moderate income. And as the gentleman from Louisiana just indicated, as we've heard from all the testimony in the committees, the GSEs have not been doing the job that we wanted them to do. And one of the reasons I believe that we now see a bill before us to put on this new housing fund is in part because they have not been doing their job. Had they been doing their job as Congress directed them to some time ago, we may not have come to this position today where we have to be debating the issue of the housing fund, which is a separate issue.

The point, though, as far as where the juice goes to and what the real facts are, we also heard testimony of Chairman Bernanke when he came to the floor, and there are also GAO studies that have looked at this as well, and what do they say? Where does the juice really go to when the portfolios expand to this level? And they include not just the low and moderate income, but the higher ones, since the low moderate income is so small. Where does the juice go to now? The juice goes to the stockholders. That is not what I am interested in making sure happens. I am interested in making sure that the juice ends up with affordable housing.

Mr. FRANK of Massachusetts. I move to strike the last word.

I will yield briefly to my friend from Georgia.

Mr. SCOTT of Georgia. Let me explain carefully what the juice is of what we're squeezing out.

Your amendment, by limiting the portfolio, does an important thing to bring the juice out. It threatens the viability of Fannie Mae and Freddie Mac by bringing the juice out by what I mean is by limiting their portfolios to less liquid, lower yielding assets, which eliminates their ability to cross subsidize affordable housing products using the earnings of their more diverse——

Mr. FRANK of Massachusetts. I am going to take back my time.

Mr. GARRETT of New Jersey. Will the gentleman yield?

Mr. FRANK of Massachusetts. I will yield to the gentleman at the end.

First, let me say to the gentleman from Louisiana, I agree with him in many ways. Yes, they haven't done enough. I do find a great inconsistency, not on the part of the gentleman from Louisiana, who has been completely consistent on this issue for years, but first, we were being told that we should not interfere with the profitability of Fannie Mae and Freddie Mac because we would be driving up the cost for middle-income homeowners. We heard that in several of the arguments in trying to get rid of the Affordable Housing Fund.

Now we have a much more serious attack on the ability of Fannie Mae and Freddie Mac to help middle-income homeowners. This says no more middle-income homeowners, only people below the median. We were told before that if we took $500 million from Fannie Mae and Freddie Mac's profits each year, we would inevitably be driving up the cost for middle-income borrowers. This would reduce Fannie Mae and Freddie Mac's profits by 7, 8, 10 times that amount. They get most of their profit from things held in the portfolio.

Mr. GARRETT of New Jersey. Will the gentleman yield now?

Mr. FRANK of Massachusetts. Yes, I will yield.

Mr. GARRETT of New Jersey. I appreciate that argument. But your argument before, if I heard you correctly, when we had a little dialogue before, was that it is your intent with the overall housing fund and where the money would come from is not from the homeowners. Your intention, if I understood correctly, was from the stockholders, from the investors.

□ 2030

My bill would do the exact same thing and say that it would not be coming from the homeowner or the investor as far as any burden on them.

Mr. FRANK of Massachusetts. Mr. Chairman, taking back my time, the gentleman has completely misstated for about the fourth time my arguments.

Mr. GARRETT of New Jersey. I only stated it once. How can it be four times?

Mr. FRANK of Massachusetts. Regular order, Mr. Chairman. I yielded to the gentleman.

I have said that I do not think it is my intent or anybody else's intent that will override the economics of the situation. I do not think we can legislate that it comes either out of this or out of that. The money is fungible. My view is that in the competitive situation in which they find themselves, much of this will come out of shareholders' profits. Some may come out of the banks and others they deal with.

The point I am making is this: The gentleman and others on the Republican side argue, they were arguing before about a mortgage tax increase. They kept saying we are going to raise the cost of mortgages, not by anything we did directly. Their argument was that when you reduce the profitability of these entities, they will be driven to raise their prices and that will cost other people more.

I believe they are far more constrained in their ability to raise prices. I don't think they are holding prices down now out of love. I think they are getting them up as high as they can now in the competitive situation.

But if you believe that reducing their profits will cause them to increase their prices and thus hurt other people, in this amendment that has a much greater impact of that kind than the housing fund, because this restriction on the portfolio will cause a far greater reduction in the profit than 1.2 basis points. And it again emphasizes to me that what we have are people who don't like the Affordable Housing Fund, because they have had various contradictory ways of trying to get rid of it. Now, the gentleman from Louisiana is correct, they haven't done enough to help low income people.

One of the things we do in this bill is to greatly increase the goals. We impose goals on Fannie Mae and Freddie Mac which also reduce their profitability. We tell them to do more of this kind of thing and we increase the enforcement mechanism for doing it. So we do try to increase the goals in the enforcement mechanism and we create the Affordable Housing Fund.

I would say this: Maybe they shouldn't have created these hybrids in the first place. They are part profit making and part with the public enterprise. It is hard to run them that way, I understand that. That is why many of us decided that we will try to get them in the direction of helping low income people, but given the pull of profit, some of what we should do is to take a piece of the profit and put it directly into affordable housing.

That is why we have a hybrid solution dealing with a hybrid. That is why I hope the amendment is defeated.

Mr. HENSARLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from New Jersey.

Mr. GARRETT of New Jersey. Mr. Chairman, I thank the gentleman.

To the point of the chairman, I am a little bit confused. He said that I have repeated his position four times differently. I have only been on the microphone three times now. But I am also confused on his position as to whether or not there really is an MTI, a mortgage tax increase, because initially he said it is going to be on the homeowners and it is not going to be on the stockholders. Now he says that money is fungible so it really can come from either place.

So, at the end of the day, I guess my original assertion was that there is an MTI, there is a mortgage tax increase, because they can come from the homeowners.

From the gentleman from Georgia, when he says there is a cross-subsidization from the larger portfolio, I would like to see the evidence of that. The evidence that we heard in committee on that point was from Chairman Bernanke and from the studies was there was not that cross-subsidization, and that in fact all the benefit comes not to the homeowners, the benefit comes to who? It comes to the shareholders.

In fact, under Chairman Bernanke's testimony, it would be better if the portfolios would be limited to this. Why? Because then they would do better than what the gentleman from Louisiana said, there is a fractional amount of work they are doing as far as helping the low income homeowners, and instead they would be holding those in their portfolios, those mortgages, as he said ''difficult to securitize.'' That would help out. That is giving real juice to the low and moderate income homeowner.

The Acting CHAIRMAN. The Chair would remind Members that under the 5-minute rule, the Members recognized may not yield specific amounts of time to be enforced by the Chair, but rather must reclaim their time as they see fit.

Mr. HENSARLING. Mr. Chairman, reclaiming my time, I tried to listen carefully to my friend from Georgia, his comments. I am not going to follow with the juice analogy and I don't care to put words in his mouth, but what I think I heard was he described the gentleman from New Jersey's amendment as perhaps the worst one that had been offered this evening, that would essentially gut the ability of Fannie and Freddie to achieve their affordable housing mission, or to achieve the mission that Congress has set up for them, and the gentleman is certainly entitled to his own opinion.

But when it comes to the use of the portfolio holdings of Fannie and Freddie, which we know, number one, according to the last two, the present and the past Chairmen of the Federal Reserve, creates huge systemic risk to our economy, which ultimately can bring down housing opportunities for all.

But if I could quote from a speech from Chairman Greenspan, who said, ''The Federal Reserve Board has been unable to find any credible purpose for the huge balance sheets built by Fannie and Freddie other than the creation of profit through the exploitation of the market-granted subsidy.''

To paraphrase, ''Their purchase of their own or each other's mortgage-backed securities with their market-subsidized debt do not contribute usefully to the mortgage market liquidity, to the enhancement of capital markets in the United States, or to the lowering of mortgage rates for the homeowners.''

Mr. Chairman, I would be happy to yield to the gentleman from Georgia.

Mr. SCOTT of Georgia. Thank you very much.

Let's get this right now. Anybody with any just basic common sense of how our investment system works in this country knows that if this amendment were effected here, if you were to put this amendment on any other enterprise, to dictate to that enterprise that your portfolio must exist at the lower yielding end of returns, you know good and well that that is not going to be helpful to that enterprise.

Mr. HENSARLING. Mr. Chairman, reclaiming my time, I am sure the gentleman from Georgia can get plenty of time from his side. All I am saying is the gentleman from Georgia is entitled to his own opinion, former Chairman Greenspan seems to have a different opinion of the use of the portfolio holdings in the housing mission. So in this particular case, I prefer to take the word of Chairman Greenspan and of Chairman Bernanke as opposed to my colleague from Georgia's expertise on the matter.

These portfolios have nothing, nothing to do with their mission and have everything, everything to do with systemic risk. And if we are going to leave them in place, they ought to at least be dedicated, somehow dedicated, to low income housing purposes, which ostensibly is what the purposes of Fannie and Freddie were in the first place.

Again, these are not operating, the GSEs are not operating in a competitive marketplace. They are operating in a government-sanctioned duopoly to where they have 80 percent of the market. There is not effective competition, there is not a check here, and we should approve the gentleman's amendment from New Jersey.

Ms. WATERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would yield to the chairman so that he can straighten out some of that misinformation on the other side.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentlewoman, and I will yield to my friend from New Jersey after I have propounded a question.

My position consistently today has been that it is not possible with absolute specificity to say an enterprise is paying for this out of this pot or that pot or the other pot. I do believe most of this will come from the shareholders.

But people on the other side argue no, reducing the profitability by $500 million a year for both enterprises, levying 1.2 basis points on the portfolio, was going to raise the mortgage rates for the middle class. For people who believe that, I want them to explain to me how reducing the portfolio so substantially would not cost even more to the middle class?

Again, Members said taking $500 million in profit, 1.2 basis points on the portfolio, would raise the rates on the middle class. I assume it doesn't do it specifically. It does it by reducing the profitability and inducing them to raise prices.

Since it would reduce profitability by many multiples of the housing fund, why would it not have a much greater effect?

I yield to the gentleman.

Mr. GARRETT of New Jersey. Well, it is a good question, but it was a question that was essentially raised during the committee and answered by Chairman Bernanke at the time.

If Chairman Bernanke said, yes, there was with regard to the portfolios held by the GSEs a cross-subsidization of the market and therefore a benefit to the low and moderate income mortgages that they have, then the chairman's argument would be a correct one. But Chairman Bernanke did not say that.

Mr. FRANK of Massachusetts. Excuse me, I am taking back my time to apologize for apparently not being clear in my question. I wasn't talking about cross-subsidization. Here is the point. I would have thought it was clearer, and I apologize for my inarticulateness.

The argument was that by taking $500 million from profits, 1.2 basis points on the portfolio, we would be reducing profitability and inducing the enterprises to raise prices and therefore that would be a mortgage tax.

The gentleman's amendment would reduce the profitability by far more than $500 million a year. It would be a far greater levy on them than 1.2 basis points. Now, the mechanism by which they claim that the fund is a mortgage tax is that as you reduce their profitability, they are driven to raise prices and that will cost more.

Now, it has nothing to do with cross-subsidy. Why does an amendment which would substantially reduce the profitability not have an even greater effect in terms of the middle class, who would not be benefiting from the portfolio, in raising what they have to pay?

The Acting CHAIRMAN. The Chair will remind Members that the Member

who has the time decides whether to yield.

Mr. FRANK of Massachusetts. I just yielded. I said I yield.

The Acting CHAIRMAN. The Chair would remind the gentleman that it is the gentlewoman from California who has the time.

Mr. FRANK of Massachusetts. I apologize. I would ask the gentlelady to yield.

Ms. WATERS. I am not likely to want to yield to him. I want you to finish this up.

Mr. FRANK of Massachusetts. Please yield.

Ms. WATERS. If you insist.

Mr. FRANK of Massachusetts. I do. I hope the Chair is happy.

The Acting CHAIRMAN. The Chair is trying to maintain order.

Mr. FRANK of Massachusetts. I apologize. The gentlelady has yielded.

Ms. WATERS. Reluctantly.

The Acting CHAIRMAN. The gentleman from New Jersey has been yielded to by the gentlewoman from California.

Mr. GARRETT of New Jersey. The gentleman, first of all, misstates the actual language of the underlying bill when he says that the housing fund is a tax on profits of the GSEs. It is not a tax simply on the profits of the GSEs. It is a tax of the overall activity.

Ms. WATERS. Reclaiming my time, I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I thank the gentlewoman.

That is not what I said. I said reducing the profitability. I would ask the gentlewoman not to yield any further. We are not going to get an answer. I apologize for starting the whole thing.

Mr. PRICE of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am pleased to yield to my good friend from New Jersey.

Mr. GARRETT of New Jersey. Just one final point, and I do believe that the gentleman was saying that it was a tax on the profits of the GSEs as opposed to that. But be that as it may, remember, to the point the gentleman from Georgia made, the GSEs, even with this amendment, would still be allowed to securitize those larger loans.

This doesn't preclude them from doing that. It simply says that they should not be holding them in their portfolios, whereas the gentleman from Texas reiterated the point of Chairman Bernanke, that raises the overall risk to the overall functioning of the GSEs.

Finally, since they are able to continue to issue those large loans and therefore securitize those loans, the overall market of the GSEs is not hurt in one sense, and the profitability at the end of the day, as far as the money going to the low and moderate incomes, is not impacted.

Low and moderate income families are benefited by this bill. Taxpayers are benefited by this bill inasmuch as we reduce the risk of the GSEs on the one hand and we address and make sure that the GSEs return to their basic function of providing liquidity to the marketplace and providing access for low and moderate income housing in this country.

Mr. PRICE of Georgia. Mr. Chairman, reclaiming my time, I commend the gentleman for his amendment.

Mr. TAYLOR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I followed this debate for several hours now, both here on the House floor and in my office, and what I sense is some people having a lot of fun at the expense of the least among us.

In my State tonight, 75,000 people will go to sleep in a FEMA trailer that the United States Department of Health has ruled is a health hazard because they have carcinogens in them. They have formaldehyde in them. But it beats the heck out of sleeping in a Chevy Astro Van. It beats the heck out of sleeping on their mother-in-law's couch, if their mother-in-law has a couch.

□ 2045

In the State of Louisiana, there are 49,000 families who will go to sleep in a FEMA trailer. Down around Bayou La Batre, Alabama, another thousand; in Texas, another thousand. This isn't a joke. This is trying to help the least among us. That is why you see Mr. BAKER trying to help this bill, and that is why you see me trying to help this bill. It is not a joke.

We talk about we ought to be doing better things with this money. What is better than helping people who 2 years ago who were middle class, who had homeowners insurance, who got screwed by the insurance company and woke up to find out they were poor because they lost everything in one night and their insurance company didn't pay.

No, I won't yield. You've had hours.

And they can't get any housing built because the workers can't move is because there is no place for the workers to live to build the houses. And yes, it is still going on, for those of you who wonder.

I am a U.S. Congressman. I am living in my third place since the storm. You all know what we make. We make lots of money. It's not that I can't afford one, there is none to get.

I am a Congressman. If that is happening to me at my salary, what do you think is happening to a schoolteacher or a retired chief petty officer or a policeman or a fireman. I thought that was what we were about, was helping people.

All of a sudden you are concerned about borrowing and where this money should go. It didn't bother you when you borrowed money from the communist Chinese. It didn't bother you for the past 12 years when you took money out of the Social Security trust fund. It bothers you now when we want to help the average Joes? Well, that bothers me.

The chairman is exactly right. The same folks who say we should have no accountability of where the billions of dollars go in Iraq, all of a sudden, demand that this money that might help somebody who used to be an average Joe who now finds himself in a horrible situation, my God, you don't want to do that.

Cut the games out. This is serious. This is about housing, a basic need. A basic need for our fellow Americans, not Iraqis. Our fellow Americans.

I have sat here and watched this game go on for hours, and I have had enough. I think the people of America, if they are following this debate, they've had enough.

It is time to move this bill. If you don't think it is a good idea to take the profits from this organization and ask that they be directed towards the housing needs of our fellow Americans, vote against the bill. But I happen to think that is a pretty good idea because I know guys who used to live in 6,000 square foot houses who are going to spend tonight in a FEMA trailer. Not because they want to, because they got screwed by their insurance company. They are still going to work. They can't find somebody to build a house.

When you lose 60,000 houses overnight, it puts a heck of a strain on the system. And when the workers who want to come there and build those houses have no place to live, it makes it even worse. We are trying to address that. These are real needs for real people.

You've made whatever political points you want to make to your constituency, but now it is time to move on and help our fellow Americans.

Mr. FEENEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, before I yield to the gentleman from New Jersey to respond, I would say that, as has been pointed out earlier, this Congress has already provided some $3 billion in housing relief, and I have an amendment coming up that would put the first year's funding into Hurricane Katrina relief for housing.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FEENEY. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. People keep talking about $3 billion for Katrina. There was no housing construction fund in the hurricane bill. If that is meant to be construction, it is simply not the case. We put vouchers into the hurricane bill, but there was not $3 billion in any housing construction in the Katrina bill.

Mr. FEENEY. Reclaiming my time, my amendment up next, will help veterans in the long run, and in the short run will go to Hurricane Katrina relief.

I yield to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. I thank the gentleman from Florida and the gentleman from Mississippi, although I cringe when Members on the

other side of the aisle characterize what our motivation is and our interest in these things.

I wonder whether the gentleman from Mississippi heard the gentleman from Louisiana speak about the dismal job that the GSEs have done so far with regard to what I believe both of us agree should be their intention which is to provide for low and moderate-income housing, such as the gentleman from Mississippi was talking about. A dismal job.

Part of the reason they do that dismal job, their explanation is, these loans, some of these loans are difficult to securitize. If you can't securitize the loans, they are not going to take them. That is their record. The numbers were given before that they hold in their portfolio. A very small percentage of these type of loans, which is the type of loans that the gentleman from Mississippi was talking about holding.

All this amendment does is this. It says GSEs, you are supposed to be doing everything the gentleman from Mississippi says we should be doing, and that is providing for housing for low and moderate-income individuals. You are not doing a good job right now. We are going to focus your attention on it. If you are having a problem securitizing these lower loans, fine, don't securitize them, but hold them in your portfolio and make that the crux of your business. Your business should not be, as it has been in the past, simply making larger profits than normal, the raises and salaries given to the top executives. Your business is helping the people in Mississippi and Louisiana.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. GARRETT).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. GARRETT of New Jersey. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from New Jersey will be postponed.

AMENDMENT NO. 5 OFFERED BY MR. AL GREEN OF TEXAS

Mr. AL GREEN of Texas. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. AL GREEN of Texas:

Page 130, strike lines 6 through 11 and insert the following:

''(i) The allocation percentage for the Louisiana Housing Finance Agency shall be 45 percent.

''(ii) The allocation percentage for the Mississippi Development Authority shall be 18.333 percent.

''(iii) The allocation percentage for the Alabama Housing Finance Authority shall be 18.333 percent.

''(iv) The allocation for the Texas Department of Housing and Community Affairs shall be 18.333 percent.''.

Page 149, lines 16 and 17, strike ''and the Mississippi Development Authority'' and insert the following: '', the Mississippi Development Authority, the Alabama Housing Finance Authority, and the Texas Department of Housing and Community Affairs''.

Mr. AL GREEN of Texas. Mr. Chairman, I support the affordable housing trust fund. Why, because I believe at some point on the infinite continuum that we know as time, I will have to account for my time. And at that point when I have to explain what I did for the least, the last, and the lost, I will be able to say I supported clothing the naked, I supported feeding the hungry, and I supported shelter for the homeless.

At a time when we are spending $353 million a day on the war, what did you do, AL? I stood before the House and I requested that we support an affordable housing trust fund.

In a country where every day we have millionaires, in fact one of every 110 persons in this country is a millionaire. The question becomes what did you do when you had a chance to help the least, the last and the lost.

So today, I stand here to say I will try to help the least in Alabama. In Alabama, where we need an additional $146 million to $164 million to help Alabama recover from Katrina and Rita. In Texas, where we need an additional $1.5 billion, I support an affordable housing trust fund to get the job done.

So, Mr. Chairman, my amendment is a simple one. My amendment would not only recognize that Louisiana and Mississippi have been harmed. My amendment also recognizes that Katrina and Rita have done damage in Texas and Alabama. And my amendment would also allow funds to go to these two States as well. Forty-five percent of the funds would go to Louisiana, and the remaining funds would be divided equally among Mississippi, Alabama and Texas.

Mr. Chairman, I yield to the chairman.

Mr. FRANK of Massachusetts. I thank the gentleman for yielding.

There has literally been no Member of the House who has been more dedicated to helping those who are in trouble than the gentleman from Texas. He represents a community that is a model community: Houston.

We don't always show neighborliness in reaching out to others. The city of Houston, its mayor, its congressional delegation, its citizens, its police department, has known an extraordinary degree of compassion for fellow human beings in trouble. There are few examples in this country's history of one community reaching out as generously as the people of Houston have to the people who were forced to evacuate the gulf, particularly Louisiana.

The gentlewoman from California and I listened to the gentleman from Texas, and we put some language into the bill that we did last time on the hurricane.

On this one, at this point I would ask the gentleman to withdraw his amendment. We appreciate what has gone on. The destruction was greater in Mississippi and Louisiana. There are still unmet needs in Texas. We appreciate that. We have done something, and I acknowledge we have not done enough.

I promise the gentleman, we will continue to work with him to that end, but we have commitments in terms of the physical reconstruction to go to these two States.

There will be further years in this bill. Texas continues, particularly Houston, to have a big claim on us, and we will continue to try to work with the gentleman to try to resolve it, but we hope not to do it in a kind of zero-sum situation.

Mr. BAKER. Will the gentleman yield?

Mr. AL GREEN of Texas. I yield to the gentleman from Louisiana (Mr. BAKER).

Mr. BAKER. Mr. Chairman, I appreciate your courtesy. I will be very brief. I know your time is limited.

I just wish to express to you on behalf of the Louisiana delegation, our appreciation to you, your constituents, the city of Houston, and Texas, for your outstanding generosity and assistance. We hope to continue those feelings by having you leave our money alone.

Mr. AL GREEN of Texas. I thank the gentleman from Louisiana. I also thank the ranking member, MAXINE WATERS, for her efforts. I thank my chairman.

Mr. Chairman, I appreciate all you have done to help the least, the last and the lost. I assure you, I look forward to working with you as we continue on this journey.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The Acting CHAIRMAN. Without objection, the gentleman's amendment is withdrawn.

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word just to acknowledge the graciousness of the gentleman from Texas.

We will continue to work with him. Houston is entitled to more help and it will get it. The only thing, I want to be partially modest. He said I have the least, the last and the lost. I have tried hard tonight to help the least and the last. But in my debates with the other side, I haven't been able to make much of an impression on the lost.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order:

Amendment No. 12 by Mr. BACHUS of Alabama.

Amendment No. 29 by Mr. HENSARLING of Texas.

Amendment No. 14 by Mr. MCHENRY of North Carolina.

Amendment No. 15 by Mr. KANJORSKI of Pennsylvania.

Amendment No. 27 by Mr. ROSKAM of Illinois.

Amendment No. 17 by Mr. GARRETT of New Jersey.

The Chair will reduce to 2 minutes the time for any electronic vote after the first vote in this series.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Parliamentary inquiry, Mr. Chairman.

The Acting CHAIRMAN. The gentleman may state it.

Mr. FRANK of Massachusetts. The subsequent votes, do I understand correctly, will be 2-minute votes, Mr. Chairman?

The Acting CHAIRMAN. The gentleman is correct. After the first vote, subsequent votes will be 2-minute votes.

AMENDMENT NO. 12 OFFERED BY MR. BACHUS

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Alabama (Mr. BACHUS) 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 Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 148, noes 269, not voting 20, as follows:

[Roll No. 378]

AYES—148

Aderholt
Akin
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis, David
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
LaHood
Lamborn
Lewis (CA)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McHenry
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pitts
Poe
Price (GA)
Putnam
Rehberg
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiberi
Walberg
Wamp
Weldon (FL)
Westmoreland
Whitfield
Wicker
Wilson (SC)
Wolf

NOES—269

Abercrombie
Ackerman
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Castor
Chandler
Christensen
Clarke
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emerson
English (PA)
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Frelinghuysen
Gerlach
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hunter
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Kuhl (NY)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCrery
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pickering
Platts
Pomeroy
Porter
Price (NC)
Pryce (OH)
Rahall
Ramstad
Rangel
Regula
Reichert
Renzi
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tiahrt
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weller
Wexler
Wilson (NM)
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOT VOTING—20

Baird
Bordallo
Burgess
Clay
Cubin
Davis, Jo Ann
Emanuel
Engel
Faleomavaega
Fortuño
Harman
Hastert
Johnson (IL)
Jones (OH)
Lewis (KY)
Maloney (NY)
McMorris Rodgers
Peterson (PA)
Radanovich
Shays

□ 2125

Messrs. ISRAEL, FERGUSON, ALEXANDER, DAVIS of Kentucky, YOUNG of Alaska, McCRERY, TIAHRT, WELLER of Illinois, LATHAM, FRELINGHUYSEN, YOUNG of Florida and Mrs. EMERSON changed their vote from ''aye'' to ''no.''

Mr. NEUGEBAUER and Mr. HALL of Texas changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 29 OFFERED BY MR. HENSARLING

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. HENSARLING) 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 Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 164, noes 253, not voting 20, as follows:

[Roll No. 379]

AYES—164

Aderholt
Akin
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
LaHood
Lamborn
Latham
Lewis (CA)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pickering
Pitts
Poe
Price (GA)
Putnam
Rehberg
Reichert

Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (SC)
Young (AK)
Young (FL)

NOES—253

Abercrombie
Ackerman
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Christensen
Clarke
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
English (PA)
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Frelinghuysen
Gerlach
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Kuhl (NY)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Platts
Pomeroy
Porter
Price (NC)
Pryce (OH)
Rahall
Ramstad
Rangel
Regula
Renzi
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (NM)
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—20

Baird
Bordallo
Burgess
Clay
Cubin
Davis, Jo Ann
Emanuel
Engel
Faleomavaega
Fortuño
Harman
Hastert
Johnson (IL)
Jones (OH)
Lewis (KY)
Maloney (NY)
McMorris Rodgers
Peterson (PA)
Radanovich
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised there is 1 minute remaining in this vote.

□ 2129

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 14 OFFERED BY MR. MCHENRY

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from North Carolina (Mr. MCHENRY) 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 Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 176, noes 240, not voting 21, as follows:

[Roll No. 380]

AYES—176

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
Lewis (CA)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Putnam
Regula
Rehberg
Reichert
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—240

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Christensen
Clarke
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Pryce (OH)
Rahall
Ramstad
Rangel
Renzi
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (NM)
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—21

Baird
Bordallo
Burgess
Clay
Cubin
Davis, Jo Ann
Emanuel
Engel
Faleomavaega
Fortuño
Harman
Hastert
Johnson (IL)
Jones (OH)
LaTourette
Lewis (KY)
Maloney (NY)
McMorris Rodgers
Peterson (PA)
Radanovich
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 2133

Mr. GERLACH changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 15 OFFERED BY MR. KANJORSKI

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 154, noes 263, not voting 20, as follows:

[Roll No. 381]

AYES—154

Abercrombie
Ackerman
Akin
Andrews
Arcuri
Baca
Baldwin
Barrow
Barton (TX)
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Brady (PA)
Braley (IA)
Brown, Corrine
Brown-Waite, Ginny
Capuano
Cardoza
Carnahan
Carney
Carson
Chabot
Clarke
Clay
Cole (OK)
Conyers
Costa
Costello
Courtney
Cuellar
Cummings
Davis (IL)
DeFazio
DeGette
DeLauro
Dent
Dicks
Doggett
Doyle
Edwards
English (PA)
Eshoo
Farr
Fattah
Filner
Frelinghuysen
Gonzalez
Gordon
Green, Gene
Grijalva
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinojosa
Holden
Holt
Honda
Hooley
Israel
Jackson (IL)
Jackson-Lee (TX)
Kanjorski
Kaptur
Kennedy
Kildee
Knollenberg
Kucinich
LaHood
Langevin
Lantos
Larson (CT)
Levin
Lipinski
Loebsack
Lowey
Marshall
Matsui
McDermott
McGovern
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Neal (MA)
Obey
Olver
Ortiz
Pascrell
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Reynolds
Rodriguez
Rogers (MI)
Rothman
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Schwartz
Sensenbrenner
Serrano
Sestak
Shimkus
Skelton
Smith (WA)
Solis
Space
Spratt
Stark
Stearns
Stupak
Sutton
Tauscher
Taylor
Thompson (CA)
Tierney
Udall (CO)
Udall (NM)
Visclosky
Wamp
Wasserman Schultz
Waters
Waxman
Weiner
Welch (VT)
Wexler
Whitfield
Wu

NOES—263

Aderholt
Alexander
Allen
Altmire
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Bean
Becerra
Berkley
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (TX)
Brown (SC)
Buchanan
Burton (IN)
Butterfield
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Capps
Carter
Castle
Castor
Chandler
Christensen
Cleaver
Clyburn
Coble
Cohen
Conaway
Cooper
Cramer
Crenshaw
Crowley
Culberson
Davis (AL)
Davis (CA)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
Delahunt
Diaz-Balart, L.
Diaz-Balart, M.
Dingell
Donnelly
Doolittle
Drake
Dreier
Duncan
Ehlers
Ellison
Ellsworth
Emerson
Etheridge
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Frank (MA)
Franks (AZ)
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green, Al
Gutierrez
Hall (NY)
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hinchey
Hirono
Hodes
Hoekstra
Hoyer
Hulshof
Hunter
Inglis (SC)
Inslee
Issa
Jefferson
Jindal
Johnson (GA)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jordan
Kagen
Keller
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Kuhl (NY)
Lamborn
Lampson
Larsen (WA)
Latham
LaTourette
Lee
Lewis (CA)
Lewis (GA)
Linder
LoBiondo
Lofgren, Zoe
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Manzullo
Marchant
Markey
Matheson
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
Mica
Michaud
Miller (FL)
Miller, Gary
Moran (KS)
Murphy (CT)
Musgrave
Myrick
Napolitano
Neugebauer
Norton
Nunes
Oberstar
Pallone
Pastor
Paul
Payne
Pearce
Pence
Perlmutter
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Ramstad
Regula
Rehberg
Reichert
Renzi
Rogers (AL)
Rogers (KY)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Roybal-Allard
Royce
Ruppersberger
Sali
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Scott (GA)
Scott (VA)
Sessions
Shadegg
Shea-Porter
Sherman
Shuler
Shuster
Simpson
Sires
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Snyder
Souder
Sullivan
Tancredo
Tanner
Terry
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Towns
Turner
Upton
Van Hollen
Velázquez
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Watson
Watt
Weldon (FL)
Weller
Westmoreland
Wicker
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wolf
Woolsey
Wynn
Yarmuth
Young (AK)
Young (FL)

NOT VOTING—20

Baird
Bordallo
Burgess
Cubin
Davis, Jo Ann
Emanuel
Engel
Faleomavaega
Fortuño
Harman
Hastert
Hobson
Johnson (IL)
Jones (OH)
Lewis (KY)
Maloney (NY)
McMorris Rodgers
Peterson (PA)
Radanovich
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 2138

Mr. MORAN of Virginia and Mr. HASTINGS of Florida changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 27 OFFERED BY MR. ROSKAM

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Illinois (Mr. ROSKAM) 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 Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 173, noes 245, not voting 19, as follows:

[Roll No. 382]

AYES—173

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis, David
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
Everett
Fallin
Feeney
Ferguson
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
Lewis (CA)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCrery
McHenry
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)

Putnam
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Upton
Walberg
Walden (OR)
Wamp
Weldon (FL)
Weller
Westmoreland
Wicker
Wilson (SC)
Young (AK)
Young (FL)

NOES—245

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Barrow
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
English (PA)
Eshoo
Etheridge
Farr
Fattah
Filner
Flake
Frank (MA)
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCotter
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reichert
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Whitfield
Wilson (NM)
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—19

Baird
Bordallo
Burgess
Cubin
Davis, Jo Ann
Emanuel
Engel
Faleomavaega
Fortuño
Harman
Hastert
Johnson (IL)
Jones (OH)
Lewis (KY)
Maloney (NY)
McMorris Rodgers
Peterson (PA)
Radanovich
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 2142

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 17 OFFERED BY MR. GARRETT OF NEW JERSEY

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from New Jersey (Mr. GARRETT) 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 Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 92, noes 322, not voting 23, as follows:

[Roll No. 383]

AYES—92

Akin
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Bono
Brown (SC)
Brown-Waite, Ginny
Buyer
Campbell (CA)
Cannon
Carter
Chabot
Coble
Davis, David
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Fallin
Feeney
Flake
Foxx
Franks (AZ)
Frelinghuysen
Garrett (NJ)
Gingrey
Graves
Hastings (WA)
Hayes
Hensarling
Hoekstra
Inglis (SC)
Issa
Johnson, Sam
Jordan
King (IA)
Kingston
Lamborn
Lewis (CA)
Linder
Lucas
Lungren, Daniel E.
Mack
McCarthy (CA)
McHenry
McKeon
Mica
Miller (FL)
Musgrave
Myrick
Paul
Pearce
Pence
Petri
Pickering
Pitts
Poe
Price (GA)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Sali
Sensenbrenner
Shadegg
Shimkus
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Upton
Walberg
Wamp
Weldon (FL)
Weller
Westmoreland
Wicker
Wilson (SC)

NOES—322

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Bachmann
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bishop (GA)
Bishop (NY)
Blumenauer
Blunt
Boehner
Bonner
Boozman
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Brown, Corrine
Buchanan
Burton (IN)
Butterfield
Calvert
Camp (MI)
Cantor
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Castor
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ehlers
Ellison
Ellsworth
Emerson
English (PA)
Eshoo
Etheridge
Everett
Farr
Fattah
Ferguson
Filner
Forbes
Fortenberry
Fossella
Frank (MA)
Gallegly
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Hastings (FL)
Heller
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson, E. B.
Jones (NC)
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Neugebauer
Norton
Nunes
Oberstar
Obey
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Platts
Pomeroy
Porter
Price (NC)
Pryce (OH)
Putnam
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Roskam
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sessions
Sestak
Shea-Porter
Sherman
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Whitfield
Wilson (NM)
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOT VOTING—23

Baird	Fortuño	Maloney (NY)
Bordallo	Harman	McMorris Rodgers
Burgess	Hastert	Meehan
Cubin	Herger	Olver
Davis, Jo Ann	Hunter	Peterson (PA)
Emanuel	Johnson (IL)	Radanovich
Engel	Jones (OH)	Shays
Faleomavaega	Lewis (KY)	

□ 2146

So the amendment was rejected.

The result of the vote was announced as above recorded.

(By unanimous consent, Mr. HOYER was allowed to speak out of order.)

LEGISLATIVE PROGRAM

Mr. HOYER. Mr. Chairman, ladies and gentlemen, I want to inform my colleagues that we expect no further votes tonight. We expect to proceed to completion of this bill tonight. All votes, further votes that are called for will be rolled and will be voted upon on Tuesday. But as long as the Members want to go tonight, we're going to go. We're going to finish this bill tonight.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. HOYER. I yield to my friend

Mr. FRANK of Massachusetts. I wish the gentleman would have said that last sentence a little less assertively.

Mr. BLUNT. Would the gentleman yield?

Mr. HOYER. I'd be glad to yield to my friend.

Mr. BLUNT. While the gentleman has the floor, could you give us an idea of what else to expect next week?

Mr. HOYER. Well, we're coming back Monday. There will be votes at 6:30. There'll be suspensions. On Monday the House will meet at 10:30 a.m. for morning-hour business and noon for legislative business. We'll consider several bills under suspension of the rule as is usual. Notice of those bills will be given by the end of the week.

On Tuesday, the House will meet at 9 a.m. for morning hour business, 10 a.m. for legislative business. We'll consider additional bills under suspension of the rules. A complete list, as I said, will be announced by the close of business tomorrow. On Wednesday and Thursday the House will meet at 10 a.m. We expect to consider H.R. 1100, the Carl Sandburg Home National Historic Site Boundary Provision, and H.R. 2316, Honest Leadership and Open Government Act, and the conference report on the supplemental appropriations to fund Iraq, Katrina, veterans health and other matters.

Mr. BLUNT. If the gentleman would further yield. Our Members, I think, in agreement with the gentleman's view on this, said we'd prefer to stay until this supplemental is done. And is that your inclination at this time?

Mr. HOYER. It is our intention to pass the supplemental before we break for the Memorial Day Break, yes.

Mr. BLUNT. I thank the gentleman.

AMENDMENT NO. 16 OFFERED BY MR. FEENEY

Mr. FEENEY. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. FEENEY:

Line 16 on page 127, strike the dash and all that follows through line 10 on page 128 and insert the following: ''to provide housing assistance, in 2007, for areas affected by Hurricane Katrina or Rita of 2005 and, after 2007, to provide housing assistance for supported rental housing for disabled homeless veterans.''.

Page 130, lines 23 and 24, strike ''establish a formula to allocate'' and insert the following: ''provide for the allocation''.

Page 131, line, 1 insert ''of'' before ''the''.

Strike line 4 on page 131 and all that follows through line 2 on page 132 and insert the following:

''The funding shall be distributed to public entities and allocated based on the formula used for the Continuum of Care competition of the Department of Housing and Urban Development.''

Page 136, lines 7 through 9, strike ''For each year that a grantee receives affordable housing fund grant amounts, the grantee'' and insert ''Each grantee for 2007 that receives affordable housing fund grant amounts''.

Page 138, line 1, strike ''the'' and insert ''any''.

Page 138, line 5, before the period insert '', if applicable''.

Page 138, line 7, after ''grantee'' insert ''for 2007''.

Page 140, after line 6 insert the following:

''Affordable housing fund grant amounts of a grantee for any year after 2007 shall be eligible for use, or for commitment for use, only for rental housing voucher assistance in accordance with paragraph (19) of section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(19).''.

Page 140, line 22, strike ''or''.

Page 140, line 25, after the semicolon insert ''or''.

Page 140, after line 25, insert the following:

''(E) administer voucher assistance described in the matter in subsection (g) after and below paragraph (3);''.

Page 142, line 3, strike ''each year'' and insert ''2007''.

Page 142, line 10, strike ''each year'' and insert ''2007''.

Page 147, line 20, before ''the manner'' insert ''for each grantee in 2007,''.

Page 151, line 15, before ''requirements'' insert ''with respect to affordable housing fund grant amounts for 2007,''.

Page 153, strike lines 1 through 3 and insert the following:

''(F) for the grantees for 2007, requirements and standards for establishment, by the grantees, of per-''.

Mr. FEENEY. Mr. Chairman, picking up where we left off, we've had a considerable amount of debate about the affordable housing fund concerns that many of us in the minority party have about this fund. And I'm not going to put words in the chairman's mouth, as some people did. I promise not to do that to Chairman FRANK.

But there has been an ongoing debate from about 5 o'clock on about whether or not the affordable housing fund amounts to a tax. The truth of the matter is, government only gets money one of three ways. It either prints money, and there's nothing in this bill that tells the Treasury Department or the Mint to print any money. It borrows money, as in Treasury bonds, and nothing in this bill suggests that anybody's going to be repaid the $3 billion that the GAO says this will cost over the next 5 years. Clearly, the only other way government gets money is a tax. Whether we are taxing the shareholders, whether we are taxing ultimately the consumers of low income, middle income mortgages, or a combination of both, this is a tax.

Now, the question is what to do with this tax money. A lot of us have concerns about the fact that we're going to dump this $3 billion into a fund that has not been created, does not have a specific mission, does not have guidelines and does not have any controlling organization or entity. It may turn out to be a wonderful way to spend $3 billion. But we are very concerned with what we see.

I have fashioned a compromise here because some of the amendments on the minority side get rid of the fund or don't fund the fund. I actually fully fund the fund with the Feeney amendment. And we fund it to deal with housing issues for people that are needy. We've heard a lot of talk about lack of compassion for the needy.

What my amendment does is to take the first year's $500 million plus and send it to the victims of Katrina. We heard passionately from the gentleman from Mississippi, from my friend from Louisiana about the needs in the aftermath of Katrina. We keep that funding in place in year one.

But beyond that, in the balance of the years, what we do is to fund necessary housing for disabled American veterans. We use a system to make sure that disabled American veterans who are homeless have access to an opportunity to have a home and a place to live through rental assistance.

I spoke to Secretary Nicholson today of the VA. He tells me that we estimate there are 195,000 homeless veterans. Many of those veterans are disabled, either mental disabilities that come from their battle scars, their battle wounds or physical disabilities. What better way to honor the commitment that the majority has made. We're going to deal with the truly needy in America. But also rest assured that we're going to be dealing with people that have earned the right to get housing assistance, than to suggest that after we take care of Katrina hurricane victims in year one, that we are going to take care of those veterans that are disabled, that are needy and that need a roof over their head.

Mr. Chairman, I commend this as a compromise between the majority's compassion for the needy and the minority's concern that the trust fund that has not been established and has no guidelines may go wayward with this $3 billion.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the author of the amendment clearly indicates he would like to kill the housing fund altogether. He voted to do that in several

ways. We had several votes to do that. We're going to have about 10 votes on the same issue on this bill. I don't know, there's seven different ways to kill your lover. We have about 11 different ways to try to kill the affordable housing fund. Some of them contradict each other because they are joined only by the common opposition to the Federal Government constructing affordable housing. This bill continues that, this amendment, because the key change it makes is to strike the provision that says it will be used for the construction of affordable rental housing and says only vouchers. Now, the vouchers are useful as part of a balanced program. But the vouchers now have been, under the Republicans policy, annual vouchers. We haven't been able to change that yet. Maybe we will.

Mr. FEENEY. Would the gentleman yield?

Mr. FRANK of Massachusetts. Yes.

Mr. FEENEY. Will the gentleman show me in my amendment where we refer to the voucher program? I would express to him our intent clearly is not to participate in the voucher. This is a new program.

Mr. FRANK of Massachusetts. I will be glad to read to the gentleman his amendment, or at least the one that I have. Is this No. 16?

Mr. FEENEY. It's a modification. With the permission of the chairman and unanimous consent, we have a modification.

Mr. FRANK of Massachusetts. When did we get unanimous consent to modify? I don't remember hearing that request. Parliamentary inquiry.

The Acting CHAIRMAN. The Chair wishes to make clear the amendment has not yet been modified.

Mr. FRANK of Massachusetts. Well, I will then take back my time. The gentleman chides me apparently for telling the truth. I have the amendment as printed. I am reading the amendment. He says where in it is the voucher program? Here on page 2 on lines 2, 3 and 4. And it's not very arcane. Let me read it. Affordable housing fund grant amounts of a grantee for any year after 2007 shall be eligible for use or for commitment for use only for rental housing voucher assistance in accordance with paragraph 19.

Now, I apologize to the gentleman for reading his amendment. I had previously to apologize to the gentleman from Illinois for reading his amendment. The gentleman corrected me incorrectly. I would like to go on and correct his incorrect correction before I again yield. The gentleman's purpose may be confusing to people, but I just want to be clear.

Mr. FEENEY. Mr. Chairman, may I make a parliamentary inquiry?

Mr. FRANK of Massachusetts. I do not yield for the purposes of a parliamentary inquiry. Parliamentary inquiries are only done after the holder of the floor yields. And the fact is that I do want to make it clear I am reading the gentleman's amendment. It says only for vouchers, and that's why I said that. Now I will be glad to yield to him.

Mr. FEENEY. Well, thank you. And when the gentleman had yielded previously, I had made a motion for unanimous consent to use the modified amendment which does not refer to the voucher program. And so I had made that motion and had not got a ruling.

Mr. FRANK of Massachusetts. I object.

The Acting CHAIRMAN. The gentleman from Florida has made a motion requiring unanimous consent.

Objection is heard.

Mr. FEENEY. Will the gentleman yield?

Mr. FRANK of Massachusetts. Yes.

Mr. FEENEY. Now we're back on the voucher program that the chairman has a problem with. But I still suggest that the voucher program is better than putting it back.

Mr. FRANK of Massachusetts. I take back my time. I've yielded to the gentleman for varying explanations of his varying amendments. But I want to talk about the one we have. First of all, I do not give consent because we had a pre-filing deadline precisely so that we can study these things. They are somewhat complicated. I think having them come right off the top of people's heads, particularly at 10 o'clock at night, after we've debated the same issue about seven times, it's not a good idea to come up with something brand new.

Here's the amendment. It says only vouchers, and it says it in several places, that it's for vouchers. And here's the problem with vouchers. He says it's still better than constructing housing. No, it is not, because a voucher program helps you compete for existing rental housing. But an annual voucher program, which is referenced in this bill, in this amendment, does not give you the ability to build new housing.

In parts of this country there is a housing shortage, that's a problem. In the gulf it's a problem because the housing was destroyed. So when you only do vouchers and do not help build affordable housing, you run into that problem.

Now, under our proposal, communities would have the ability to make choices. But what the gentleman says is in parts of the country where there is already a shortage of physical affordable housing, all his amendment would do would be to drive up the price by increasing the demand for it without in any way adding to the supply.

Now the gentleman's apparently acknowledged the flaws in the amendment by trying to modify it after he had previously submitted it. I don't believe this kind of last minute changes ought to be made at this point. And so we are left with the flawed amendment.

I understand the gentleman's desire to kind of disown it. But the fact is, it is what it is. And a voucher-only program does not add to affordable housing supply and that's what we need.

Mr. BUYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I'm not going to get into the detail here that you have. We have an opportunity to utilize a fund that will help our disabled veterans and get many of them off the street.

I would yield to the gentleman and ask him is that not yet a worthy cause.

Mr. FRANK of Massachusetts. Yes, it is. And here's the point. And if the gentleman would yield to me. I do not think, and it says, disabled homeless veterans. I would agree between now and when we get to conference to give a first preference to disabled homeless veterans. I have two problems with this amendment. First of all, it is not clear that there are that many disabled homeless veterans to absorb 800 million a year. If there are you could deal with it.

But secondly, I do not think in many parts of the country, including my own, that if you only did vouchers you would be doing enough for them. I'd like to build some housing, some with supportive services. But I will give the gentleman my commitment that in the final bill we should be giving a very high preference to disabled homeless veterans.

Mr. BUYER. Thank you very much. I reclaim my time. That's the commitment that I came to the floor here today knowing that yes, you wanted to create this trust fund and understanding whether or not there are any guidelines, your commitment to me to work with me and others who have an interest, that you'll give preference to homeless veterans, I take you at your word, Mr. Chairman, and I'll work with you.

□ 2200

Mr. FRANK of Massachusetts. And the localities will have the ability to do it by voucher or by construction, including, as the gentleman well understands from his work, maybe places that have supportive housing as part of it. That would be an eligible use.

Mr. BUYER. I rise here today to work with you as we go here and into conference.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FEENEY).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. FEENEY. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Florida will be postponed.

AMENDMENT NO. 8 OFFERED BY MR. PRICE OF GEORGIA

Mr. PRICE of Georgia. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. PRICE of Georgia:

Page 144, after line 19, insert the following:

''(8) ACCEPTABLE IDENTIFICATION REQUIREMENT FOR OCCUPANCY OR ASSISTANCE.—

''(A) IN GENERAL.—Any assistance provided with any affordable housing grant amounts may not be made available to, or on behalf of, any individual or household unless the individual provides, or, in the case of a household, all adult members of the household provide, personal identification in one of the following forms:

''(i) SOCIAL SECURITY CARD WITH PHOTO IDENTIFICATION CARD OR REAL ID ACT IDENTIFICATION.—

''(I) A social security card accompanied by a photo identification card issued by the Federal Government or a State Government; or

''(II) A driver's license or identification card issued by a State in the case of a State that is in compliance with title II of the REAL ID Act of 2005 (title II of division B of Public Law 109-13; 49 U.S.C. 30301 note).

''(ii) PASSPORT.—A passport issued by the United States or a foreign government.

''(iii) USCIS PHOTO IDENTIFICATION CARD.—A photo identification card issued by the Secretary of Homeland Security (acting through the Director of the United States Citizenship and Immigration Services).

''(B) REGULATIONS.—The Director shall, by regulation, require that each grantee and recipient take such actions as the Director considers necessary to ensure compliance with the requirements of subparagraph (A).''.

Mr. PRICE of Georgia. Mr. Chairman, I appreciate the conversation that just went on and the gentleman from Florida's amendment and his desire to modify his amendment because I think it brings out the point clearly that this is, in fact, a closed rule and should be recognized as such by our colleagues and by the American people.

This amendment I am offering, along with Representatives CAPITO and CAMPBELL and PEARCE, and I want to thank them for their leadership on this issue and urge my colleagues to look at this amendment carefully. This amendment would prevent illegal immigrants from owning or renting housing built by funds from the Affordable Housing Fund by requiring the adult occupants of that housing to establish their legal residency through the use of secure forms of identification.

Across the country, whether it is Denver, where in 2006 there was an estimated 20,000 illegal immigrants holding FHA-insured loans, or L.A., where banks have begun offering them credit cards, clear reform and oversight is necessary.

In some of these cases, like the FHA loans, the documents submitted with their applications to GSE are later proved to be false, resident alien numbers that have never been issued, Social Security numbers that belong to other people, and W–2 forms that are fabricated.

In the case of financial institutions, minimal documents are required by their regulators to establish a new customer's identity to open accounts, and then after a few short months pass, banks are giving these illegal immigrants credit cards.

So the current loopholes in Federal law are an invitation to illegal immigration, and we shouldn't reward those coming here illegally with the privilege of the services afforded to American citizens. This would clearly result in back-door amnesty.

Our amendment would require the Director of the Federal Housing Finance Agency to ensure that any assistance provided from the Affordable Housing Fund should be for adults who are legal residents in the United States. Occupants of this housing may either use a foreign service or U.S. passport; a Citizenship and Immigration Services, CIS, photo ID card; or a Social Security card in conjunction with a State or Federal ID. These forms of identification are considered to be the most secure types of identification because they are harder to forge or to duplicate. They are all issued by a government agency which has more checks and balances against illegal immigrants, criminals, or terrorists from obtaining these documents.

The current regulations to establish a customer's identity do a disservice to the American people. And I am confident that greater clarification in this area will help stem the tide of illegal aliens, which has been promoted due to a lack of clarity on this issue. The Federal Government should not be operated under obscure parameters that do not serve our Nation. We can strengthen these regulations to help protect America.

The CBO estimates that over the period from 2008 to 2011 that the housing fund created by this bill will generate roughly $3 billion. This is not an insignificant amount of money, and that will be available to build new housing as a result of this legislation.

To the best of our ability, we must eliminate the ability of someone here illegally to use new taxes from hard-working Americans to ''buy a home.'' That is not leadership and it is the wrong incentive.

So I urge my colleagues to reject back-door amnesty for illegal immigrants and to support this common-sense amendment.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, to my distinguished friend from Georgia, whom we served in the legislature together there in Georgia, whom I respect greatly, but I have got to disagree with this amendment, with all due respect.

First of all, we already have this in an accepted amendment by Mr. BOOZMAN that requires that recipients of housing assistance under the bill's Affordable Housing Fund be able to demonstrate with sufficient evidence that they are lawfully present in the United States. That is sufficient. It is already in there.

But let me just point out the real problems and the complexities with this REAL ID. First of all, the REAL ID Act would have States implement new standards, new technology, and new procedures for processing and approving driver's license applications by May of 2008. On March 1 the Department of Homeland Security issued 162 pages of proposed REAL ID regulations acknowledging this one undeniable fact, that compliance by May 2008 would be in their statement an ''impossible task.'' So we could not even do it. By the time the comment period closed last week, the Department of Homeland Security had received over 12,000 comments opposing what the gentleman from Georgia is talking about. The proposed cost for the states, by DHS's own estimation, would be $23.1 million that would be added if the gentleman from Georgia's idea would be incorporated. Only $40 million has been appropriated so far, an amount that wouldn't even begin to cover the costs in one State alone, which would be, let's say, Maine, where the estimate for compliance there is $180 million.

The astronomical cost of this mandate is not our only concern with the gentleman from Georgia's amendment. REAL ID requires that States would have to link their DMF databases with every other State in the Union, raising major concerns about privacy issues and security risks of a nationwide interoperable system.

The amendment by the gentleman from Georgia may be well intended, but it would throw our entire system on top of its head and would not even begin to even deal with this issue that is already being dealt with in a more appropriate way by Mr. BOOZMAN's amendment, which has been accepted. We have got to ensure that all of our identity documents are secure, but REAL ID will not work in its current form. We need to bring together DHS, DOT, States, and experts in privacy, civil liberties, constitutional rights to establish national standards that will protect both our national security and the privacy of American citizens. This amendment would not deal with that, so we must urge everyone to oppose it.

Finally, my point is that immigration is, indeed, a big issue. It is a complex issue, and we are going to deal with that. But, again, you have tried it with the veterans. You have tried it with the debt. You tried it with restricting portfolios. You have even tried to tie it to Social Security and the veterans. And now you are trying to tie this immigration fight onto this simple program to try to bring some affordable housing to the most needy people that need it in our country and especially those that have been devastated from the hurricanes down in Louisiana and in Mississippi.

So, Mr. Chairman, I urge defeat of this amendment. Vote ''no'' on the gentleman from Georgia's amendment.

Mr. PEARCE. Mr. Chairman, I move to strike the last word.

I thank both gentlemen from Georgia for their work, either plus or against this amendment.

I offer to support the amendment tonight, have helped cosponsor it. I appreciate the work that the gentleman from Georgia has done.

Mr. Chairman, our amendment simply requires secure forms of identification. It can be any form. It can be a foreign passport, a U.S. passport. It can be a Citizenship and Immigration Services photo ID card, a Social Security card with some State or Federal ID.

These secure forms of identification are relatively easy for legal residents and citizens to accomplish and to acquire. They are relatively difficult for illegals to acquire. So I think that the gentleman's amendment is very appropriate.

We are finding that more and more services that should go to legal American citizens are being soaked up by those who come here illegally. In the Second District of New Mexico, we are on the southern border of the United States bordering Mexico, and I will tell you that our hospitals are overwhelmed. Good tax-paying citizens come to me and ask why is it that one's daughter whose husband and she make $30,000 or $40,000 a year just paid $5,000 to have a baby and the girl in the bed next to her got it for free?

We are finding that this is the case over and over. And so requiring this fund to establish some sort of legality, some sort of legal residency or citizenship is not an onerous burden, and in fact it is one that most Americans would expect that we would accomplish.

I will tell you that the underlying bill, in establishing one of the trust funds, is a very problematic situation. We heard the left declare when they came into power in this Congress that they would spend the profits of companies like Exxon, and now we are seeing them actually reach down and pluck those profits away, put them into a fund, and with no discretion, no declaration of how those funds are to be spent. I don't think that is what Americans want.

And just so we understand the real process, this same technique of establishing funds that simply appear in the authorization bills is also accomplished in H.R. 6 and the Hardrock Mining bill. Those attempts to reach out and take money from corporations to spend it because the left declared that to be their intent when they came to power in this House of Representatives.

So my friends, I would suggest that making a requirement for U.S. citizenship is not too much.

I would say also we have received a lecture tonight about hypocrisy, we on the Republican side. I would comment that just earlier today we have heard promises from the other side that they were not going to have secret votes to increase the debt limit, and yet even today almost $1 trillion in debt limit was increased without a vote, without the transparency that we were promised. We were promised under the new majority earmark reform, and within the last couple of weeks we have seen a little $23 million earmark slid into the bottom of a bill with no ability to even comment about it.

We were told that we are going to protect the American soldiers, and yet we see funding mechanisms that take money from the operational troops and placed only for training.

So my friends, when we are told to trust us, that we will create this fund and we will write the specifications later, I say in New Mexico we have a saying ''trust your neighbor but brand your cows.''

This bill with the Affordable Housing Fund is no cow. It is mostly bull. But we had still better brand it and watch for what we are doing.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

I also want to strike a few misconceptions. First, the gentleman quite inaccurately said that the money here is authorized with no direction about how it is spent. The only money that will be spent if the bill becomes law, unless there is further action by the Congress of the United States, is the money that will go to Mississippi and Alabama, and the bill is quite clear that that will go to the States of Mississippi and Alabama. No further expenditures will be authorized until a second bill goes forward describing how they will be done. So the bill does describe how they will be done for Mississippi and Alabama. And, yes, there will be a second bill that will, we believe, describe how this money will be spent.

Secondly, he said we are reaching down to corporations like Exxon and taking their money. Well, Fannie Mae and Freddie Mac are very different than other corporations. They are federally chartered and have very specific Federal advantages. So, no, there is not an analogy between directing them and, in fact, other corporations, as was recognized, for instance, by Secretary Jackson of HUD as he began to criticize them for not doing enough in their affordable housing goals.

□ 2215

But the more important issue I have to say, Mr. Chairman, is I am somewhat puzzled by the, I don't know if it's a clash of egos or what, the inability of people on the other side to coordinate.

There were four separate amendments that seek to do exactly the same thing. Yes, we agree; people who are in the country illegally should not be the beneficiaries of this program. In fact, we accepted the amendment offered by the gentleman from Arkansas (Mr. BOOZMAN) who says that very clearly. It does say that you can't be here unless you are here legally, and says that the director shall issue requirements calling for sufficient evidence to show that. Now, one difference between that amendment and this one is this one gets people back into the controversy over the REAL ID Act. That was controversial when passed. A number of States, governors and legislatures have expressed disagreement.

Now, we already have accepted into the bill the amendment of the gentleman from Arkansas to deal with the question of keeping out people who are here illegally. Three other amendments, I guess people all want to get credit for the same thing, but one of the things they do is to get into the REAL ID Act.

So Members should understand that in voting for this amendment, you will be going beyond simply keeping people out of this program who are here illegally; we've already accepted an amendment directing that that be done. Instead, you will be getting the privilege of getting back into the controversy of the REAL ID Act. If you come from a State where that's not popular, then you get a chance to vote for it unnecessarily, since we already have the restriction.

Mr. Chairman, I will now yield to the gentleman from New Mexico.

Mr. PEARCE. I thank the gentleman for yielding.

I would point out that the REAL ID Act is not the only source of documents, that people who are here illegally should have some sort of U.S.—

Mr. FRANK of Massachusetts. Mr. Chairman, I will take back my time to say yes, that's true. That is why the gentleman from Arkansas' amendment, which was adopted, sets forward the requirements.

This does mention the REAL ID Act. It is an affirmation of the REAL ID Act. It doesn't say it's the only way. But Members should understand, in adding this to what we have already accepted from the gentleman from Arkansas, what Members will be doing will be getting a chance to, once again, tell their State they may have a problem. Yes, we like the REAL ID Act and you've got to stick with the REAL ID Act. I don't understand why Members would want to reintroduce that controversy when we already have accepted an amendment that says there shall not be anybody in here who is not here legally. And it says, ''Regulations, as the director shall issue, setting forth requirements for sufficient evidence that they are lawfully present in the United States.''

So we have an amendment that has been accepted that will be part of the bill if it becomes law that says you must, according to the director, be able to show, the gentleman said there are various ways to do it. Now, this bill gets more specific and it gives some examples, including, they said, the REAL ID Act. And I don't think all the Members are eager once again to take a position about the REAL ID Act in the face of a lot of opposition from governors and legislatures when exactly the same purpose has been identified here.

You know, people used a cliche before, everybody's entitled to his own opinion, but everybody's not entitled to his own facts. But I guess on the Republican side, the rule is everybody is entitled to his own amendment on a popular issue, because we have four identically on this. We had 11 on the fund. We have six on something else.

Now, far be it from me to try to get them to coordinate, but we're going to be here for a couple more hours mostly debating amendments that were offered by people on the same subject of a previous amendment, some of which were offered because somebody didn't get the credit for it. So maybe this isn't the REAL ID Act, it's the ''Real-Credit-For-Me Act.'' And we already have in the bill, as I said, an amendment that accomplishes this purpose.

Mr. NEUGEBAUER. Mr. Chairman, I move to strike the last word.

Certainly the distinguished chairman would want to make sure that anybody that got any of the funds from this housing fund would want to make sure that they are United States citizens. We would never want to deprive a United States citizen the ability to get homeownership at the expense of someone who is here in this country illegally.

And someone was talking about this as being an immigration bill. Immigration is about a legal process. We are talking about someone who has committed an illegal process.

Mr. Chairman, I yield to the gentleman from Georgia (Mr. PRICE).

Mr. FRANK of Massachusetts. Will the gentleman yield for 30 seconds?

Mr. PRICE of Georgia. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the concerns that have been voiced from the other side, but in fact, they are not legitimate concerns. We've heard a lot about the REAL ID Act. We're not debating the REAL ID Act. What we are debating is the requirement of specific pieces of identification in order to be eligible for these loans.

As the gentleman from New Mexico stated over and over, the Social Security card with photo identification works, a driver's license works, a passport works, U.S. Citizenship and Immigration Services works. So we are not debating the REAL ID Act.

We've heard from a couple of gentlemen on the other side of the aisle that this has already been adopted in the amendment that was accepted by the gentleman from Arkansas. And although we appreciate the magnanimous nature of the chairman, in fact, this is a significantly different amendment because it provides specificity to the documents that would be required.

If the chairman truly believes that the director or a regulatory body makes certain that individuals are here legally, then I would suggest that the gentleman look at the issue of the ability to gain access to credit from illegals in many areas across this Nation with banks that are indeed regulated. And they are regulated with the same kind of language that says that you ought not provide credit to individuals who are here illegally.

So I would urge my colleagues to appreciate and understand that greater clarification, greater specificity in the documents that ought to be required should be accepted. I think it's a commonsense amendment. I appreciate my colleagues for supporting it.

Mr. FRANK of Massachusetts. Will the gentleman from Texas yield to me?

Mr. NEUGEBAUER. I yield 30 seconds to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Yes, I do agree that it should only be—the gentleman didn't mean citizens, because it means citizens or lawful immigrants. Yes, I agree. That is why I supported the amendment from the gentleman from Arkansas.

I would say the other language that the gentleman from Georgia was talking about does not have this direction. It directs the director to require sufficient evidence that they are lawfully present in the United States. Yes, I do think some flexibility is there.

And while the gentleman from Georgia wants to back away from the REAL ID Act, if you vote for his amendment, you are once again reaffirming the REAL ID Act and saying only drivers licenses from those States are good, and it specifically gives very great prominence to the REAL ID Act, as opposed to telling the director, with some flexibility as things change, to accomplish the same goal.

Mr. NEUGEBAUER. Reclaiming my time, I yield to my good friend from New Mexico (Mr. PEARCE).

Mr. PEARCE. I thank the gentleman for yielding.

We are not trying to engage the REAL ID Act at all, what we are trying to engage is a situation that exists right here in Arlington County, Virginia, the immigration status of applicants for local housing subsidies is not checked. Illegal immigrants are allowed to receive taxpayer-funded rent assistance. That is the thing that we are trying to address.

Also, the chairman says that somehow these firms are not the same as other firms that get profits. The truth is that they were commissioned as government-sponsored enterprises, but then the government sponsorship was pulled away. They are simply for-profit businesses. The government does not anymore, and if the gentleman from Texas will yield, are you saying that the government still backs up, with full faith and credit of the United States Government, to the transactions of these——

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. NEUGEBAUER. I will yield to the gentleman.

Mr. FRANK of Massachusetts. No. I did not say that, never have. But I have said that there are a number of links, and everybody except the gentleman from New Mexico, apparently agrees that government-sponsored, enterprises, we do many things to them that we wouldn't do to a purely private corporation. They have a line of credit, they have a supervisory board. There is no OFEHO for private corporations. So, no; we treat them very differently, because they continue to be linked to the government, than other corporations in a variety of ways, including giving them housing goals, having OFEHO set up, giving them a line of credit and doing other things. They are subject to many more restrictions than a purely private corporation.

Mr. NEUGEBAUER. Reclaiming my time, I yield again to the gentleman from New Mexico.

Mr. PEARCE. I would point out that one similarity, that we are willing to treat them similar with for-profit businesses is reach down and extract profits away from them in the way that we're going to do under the Hard Rock Mining Act, and the way we are going to do under H.R. 6. And then these three assistances, and I suspect more instances than this, we are actually fulfilling a promise of the left to take the profits of large companies and spend it. And that to me is an abomination in this free enterprise society.

The Acting CHAIRMAN (Mr. WEINER). The question is on the amendment offered by the gentleman from Georgia (Mr. PRICE).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. PRICE of Georgia. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Georgia will be postponed.

AMENDMENT NO. 10 OFFERED BY MR. SESSIONS

Mr. SESSIONS. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. SESSIONS:

Page 100, after line 17, insert the following new section:

SEC. 136. COST INCREASE DISCLOSURE REQUIREMENTS FOR MORTGAGES OF REGULATED ENTITIES.

(a) IN GENERAL.—Subpart A of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4541 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

''SEC. 1330. COST INCREASE DISCLOSURE REQUIREMENTS FOR MORTGAGES OF REGULATED ENTITIES.

''(a) LIMITATION.—The Director shall by regulation establish standards, and shall enforce compliance with such standards, that—

''(1) prohibit the enterprises from the purchase, service, holding, selling, lending on the security of, or otherwise dealing with any mortgage on a one- to four-family residence that does not meet the requirements under subsection (b); and

''(2) prohibit the Federal home loan banks from providing any advances to a member for use in financing, and from accepting as collateral for any advance to a member, any mortgage on a one- to four-family residence that does not meet the requirements under subsection (b).

''(b) DISCLOSURE REQUIREMENTS.—The requirements under this subsection with respect to a mortgage are that, before or at settlement on the mortgage, the mortgagor

is provided a written disclosure in such form as the Director shall require, clearly stating the dollar amount by which the requirements on the enterprises to make allocations under section 1337(b) to the affordable housing fund established under section 1337(a), if borne by mortgagors on a pro rata basis, could have increased the amount to be paid under the mortgage by the mortgagor over the entire term of the mortgage (in comparison with such amount paid absent such requirements), as determined in accordance with the determination of the Director pursuant to section 1337(o) for the applicable year.''.

(b) FANNIE MAE.—Section 304 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719) is amended by adding at the end the following new subsection:

''(g) PROHIBITION REGARDING DISCLOSURE REQUIREMENT.—Nothing in this Act may be construed to authorize the corporation to purchase, service, hold, sell, lend on the security of, or otherwise deal with any mortgage that the corporation is prohibited from so dealing with under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

(c) FREDDIE MAC.—Section 305 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454) is amended by adding at the end the following new subsection:

''(d) PROHIBITION REGARDING DISCLOSURE REQUIREMENTS.—Nothing in this Act may be construed to authorize the Corporation to purchase, service, hold, sell, lend on the security of, or otherwise deal with any mortgage that the Corporation is prohibited from so dealing with under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

(d) FEDERAL HOME LOAN BANKS.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following new paragraph:

''(6) PROHIBITION REGARDING DISCLOSURE REQUIREMENTS.—Nothing in this Act may be construed to authorize a Federal Home Loan Bank to provide any advance to a member for use in financing, or accept as collateral for an advance under this section, any mortgage that a Bank is prohibited from so accepting under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

Page 144, after line 19, insert the following:

''(8) USE OF AMOUNTS FOR COSTS OF REQUIRED MORTGAGE DISCLOSURES.—Of the amount allocated pursuant to subsection (b) in each year to the affordable housing fund, the Director shall set aside the amount necessary to cover any costs to lenders, mortgagees, and other entities of making disclosures required under section 1330, and shall use such amounts to reimburse lenders, mortgagees, and other entities for such costs. The Director shall by regulation provide for lenders, mortgagees, and other entities to apply for such reimbursements and to identify such costs.''.

Page 153, after line 14, insert the following:

''(o) DETERMINATION OF COST INCREASES.—For each year referred to in section 1337(b)(1), the Director shall make a determination, taking into account the results of the study conducted pursuant to section 139(d) of the Federal Housing Finance Reform Act of 2007, if available, and the amount of allocations made under section subsection (b) of this section to the affordable housing fund established under subsection (a), of the amount by which the requirements on the enterprises to make such allocations have increased the amount to be paid by mortgagors under mortgages for one- to four-family residences over the entire terms of such mortgages in comparison with such amount to be paid absent such requirements, expressed as an increased cost per $1,000 financed under a mortgage. The Director shall make such determination for each such year publicly available and shall provide for dissemination of such determination to lenders, mortgagees, and other entities incurring costs of making disclosures required under section 1330.''.

Page 153, line 15, strike ''(o)'' and insert ''(p)''.

Mr. SESSIONS. Mr. Chairman, my amendment will provide useful information to middle-class home buyers about the real cost of the $2.5 billion stealth tax included in this legislation, and how it will affect these consumers' wallets.

The amendment requires that the director of the Federal Housing Finance Agency will determine how much the new tax created by this housing fund will increase total costs for home buyers whose mortgages are purchased by housing GSEs.

This information would then be disclosed to the home buyer at or before closing for these mortgages to qualify for future GSE purchase. To ensure that it does not create a costly regulatory burden for mortgage originators, the amendment also provides that additional costs created by this new disclosure requirement would be paid for by the Housing Fund.

I believe that if we are going to pass a new stealth $2.5 billion tax on the middle class to pay for affordable housing, then Congress should, at the very least, be up front about the true cost of this fund with those who are being asked to foot the bill.

My amendment simply provides for transparencies for consumers about the true cost of this new government mandate. I would encourage all my colleagues from both sides of the aisle to support it.

Mr. Chairman, a consistent fact about the free market is that new taxes to build big government programs are always passed on to the consumer. The Housing Fund created by this legislation raids the portfolios of the GSEs for funding. And the GSEs in turn, you guessed it, have to pass the increased costs associated with compliance with this new Federal mandate along to the middle-class home buyers in the conforming loan bracket.

I think it is bad public policy to tie the fate of families that need housing support to the success or failure of Fannie Mae and Freddie Mac's portfolios, as this Housing Fund does. I think that it is bad policy to discourage middle-class home buyers from achieving their American Dream of homeownership by creating a new $2.5 billion stealth tax.

But I think it is absolutely awful public policy to pass this stealth tax and not let consumers know how their pockets are being picked to fund this new big government program brought to us as the courtesy of the Democrat majority in Congress.

I encourage all my Members to support this amendment to provide transparency and funding for the Housing Fund.

Mr. WATT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment.

I have been reading the amendment. And the first part of the amendment really does exactly what the bill does, it tells the director to set up some guidelines, and that is what the director is authorized to do under this bill. So that's not troublesome.

But then you get to page 2 of the amendment, and then you have the requirement that there be a settlement procedure which is duplicative of the settlement procedure that already exists under law. You have the Home Mortgage Disclosure Act already in place. There is going to be a separate set of disclosures now related to this. And then the gentleman has the nerve to say that we are creating a bureaucracy and adding costs to the closing process.

□ 2230

I, for the life of me, can't understand why this would be a good idea.

The first part of the amendment is fine, because that is what the bill is all about. But it is already in the bill. Why would you have two disclosures, two sets of disclosures? We have had hearing after hearing after hearing about how to simplify the disclosure process at closings. Mr. MCHENRY from my own State offered an amendment to the bill in committee that tried to put forth a one-page disclosure statement, and here we are now with you all telling us we ought to have a second set of disclosures at a closing under this trust fund. It is inconsistent, and it is obvious what this is about, is to throw every stumbling block in the way that you can to discourage the trust fund.

We had an amendment earlier that was defeated in the last series of votes. Mr. BACHUS offered the amendment, the ranking member of the full committee, that would have stripped the trust fund out of the bill. You lost that amendment. You lost that amendment. To go every other conceivable way to try to do identically what the overwhelming majority of this House has already said it is not willing to do seems to me to be counterproductive.

Let me just address one other issue. Mr. PRICE from Georgia raised this earlier. We have to at some point say, look, we have had more open rules out of committee under Chairman FRANK's chairmanship this year than all of the last 8 years in this House, and at some point the notion that we can continue to bring bills to the floor under open rules when we have 15 different amendments that essentially say the same thing over and over again, and then

have one of your Members get up and say, well, because one of your Members was not allowed to amend his faulty amendment it is not an open rule, it is insulting to the Chair of this committee and it is insulting to this institution.

So this is yet another example to do what was failed to be done in the ranking member's amendment, and I ask my colleagues to defeat it once again.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. The Chair would remind all Members to address their remarks to the Chair.

Mr. NEUGEBAUER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to my good friend from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Chairman, I thank the gentleman for yielding, and I do thank the gentleman from North Carolina. So that he is aware, this is unlike any of the other amendments.

This is very straightforward. It offers an opportunity for consumers to see straight up exactly what those costs are that are being passed to them. There is no duplication. There is nothing about this amendment or about the reporting process that would be duplicative. It would be straightforward, and it would be full transparency.

As I recall it, just a few weeks ago the new Democrat majority was intensely interested in making sure that every single person who was a shareholder would have transparency and understanding about the compensation of executives, in the best interests of shareholders.

Now, here we are talking about middle class home buyers who are attempting to understand, to know what costs they are to pay for, whether there is a FedEx package, if there is a notary charge. We are trying to make sure that this money, which would add up to be about $2.5 billion over a short period of time that would be passed to them, they would simply have a statement of exactly what that charge was for.

I think this is good government. I think it is transparency. I do not find any way that it is duplicative. I do not find where there is necessarily additional work. It would be paid for by the fund. The fund that we are saying tonight we are supportive of would simply need to make sure that it becomes transparent to those people who will be paying the money.

I think if you checked out of any restaurant, if you checked out of any store, that you would want to know what you paid for. There would be a line item for it. That is what we are asking for. This is really not very confusing. It makes the bill a little bit better.

It provides transparency. In my opinion, that is still what Congress, both sides, Republicans and Democrats, should strive for, if middle class taxpayers are having to pay for it. I think it makes sense.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to talk about this amendment very, very briefly, but just prior to getting to that, I wanted to make a very, very important point about the previous amendment, because I think it is very, very important for the record to reflect, for there was denial about the REAL ID Act and its implications on the gentleman from Georgia's amendment.

It is very important that I read the language in the bill, in the amendment, that the gentleman from Georgia had previous to this.

It says on page 2, starting at line 3, that a driver's license or identification card issued by a State, a State that is in compliance with title II of the REAL ID Act of 2005, title II of division B of Public Law 109–13; 49 USC 30301 note.

That is the language that is in the bill. The REAL ID is in the bill. Now, it is there. This is the amendment. This is what we are voting for. The REAL ID is in the language.

Now I want to spend the remainder of my time on the gentleman from Texas' amendment. Let us talk about your amendment, the gentleman from Texas, Mr. SESSIONS.

That disclosure that you are requiring, you must admit first of all it is a highly speculative cost. Number two, it does not provide a benefit to consumers. It will add another disclosure to an already cumbersome settlement process, further confusing the homeowners and the home buyers. Again, these are basically poor people who we are trying to help who have been victims of a hurricane. We are also going to, in the process after that first year, apply it to States so that they can apply their own criterion.

But, Mr. SESSIONS, where your amendment really causes a problem is in the broader community of the housing financial market. For example, your amendment would also make it difficult for a Federal Home Loan Bank, for example, to make advances or loans to a community bank member based on a blanket lien on the bank's overall mortgage portfolio, thus raising mortgage costs. These community banks depend on these advances to provide home buyers with competitive credit.

So, again, in each of the previous amendments, I cannot understand for the life of me why the Republicans want to so overreach to basically undermine the entire housing financial market just to get at this one small effort to help low income people get relief and get some assistance in becoming homeowners, in the rental capacity as well as the construction of new homes.

Mr. PRICE of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate the comments of my good friend and colleague from Georgia about the previous amendment. I wasn't interested in revisiting it, but I was compelled to do so because of the obfuscation that I believe occurred.

The amendment, my amendment, states on line 9, page 1, that the personal identification shall be one of the following forms. ''One of the following forms.''

The first item is Social Security card. The second item is in fact a driver's license with a State complying with REAL ID. And then there is an ''or'' between the two. An ''or'' means one of them. Not all of them. Not always in compliance with REAL ID.

Then it goes on to have the two small ii's on page 2, line 9, where it says a passport.

Then there is even a third way that you can do it. Line 12, page 2, United States Citizenship and Immigration Services Documentation.

Lo and behold, it is just one of those, Mr. Chairman. It is not all of them.

So I would suggest that my good friend from Georgia be complete in his characterization of my amendment.

Mr. Chairman, I am pleased to yield to my good friend from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Chairman, I thank the gentleman.

In reply to the gentleman from Georgia, this amendment does not require originators to provide this disclosure to home buyers. It simply says that the disclosure must be given if the originator wants the mortgage to qualify for the purchase by the GSEs.

This is not the first time that Congress has asked that mortgage originators provide blanket disclosures to home buyers, regardless of whether or not the disclosure applies to their specific mortgage. The Cranston-Gonzalez National Affordable Housing Act mandated disclosure to consumers about the mere likelihood that a mortgage's servicing rights would be transferred without regard to whether any specific mortgage servicing rights would actually be transferred. The gentleman, Mr. FRANK, was an original cosponsor of the bill in the 101st Congress, and voted in favor of it on August 1, 1990.

Mr. Chairman, I will insert into the RECORD an example of the precedent for this nonspecific mandated mortgage disclosure requirement supported by our chairman, Chairman FRANK.

RESPA SERVICING DISCLOSURE

Lender: Indiana Members Credit Union, 4790 East 96th Street, Ste. 120, Indianapolis, IN 46240, Notice to first lien mortgage loan applicants: the right to collect your mortgage loan payments may be transferred. Federal law gives you certain related rights. If your loan is made, save this statement with your loan documents. Sign the acknowledgment at the end of this statement only if you understand its contents.

Because you are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA)(12 U.S.C. Section 2601 et seq.) you have certain rights under the Federal law. This statement tells you about those rights. It also tells you what the chances are that the servicing for this loan may be transferred to a different loan servicer. ''Servicing'' refers to collecting your principal, interest and escrow account payments, if any. If your loan servicer changes, there are certain procedures that

must be followed. This statement generally explains those procedures.

TRANSFER PRACTICES AND REQUIREMENTS

If the servicing of your loan is assigned, sold, or transferred to a new servicer, you must be given written notice of that transfer. The present loan servicer must send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the effective date of the transfer. The new loans servicer must also send you notice within 15 days after the effective date of the transfer. The present servicer and the new servicer may combine this information in one notice, so long as the notice is sent to you 15 days before the effective date of transfer. The 15-day period is not applicable if a notice of prospective transfer is provided to you at settlement. The law allows a delay in the time (not more than 30 days after a transfer) for servicers to notify you, upon the occurrence of certain business emergencies. Notices must contain certain information. They must contain the effective date of the transfer of the servicing of your loan to the new servicer, and the name, address, and toll-free or collect call telephone number of the new servicer, and toll-free or collect call telephone numbers of a person or department for both your present servicer and your new servicer to answer your questions. During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

COMPLAINT RESOLUTION

Section 6 of RESPA (12 U.S.C. Section 2605) gives you certain consumer rights, whether or not your loan servicing is transferred. If you send a ''qualified written request'' to your servicer, your servicer must provide you with a written acknowledgment with 20 Business Days of receipt of your request. A ''qualified written request'' is a written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer which includes your name and account number, and the information regarding your request. Not later than 60 Business Days after receiving your request, your servicer must make any appropriate corrections to your account, or must provide you with a written clarification regarding any dispute. During this 60 Business Day period, your servicer may not provide information to a consumer-reporting agency concerning any overdue payment related to such period or qualified written request. A Business Day is any day in which the offices of the business entity are open to the public for carrying on substantially all of its business functions.

DAMAGES AND COSTS

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that Section.

SERVICING TRANSFER ESTIMATES

1. The following is the best estimate of what will happen to the servicing of your mortgage loan:

We may assign, sell or transfer the servicing of your loan while the loan is outstanding. We are able to service your loan and we will not have not decided whether to service your loan. or

We do not service mortgage loans, and we have not serviced mortgage loans in the past three years.

We presently intend to assign, sell or transfer the servicing of your mortgage loan. You will be informed about your servicer.

We assign, sell or transfer the servicing of some of our loans while the loan is outstanding depending on the type of loan and other factors. For the program you have applied for, we expect to:

Sell all of the mortgage servicing retain all the mortgage servicing assign, sell or transfer ____% of the mortgage servicing.

2. For all the first lien mortgage loans that we make in the 12-month period after your mortgage loan is funded, we estimate that the percentage of mortgage loans for which we will transfer servicing is between: to 25% (or None) 26 to 50% 0 51 to 75% 0 76 to 100% (or ALL)

This estimate does not include assignments, sales or transfers to affiliates or subsidiaries. This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring.

3. We have previously assigned, sold or transferred the servicing of first lien mortgage loans. or

This is our record of transferring the servicing of the first lien mortgage loans we have made in the past:

Year percentage of loans transferred (Rounded to the nearest quartile—0%, 25%, 50%, 75%, or 100%).

2003: 50%;

2004: 50%; and

2005: 25%.

This information does not include assignments, sales or transfers to affiliates or subsidiaries.

Date:_____

Present Servicer or Lender: Indiana Members Credit Union.

ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT

I/We have read this disclosure form and understand its contents, as evidenced by my/our signature(s) below.

I/We understand that this acknowledgment is a required part of the mortgage loan application.

_____ Applicant _____ Date

_____ Applicant _____ Date

Mr. Chairman, it is clear to me that what we are talking about here is that our friends on the other side simply don't want people to know who is footing or paying the bill. It is so important to get this money to poor people that middle class taxpayers can't be told the truth. It is that simple.

It is not duplicative. It is not anything that requires a great calculation. There would simply be one line that says for every $1,000 of your loan, it is estimated that you are paying X amount. It would be aggregate totals. It would be something that could be calculated very quickly. It is not by a loan, a particular loan; it is by an aggregate total. It could be done. It would be disclosure. It would be the right thing to do.

Mr. Chairman, I think if anybody is confused by this, they simply do not want consumers to know the truth about who is making laws, who is making people pay extra money, where the money comes from and how much money they would be expected to pay themselves. I find that blatantly anti-American not to be open about who is doing what and how much the cost might be.

□ 2245

Americans are entitled to know these sorts of things as consumers. As consumers, they are entitled to know. That is what this amendment is about. If you don't want to be for it, I encourage you to vote ''no.'' But people who are for full disclosure and who want to let the middle class know what they are paying for, who are equally entitled to the American dream, are entitled to know under this amendment.

Mr. PRICE of Georgia. I thank the gentleman for his amendment and appreciate his leadership on this issue, and I appreciate his leadership in defending the hardworking American taxpayer.

Mr. FRANK of Massachusetts. Mr. Chairman, I move of to strike the last word.

I have heard the pejorative ''anti-American'' used in some ludicrous contexts, and I think I have seen now the champion application of that inappropriately.

If you are not for a complicated amendment, adding some language to a disclosure that is somewhat controversial, you are anti-American. I hope the debate bounces up from here.

I would then also say to the gentleman from Georgia, my colleague from Georgia quite correctly pointed out that his amendment would call on people to reaffirm the value of the REAL ID Act. And it is true that the REAL ID Act is only one of four things, but some Americans don't have passports. In fact, the majority of American citizens don't have passports.

A Social Security card with a photo ID issued by the Federal Government, some people don't have that.

And a certificate from the Department of Homeland Security Immigration, if you are a regular American citizen, you don't have that. So of the things people would have of those four, that would be the most common. We don't prescribe it in the amendment adopted by the gentleman from Arkansas. We leave it up to the director because things may change. Things may evolve. There may be new documents. Prescribing this now for 4 and 5 years from now seems to be an error. But it is true, the gentleman from Georgia does give Members a chance to vote once again in favor of the REAL ID Act, as a major, not as an exclusive, but a major premise here.

As to the gentleman from Texas' amendment, I note that he makes a point of saying that the cost of the disclosure will be paid for by the housing fund. He also believes that the housing fund comes at the cost of the mortgage borrowers. I don't understand why with this great flourish he says, hey, we'll make the housing fund pay for this because by his reasoning, that is an additional amount for the mortgage borrowers.

If the existence of the housing fund costs them money, adding to the housing fund simply would add to their costs.

My objection to it is this. It is a complicated, additional calculation of a sum that is de minimus. Even if all of

the cost of the housing fund went to individual mortgages, we are talking about a very small, 1.2 basis points of the portfolio. In fact, I believe most of it won't come from the mortgage holder, it will come from the shareholders. It is a complicated calculation. People will differ about how to make it.

So this notion that if it is going to be a real calculation, and if it is just plucked out of the air it is some pro rata thing and it doesn't mean anything, but to impose additional bureaucracy for a cost that is de minimus is a mistake.

That is why my friend from North Carolina said this is part of the ''we don't like the housing trust fund.''

And by the way, when the gentleman said a housing trust fund created by the Democrats, we were being given too much credit; 43 Republicans joined us in voting against the amendment of the gentleman from Alabama to kill the housing trust fund. So it wasn't just Democrats; 43 Republicans is a pretty significant chunk. It was somewhat bipartisan.

But the point is only if you believe the housing trust fund is going to be some significant cost does it make sense to go through all of this trouble to add this line.

We who believe it is will be de minimus in terms of how it affects each mortgagor, think it will probably cost them more to do this calculation and charge them for it than they would otherwise have to pay.

I yield to the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. I thank the gentleman. The gentleman wants to argue that shareholders should pay for this. Yet just a couple of weeks ago we were arguing on this floor about who should pay to know about executive compensation. We definitely understood it shouldn't be shareholders there. But tonight it is okay.

Mr. FRANK of Massachusetts. Reclaiming my time, reclaiming my time, first of all, to say that is the most baffling thing I have ever had said. It is going to take me a while to figure out what it could possibly mean, if anything.

But secondly, with regard to executive compensation, of course the shareholders would bear the cost if there was one. Our point there was since the SEC has mandated the disclosure and mandated the disclosure be printed in the proxy, there will be no cost to voting on it.

Mr. PEARCE. Mr. Chairman, I move to strike the last word.

I yield to the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. I thank the gentleman for yielding.

You know, we are once again arguing what, first, is a ''de minimus'' amount of money. Then it turns out to be a lot of money. And now we understand it is really not that much money at all that these consumers are having to pay.

But somebody has to pay the $2.5 billion, and that is a new tax. And it is in this legislation. This money is just not going to come out of anywhere. We do expect if there is going to be money that is going to be owed by somebody, that they ought to know where it comes from. It just doesn't come from home buyers. It will come from Fannie Mae and Freddie Mac shareholders. And excluding them from the decision-making process seems like a significant backward step for shareholder rights. But just a few weeks ago the chairman brought legislation to the floor that would mandate a new, nonbinding shareholder vote on executive compensation.

I think that shareholders and Fannie Mae and Freddie Mac, if they are, in fact, the ones to foot the bill for this new fund, at least deserve a little bit of participation. They ought to understand it and know.

I ask the chairman in the name of shareholder rights and shareholder participation to include the language during any conference negotiations, and to make sure he does the same thing thereto.

The bottom line is that shareholders or middle class home buyers all deserve a right to know how much they are being charged. It is a simple request. The gentleman almost got it right. I think it is an American thing that consumers ought to know what they are paying for, and it is unAmerican not to know what you are paying for.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. SESSIONS).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. SESSIONS. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 34 OFFERED BY MR. BRADY OF TEXAS

Mr. BRADY of Texas. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 34 offered by Mr. BRADY of Texas:

Page 130, line 8, strike ''75 percent'' and insert ''70 percent''.

Page 130, line 11, strike ''25 percent'' and insert ''20 percent''.

Page 130, after line 11, insert the following: ''(iii) The allocation percentage for the Texas Department of Housing and Community Affairs shall be 10 percent.''.

Page 130, line 19, after ''in connection with'' insert the following: ''(i) in the case of the grantees specified in clauses (i) and (ii) of subparagraph (A),''.

Page 130, line 20, before the period insert '', and (ii) in the case of the grantee specified in clause (iii) of subparagraph (A), Hurricane Rita of 2005''.

Page 149, line 16, strike ''and'' and insert a comma.

Page 149, line 17, before the semicolon insert the following: '', and the Texas Department of Housing and Community Affairs''.

Mr. BRADY of Texas. Mr. Chairman, we have had a lot of debate tonight about the need for the affordable housing fund. This amendment relates to what I hope will be the fairness of the affordable housing fund. Right now in the first year the allocation for the affordable housing fund is restricted to Hurricanes Rita and Katrina, but only in Louisiana and Mississippi.

This is Hurricane Rita, the fourth largest hurricane in the gulf coast history. It was actually larger than Hurricane Katrina. On the Texas side, the area that I represent, as you can see here, we had 70,000 homes damaged or destroyed. That is 70,000 homes damaged or destroyed by Hurricane Rita.

Today, 18 months after that hurricane, what no one in America knows is that 10 percent of those who fled Hurricane Rita have yet to return to southeast Texas. Ten percent have not come home because they have no home in southeast Texas.

What this amendment does is provides a fair treatment for Texas communities devastated by Hurricane Rita. It takes the principle, same hurricane, same devastation, we should have same treat.

Under this amendment, Louisiana and Mississippi would still receive the bulk of the allocation at 70 percent and 20 percent, and Texas would be eligible for 10 percent. My preference would be to not take a dime from Louisiana and Mississippi. I understand how devastated those communities are. But I have seen the devastation in our southeast Texas communities. Our roofs are torn off and our homes are destroyed. Our people can't come back to their communities because there is no housing. And these counties are predominantly Democratic, poor, with heavy African American populations. Ironically, these were the same counties across the Louisiana line who were the very first to open their homes and shelters and churches to those fleeing Hurricane Katrina. Yet today, they can't rebuild their own homes, they can't return to their own communities because this is often called ''the forgotten hurricane.''

What I am hopeful is that the current allocation is an oversight. And the fact of the matter is that the national media moved over so quickly over Hurricane Rita that not many people understand just how badly the communities were devastated.

I am hopeful that the majority will agree with me that we don't divide a hurricane along State lines and don't provide different treatment for the same hurricane for the same communities. Where we don't have homeowners in Orange whose homes have been destroyed with no help, but their cousin down the road in Lake Charles gets the help they deserve. That is not what this government is about.

Mr. Chairman, I urge support for my amendment. We ought not have two classes of citizens in America: Those who have help from hurricanes and

those who are left stranded. I think this Congress is better than that.

Mr. JEFFERSON. Mr. Chairman, I move to strike the last word.

I appreciate the arguments that are being made. I thank the people of Texas and Georgia and of Tennessee and all over the country who have taken in our residents who have had to flee in the face of a devastating storm.

Louisiana lost 225,000 housing units. The bulk were homeowner units, and the rest were rental properties. The city was 80 percent underwater and severely devastated.

Louisiana suffered 75 percent of the gulf coast housing damage, and that is why the number is as it is. It wasn't pulled out of the air. They tried to apply some remedy here. Initially when the money was first allocated, Louisiana, although it suffered 75 percent of the housing damage, and overall, about 80 percent of the damage of the storm, it nonetheless got some number around 50 percent of the allocation.

This is an effort to correct what was not done properly in the first place, and try to line it up with the damage in Louisiana.

Mississippi had some number in the 20s with respect to their losses. So it is an attempt to line it up with the damage there.

I can tell you we are looking to get, in the case of folks who are in the east part of Texas, we hope that we are making arrangements to get a whole lot of those folks back home and out of Texas. This is about rebuilding. It is not really about housing people.

I heard some arguments early on about how many folks are still in Houston. There are about 30,000 people in Houston from my home area, and there are a number of people in San Antonio and Dallas, also. There are also people in Atlanta and Memphis, as I have said. We want to get all of these folks back home. We still have 225,000 of our citizens not back in town. It is a great tragedy that has occurred there.

You might remember, a great part of what happened to us in Louisiana, at least, maybe less so in Mississippi, is not really because of the hurricane itself, it was because of the failure of the Federal levees that drowned our city. The design was poor. Construction was inadequate, and the maintenance was not good. As a consequence, the levees broke and it drowned our city.

We believe there is not just a legal responsibility, but a moral responsibility to fix the problem because the Federal Government broke it and we think it ought to fix it.

So we have a devastated area. Half of our city's tax base is back. Half our schools and hospitals are closed. Our housing isn't there, and our people need a lot of help. The money so far hasn't done it, and we want to get more to apply to the problem. That is all we are saying.

That is why the committee has gone to great pains to try to make this allocation. I know there is pain in some other places, but we have to apply the limited resources we have to take care of the place that is the most devastated, and that is clearly in Louisiana and Mississippi.

I would urge the House to reject this amendment. I do understand there is a need to help in other places, but I hope we find a way to do it in some other bill and some other time, but not here and not now and not in this particular place.

Mr. NEUGEBAUER. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Chairman, I appreciate the arguments that my friend from Louisiana has made, but I think it is important to understand that you can't tell someone in one State, your home is destroyed, your roof has been torn off, a tree has gone through it; but you are in this State, so we will help you. The exact same hurricane and the exact same devastation, forget it, take a hike. You deserve no help from us.

□ 2300

I don't think any citizen in America who has seen their home destroyed ought to have to compete against someone else in another State to get Federal help. I mean, aren't we supposed to be treating our citizens equally?

And when you have a hurricane that's devastated both sides of the State line, why are we dividing that hurricane along the State line? Mother Nature can't do it, and Congress shouldn't either.

We should help those people, regardless. One hurricane, same treatment, same devastation. I think we have a moral responsibility to help people who no longer can return to their homes, whether it is in New Orleans or whether it is in Orange, Texas. We have the exact same moral responsibility to help, and I cannot see how we, as a government, can justify different treatments, treating one group as second-class citizens when they've done nothing but suffer devastating damage and open their own homes and hearts and churches to help others. It is wrong.

Let's not divide this hurricane along State lines. Let's help these folks.

Mr. NEUGEBAUER. Mr. Chairman, I reclaim my time and I ask the gentleman so I make sure I understand your amendment here, but currently the allocation is 75 percent for Louisiana and 25 percent for Mississippi. And all the gentleman is asking here is that Texas get 10 percent of this housing fund, 5 percent taken from Louisiana and 5 percent from Mississippi. So you're requesting 10 percent for the people of Texas that suffered the same devastation and loss as the people in Louisiana and Mississippi; is that correct?

I yield to the gentleman.

Mr. BRADY of Texas. It is a negligible change for our friends in Louisiana and Mississippi. It is a huge help for the people in southeast and east Texas who have no homes.

Mr. NEUGEBAUER. I thank the gentleman, and I, like the gentleman, encourage this is a fair amendment. We have passed out a tremendous amount of resources for Mississippi and Louisiana.

I've been to the gentleman from Louisiana's and to the gentleman from Mississippi's district. I have seen the recovery efforts down there, obviously a lot of devastation in those States, and a rebuilding program is going on. Quite honestly, I have to compliment the gentleman from Mississippi. They are doing a much better job of moving forward with their rebuilding program.

But one of the things that we need to understand is these natural disasters affect all Americans, and that when we begin to ask this Congress to pass out resources to help people in America rebuild their lives, that we don't do it along State lines.

And I agree with the gentleman, and I encourage everyone to support the gentleman's amendment. I think it is a very fair amendment.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (Mr. WEINER). The gentleman will remove the visual aid while he is not under recognition.

Mr. TAYLOR. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the events of the fall of 2005 were horrible to a large portion of the gulf coast. I understand the gentleman's concern. I would have appreciated if he'd have voted against the Bachus amendment, which would have struck all of this money, but you voted for it.

But one thing I wanted to point out is the somewhat arbitrary nature of his amendment. There's no real good way to judge who lost a house. One of the things we can look at, though, is those who asked for the help which was offered by our President which was delivered by FEMA.

They said if your house is uninhabitable or if it's gone, we'll make a trailer available for every four inhabitants. In Louisiana today, based on FEMA's numbers, there's still 49,000 FEMA trailers being occupied. In my home State, there are 24,500 FEMA trailers still being occupied. In the gentleman's State, there's 1,700 FEMA trailers being occupied.

What I have a problem with is arbitrarily taking a substantial amount of money from a State like Mississippi, that had substantially, according to this, more people lose their homes and just giving it to Texas.

Now, if the gentleman is now for the bill, that's wonderful. If the gentleman would ask the chairman to include the word ''Texas'' so that when this goes to conference hopefully with the other body, in the time between now and then we can find some fair way to adjudicate those claims, I think that would be wonderful.

But what I object to is literally picking a number out of the sky in a State that's got less than 1/10th of the people living in those trailers tonight, as my State, and asking for half the money that my State is getting.

I have been for this proposal. I have sat on this floor for this proposal. The gentleman has objected to this proposal.

So, again, if the gentleman wants to make the request of the chairman that somehow the words Louisiana, Texas, Alabama and Mississippi are included in there, and that between now and conference we find a fair way to distribute these funds, I'm with you. But to just pick a number out of the sky and say just because we're from Texas and we've got a huge delegation, we think we ought to get half as much money as Mississippi, even though 1/10th of the people that are in trailers in Mississippi are in trailers in Texas, I just can't buy that. That's not responsible.

Mr. PRICE of Georgia. Mr. Chairman, I move to strike the last word, and I'm pleased to yield to my good friend from Texas.

Mr. BRADY of Texas. I appreciate the gentleman from Georgia giving me a few minutes.

I don't know anyone who would support a housing fund that turns its back on your citizens who were devastated by the fourth largest hurricane in gulf coast history. I also don't understand a Congress that has citizens compete against each other who have both lost their homes, who aren't just living in trailers.

My people, maybe we have 1,700 living in trailers, but we have another 10 percent who don't live in trailers who can't even come back to the communities that they used to live in, can't even come back. They're not living in trailers. They've moved away. They can't come back because there is no housing.

Their only fault apparently is that they were on the wrong side of the State line for the exact same hurricane, and it seems to me I would prefer not to pick a 70 percent, a 20 percent, a 10 percent figure. I wish there were a better way to do it.

But I do know this. We ought not pit families against each other for competing for dollars that they all need and provide one on one State line all the help they can get and another, we just turn their back.

I know how much this has harmed Louisiana, Mississippi and Alabama. There's no question about the need there. What I'm saying, there is an equal need for each family in southeast Texas who are poor, who are predominantly Democratic counties, heavily African American communities, the ones who rely and need this housing. I just think this body ought to look at all of them equally to provide that help if we can do it.

Perhaps this body will turn its back on these people. Well, I will tell you what, when it came to Hurricane Katrina, they didn't turn their back on the evacuees from New Orleans. One little town of 500 took in 500 evacuees on the very first night, doubled their whole population just to help. We had folks in Orange who stayed up for 72 hours straight helping people from New Orleans on buses who had lost everything and lost families. These are the same people we're turning our backs on tonight.

I don't know what the allocation is, Mr. Chairman, a fair one is. I honestly don't. I do know that we ought to provide equal help and equal hope to these communities devastated by the exact same hurricane.

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

Mr. PRICE of Georgia. I yield to the gentleman from North Carolina.

Mr. WATT. Mr. Chairman, I would like to ask the gentleman a question. Did the gentleman vote for the Bachus amendment that would have not provided any assistance to any of these people? Didn't the gentleman vote for that amendment?

Mr. PRICE of Georgia. Reclaiming my time, I'd be glad to yield to the gentleman from Texas.

Mr. BRADY of Texas. If the question is did I vote for a housing fund that would turn its back on my communities, well, no, I did not vote for that housing fund.

Mr. WATT. Will the gentleman yield once again?

Mr. PRICE of Georgia. Be pleased to.

Mr. WATT. Is the gentleman saying that his community is just Texas? He's not worried about Mississippi or Louisiana, in the general context—

Mr. PRICE of Georgia. Reclaiming my time, I'd be glad to yield to the gentleman from Texas.

Mr. BRADY of Texas. I don't know anyone in this body who intentionally turns their back on any communities. I do know that my district is Texas, but with redistricting I never know what State I may end up in.

But as of this moment, I know my communities well and I think, just as Mr. JEFFERSON, just as Gene and others know their communities and how much heartache they've gone through, I feel strongly that this body ought to try to help equally communities devastated by the exact same hurricane.

Our policy ought to be no second-class citizens in recovery and hurricane relief. Treat them equally for the same hurricane.

Mr. PRICE of Georgia. Mr. Chairman, I commend the gentleman for his amendment and urge my colleagues to adopt it.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

My problem with the answer the gentleman from Texas gave my friend from North Carolina is he voted for the amendment from the gentleman from Alabama to kill this fund before he knew whether his amendment would be accepted or not.

The gentleman says he doesn't know anybody in this body who would turn his back on communities. He has a far more limited circle of acquaintances than I would have thought for someone who had been here this long.

The fact, though, is that the amendment from the gentleman from Alabama would have, if it passed, killed the fund. The gentleman from Texas voted for it. Had he been successful in that vote, there would be no fund for him now to ask for.

Now, I thought my friend from Mississippi who has been an eloquent and passionate defender of the interests of all the people in the gulf made a very good point. As I said to the gentleman from Houston, Mr. GREEN, yes, I think we should look at the needs of Texas. We did some in the hurricane bill in terms of vouchers.

I'm prepared, if this bill gets to conference, to accommodate. We may have underestimated the physical destruction in parts of Texas. I don't think we should now pick a number, but no one had approached me. Mr. GREEN from Texas had approached me, and I said I would work with him. I would be glad to work on it.

I do think when the gentleman says we couldn't expect him to vote for a housing fund that ignored his community, he voted to abolish that fund before he knew what would happen to his amendment. Maybe he just thought the die was cast, but I'm perfectly prepared to work on this.

I hope the amendment is defeated. I don't expect the gentleman to withdraw it, and I would be glad to then look at the arguments about how much destruction there was in Texas, and I would undertake to find some way to try to help in Texas. Of course, the gentleman will probably vote against the whole bill, and if he succeeds, I won't be able to help him, but you can't help everybody all the time. All you can do is offer.

So I hope that we do get a bill through, that it has the housing fund. I hope this amendment is defeated, but I do think that when we look at the concentrated destruction in the part of Texas, something not statewide, and the reason we did Mississippi and Louisiana was we felt the destruction there was more statewide, not the whole State, but it was fairly widely distributed. It would appear there was a more narrow geographic impact in Texas, and I would think that is worth looking at.

And if the housing fund survives the four or five more Republican efforts to kill it, chop it, dice it and slice it, which are probably coming in their infinite list of amendments, and we do get it to conference, I will be glad to work with the gentleman.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BRADY).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. BRADY of Texas. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 25 OFFERED BY MR. DOOLITTLE

Mr. DOOLITTLE. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 25 offered by Mr. DOOLITTLE:

Page 128, line 6, strike ''and''.

Page 128, line 10, strike the period and insert ''; and''.

Page 128, after line 10, insert the following:

''(6) to increase the investment in public infrastructure activities in counties determined to be economically disadvantaged by virtue of receiving payments under the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note).''.

Page 140, line 3, strike ''and''.

Page 140, line 6, strike the period and insert ''; and''.

Page 140, after line 6, insert the following:

''(4) public infrastructure activities, including activities to benefit the public safety, law enforcement, public education, and public lands, carried out only in counties which are determined to be economically disadvantaged by virtue of receiving payments under the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note).''.

Page 140, line 22, strike ''or''.

Page 140, line 25, after the semicolon insert ''or''.

Page 140, after line 25, insert the following:

''(E) in the case of an eligible activity under subsection (g)(4), administer such activities in counties described in such subsection, except that this subparagraph shall apply only to government agencies;''.

Page 144, after line 19, insert the following:

''(8) REQUIRED AMOUNT FOR CERTAIN PUBLIC INFRASTRUCTURE ACTIVITIES.—In the case of any grantee that is a State in which are located counties determined to be economically disadvantaged by virtue of receiving payments under the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note), all of the affordable housing fund grant amounts provided for each year other than 2007 to such grantee shall be used for activities under paragraph (4) of subsection (g).''.

Mr. FRANK of Massachusetts. Mr. Chairman, I reserve a point of order.

The Acting CHAIRMAN. The gentleman from Massachusetts reserves a point of order.

Mr. DOOLITTLE. Mr. Chairman, in 1908 in response to the mounting opposition to the creation of forest reserves in the West, Congress passed a bill which created a revenue sharing mechanism to offset for counties the effects of removing those lands from economic development.

The 1908 act specified that 25 percent of all revenues generated from the national forests would be shared with the counties where those revenues were generated to support public roads and public schools. From 1986 to the present, these payments, because of the decline in timber sales, have decreased precipitously.

Responding to this urgent need, in 2000, the Congress passed the Secure Rural Schools and Community Self-Determination Act to compensate for the loss in revenue for these counties, providing the necessary funds for schools, roads and public lands.

This funding benefited 4,400 school districts in 615 counties throughout 37 States.

In September of 2006, this authorization expired, and in December the last payments were made. While several attempts have been made to reauthorize this legislation, none has succeeded to this point, and as a result, our counties are left without the funds that they were promised and they depend upon to provide public infrastructure activities to maintain their roads and send their children to school.

□ 2315

The results have been devastating. In California's Fourth Congressional District, let me just talk about three instances. In Plumas County, where 70 percent of the land is owned by the Federal Government, layoff notices went to 55 teachers and its school districts, and the county is compensating for this by increasing class sizes, closing all school libraries, closing cafeterias and possibly even closing entire schools.

In Sierra County, which is 75 percent opened by the Federal Government, the county is planning to lay off almost 40 percent of its entire education staff, and the superintendent spoke to me about the potential of shutting down one entire school district and being forced to bus children across State lines into the adjoining State of Nevada to receive a public education.

Finally, in Modoc County, which is 75 percent owned by the Federal Government, they will layoff one-third of its entire roads department and over 12 percent of its teachers.

These hardships are not unique and have spread to other States. You will hear in a minute from Mr. WALDEN of Oregon. Before the government makes any new promise for funding, it should make good on the obligation it already made to the 615 counties across the country which are now struggling to deal with a lack of funding for basic infrastructure needs.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. DOOLITTLE. Well, I would like to yield to Mr. WALDEN.

Mr. FRANK of Massachusetts. I will cede to Mr. WALDEN. If only the gentleman will yield to somebody.

Mr. DOOLITTLE. I yield to Mr. WALDEN.

Mr. WALDEN of Oregon. I thank the chairman. I want to thank the gentleman from California for bringing this amendment. This is the newspaper from the largest county in my district. This is the April 7 edition. All 15 branches of the library system in Jackson County closed the day before because the Congress did not keep its commitment dating back 100 years.

Yesterday afternoon, after the local counties tried to pass resolutions to fund these services, make up for the lost Federal funding that has been there for 100 years, the county workers in virtually every county, I will pick on Josephine right here, got together to get their pink slips. The county workers, dedicated public servants, laid off their jobs; 28 juvenile justice employees in Josephine County, gone; 11 in the District Attorney's Office, gone; half the sheriff's office, gone. There will be no sheriff's patrols, period, end of discussion.

You all are familiar with the case of the Kim family that was lost, devastatingly so in the Federal forest of Oregon last winter, and Mr. Kim died. This is the county. This is the county where these sheriffs' deputies and others tried to find and rescue them. Because the government isn't keeping its commitment, no sheriff's patrol, period; 1642 square miles will have no sheriff's patrol. Sheriff Gilbertson is beside himself. He has to meet the State mandates to keep the jail open, but they are going to end up going from 140 beds to 30 beds.

Senator WYDEN and I were at the White House today passionately making our case to the President to help us on this. This Congress needs to help us on this. We are extraordinarily frustrated, as you can tell, by Mr. DOOLITTLE and others, that even though I supported this housing trust fund, if we've got money we ought to take care of these commitments first so the Federal Government keeps its word, so we can reopen libraries so we can have search and rescue and sheriffs' deputies out on patrol, not only in my counties, but out in the west.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

POINT OF ORDER

Mr. FRANK of Massachusetts. Mr. Chairman, I am going to insist on my point of order.

I am moved, and I mean this, by the eloquence of these arguments for adequately funded public service. I hope all Members will listen to this.

But unfortunately, this is beyond the scope of this bill, which is housing related. I, therefore, must insist on the point of order, not out of lack of sympathy for my two colleagues, but because if we open the floodgates, we would get swamped. So I do insist on the point of order. It is not germane.

The Acting CHAIRMAN. Will the gentleman state the point of order.

Mr. FRANK of Massachusetts. Yes, the point of order. This is beyond the scope of this bill.

The Acting CHAIRMAN. Does the gentleman wish to be heard on the point of order.

Mr. DOOLITTLE. Mr. Chairman, the underlying bill makes numerous references to public infrastructure. We feel this, indeed, is public infrastructure, and that it deals with roads and schools. There are certainly needy

counties by virtue of being included in this Secure Rural Schools Act. That's why we thought the amendment would be germane.

Mr. FRANK of Massachusetts. Mr. Chairman, if I might say in response, it is all within the context of housing. This is a very narrowly specifically defined housing bill.

The Acting CHAIRMAN. Does the gentleman of Massachusetts make a point of order that the amendment is not germane?

Mr. FRANK of Massachusetts. Yes.

The Acting CHAIRMAN. Without further discussion, the Chair is prepared to rule.

The amendment offered by the gentleman from California provides funding for various infrastructure projects, including law enforcement and public education.

The bill is confined to housing and housing-related matters. Clause 7 of rule XVI precludes amendments on a subject different from that under consideration.

In the opinion of the Chair, the infrastructure projects addressed in the amendment represent a subject matter different from that under consideration. As such, the amendment is not germane.

The point of order is sustained.

AMENDMENT NO. 32 OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 32 offered by Mr. HENSARLING:

Strike line 23 on page 85 and all that follows through line 15 on page 86.

Strike line 19 on page 87 and all that follows through line 10 on page 88.

Strike line 12 on page 90 and all that follows through line 9 on page 93.

Mr. HENSARLING. Mr. Chairman, the purpose of this amendment is quite simple, and that is to keep the status quo with respect to the conforming loan limits. The underlying bill would raise it to 150 percent in what are known as certain high-cost areas. I think there are several reasons, Mr. Chairman, why I think the underlying bill contains misguided policy.

Number 1, when you look at why were the GSEs chartered in the first place, they receive a panoply of Federal benefits that we are all familiar with. But supposedly, they received these benefits from the Federal Government for a specific purpose, to support the purchases of mortgages made to low- and moderate-income families, mortgages on properties located in underserved areas, mortgages made to very low-income families and low-income families in low-income areas.

I do not believe that the charter was to help subsidize housing by the government for the wealthiest in our society. That's not why they were chartered. The Conforming Loan Limit right now, I believe, is already too high. To qualify for the $417,000 mortgage right now, a family would have to earn at least $130,000, more than twice the median family income in this country, not by the standards of the Nation, a low or moderate income.

But in the House bill to increase the conforming loan limit by 50 percent to $625,000 in any area where the average home price is over the limit, to qualify for that mortgage, a family's income on an 80/20 LTV would have to be $180,000, almost three times the national median, and that ranks at roughly the top 5 percent of all family incomes in America.

According to OFHEO, the regulator, of the GSEs, using data supplied by the National Association of Realtors in 2007, there were only seven areas that would be affected by this, and that would be comprised of areas in about eight or nine different States, which means that 40 to 42 other States would gain nothing by this and arguably might lose something.

The other argument that I would pose is that after all the behavior of the GSEs, all of the misrepresentations to the public, misrepresentations to investors, misrepresentations to Congress, billions and billions of dollars of accounting misstatements, earnings being manipulated so that executives could receive bonuses, what does Congress do? We reward them. We expand their market share. We give them an opportunity to make even greater profits.

I mean, it leads one to believe that if Enron had been clever enough to change their name to the Enron Housing Corp. we might have done something to still keep them in business. We are expanding their market share.

Another point to make is that, and I will grant that any time you have a Federal subsidy, certainly you can lower the price, but the arguments that somehow people can't get in a home without increasing the loan limits to 150 percent, I don't understand.

The industry experts have estimated the rate on the spread on the rate to be about 20 basis points, and a current 30-year rate fixed mortgage, that amounts to about $80-a-month difference we are talking about. At least under one scenario, CRS, we are looking at about $28 a month. I am having a hard time believing that knowing how competitive the marketplace is, in almost all communities in the jumbo market area, that this is somehow preventing people from getting into a home.

Now, some will speak to a disparity, and I agree. There is the disparity, but I don't think raising the conforming loan limits to 150 percent in only a limited number of areas in the Nation is the solution to that particular challenge.

So I have great reservations about expanding the conforming loan limits. But having said that, given the lateness of the hour, given the outcome of this particular amendment in committee, I do think these were important points to be made.

But at this point, Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The Acting CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. GARY G. MILLER of California. Mr. Chairman, I move to strike the last word.

I thank Mr. HENSARLING for withdrawing the amendment, but I think it's only fair to place on the RECORD the other side of the argument. To assume there's only seven areas that benefit from this is a wrong assumption.

If you look at the current law, Guam, the Virgin Islands, Alaska and Hawaii all benefit from 150 percent of the amount conforming allows in the rest of this country. All we are saying in our high-cost area is saying aren't we as good as Alaska, Hawaii, Guam, and the Virgin Islands.

I have been working on this thing for 3 years, I asked that this be put in the bill. I didn't say let's do it like Alaska, Guam, the Virgin Islands and Hawaii. Let's not make it statewide. Let's go specifically to a region. You could have a situation where Brea, in Orange County, could qualify for $625,000; yet Pomona, within 8 miles, might only need $400,000. But it's easy to extract something from a bill that has no impact on you at all.

For example, the Dallas region that the gentleman represents, the median home price is $146,400. Yet, you can borrow $417,000 through a GSE, three times the amount of the median.

Yet, in Maxine Waters' district, which is four times the median, which is no fault of any of ours, it just happens to be $565,000, she can only borrow $418,000. In my part of Orange County, it's $695,000. I can only borrow $418,600. So we are saying if it is fair for other parts of the country, why isn't it far for all of the country.

Now had the gentleman had introduced an amendment that said, well, we think we should have fairness throughout the country, and let's limit it to the median as my amendment did, in this bill that got enacted in the bill so far, that says you can have it conforming, but it cannot exceed median. Well, the gentleman, I am sure, would have a very difficult time going home and telling his people that now they can only borrow $146,400 from Freddie and Fannie because that is the median we are willing to apply to the rest of our districts.

Now the argument was made in the past that while the people in these high-cost areas make more money, the median income in Dallas, Texas is $65,500; the median income L.A. County is $61,300. They make $400,000 or more a year in his district, that has a median income, median home price of $146,000. Yet in Maxine's and part of my area of L.A. county, people have to pay $565,000 for a median income home, and yet they make $4,000 less.

So, yes, in many cases it's easy to present something to a body and make a very good statement that you are concerned about the quality of a GSE. But let me state, based on the requirements and the restrictions placed upon the GSEs, these loans are very safe.

□ 2330

AMENDMENT NO. 33 OFFERED BY MR. GARY G. MILLER OF CALIFORNIA

Mr. GARY G. MILLER of California. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 33 offered by Mr. GARY G. MILLER of California:

Page 86, strike ", except that" in line 9 and all that follows through "corporation" in lines 14 and 15.

Page 88, strike ", except that" in line 4 and all that follows through "Corporation" in line 10.

Strike line 12 on page 90 and all that follows through line 9 on page 93.

Mr. GARY G. MILLER of California. Mr. Chairman, I rise to offer an amendment to strike the requirement that high-cost area loans be securitized. And what we have done in this bill is we have said that, in these high-cost areas, to eliminate concerns by many, we are willing to say that the GSE must securitize those loans in high-cost areas; so, therefore, they cannot keep those loans. Those loans have to be transferred to the bond market. And there is no concern nor could there ever be any risk to the GSE, because those loans are not being kept by the GSE.

Now, understand clearly that when a loan is made in Alaska, Hawaii, Guam and the Virgin Islands, they are not securitized, and it has not proven to be a risk or a problem so far at all. And if you look at the problems in the real estate market today, they are not in the conforming market at all; they are not even in the high-cost areas that complies with. They are in areas that are not available, such as the jumbo loan market in California and other areas.

I am going to withdraw this amendment, but I am making a statement that it is not fair that we try to provide fairness throughout this country, and yet in doing that we are creating a situation that is less fair to those high-cost areas than it is to the rest of the Nation. It is only fair that borrowers in high-cost areas should be able to get a loan through a GSE, that that loan be kept by a GSE, thereby reducing the cost to the person getting the loan. And the statement that there is only a statement of $25, in a high-cost area this saves a buyer $175 a month in payment or a loan through a GSE.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GARY G. MILLER of California. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I thank the gentleman, and he and I have been working together on a lot of this. I am glad he is going to withdraw it and we won't be proceeding further, but I would note that a number of recent developments in the mortgage field have made it clear that securitization is not the absolute unmixed blessing that people once thought it was. There are advantages to portfolio and there are some disadvantages. There are obviously advantages in terms of liquidity being created through securitization, but there are some problems. So I thank the gentleman for raising this issue, and it is one we will continue to work.

Mr. GARY G. MILLER of California. And I think there is more reason to eliminate securitization than there ever was to place it there in the first place. But, irrespective of that, I withdraw my amendment.

The SPEAKER pro tempore. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 9 OFFERED BY MR. PRICE OF GEORGIA

Mr. PRICE of Georgia. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. PRICE of Georgia:

Strike line 21 on page 128 and all that follows through line 7 on page 129, and insert the following:

"(2) REQUIREMENTS FOR CONTRIBUTIONS.—

"(A) TIMING.—An enterprise shall not be required to make an allocation for a year pursuant to paragraph (1) unless the Director, pursuant to the study under paragraph (2) for such year, makes a determination that such allocation by the enterprise for the year—

"(i) will not contribute to the financial instability of the enterprise or impair the safe and sound operation of the enterprise;

"(ii) will not cause the enterprise to be classified as undercapitalized;

"(iii) will not prevent the enterprise from successfully completing a capital restoration plan under section 1369C; and

"(iv) will not result in increased costs to borrowers under residential mortgages.

"(B) STUDY.—The Director shall, for each year referred to in paragraph (1)—

"(i) conduct a study to determine the effects on each enterprise of making allocations in such year under such paragraph; and

"(ii) submit to the Congress a report containing the findings of such study and the determinations of the Secretary regarding the issues set forth in clauses (i) through (iv) of subparagraph (A).".

Mr. PRICE of Georgia. Mr. Chairman, I offer this amendment which I believe enhances the oversight of the Director over the payments into the Affordable Housing Fund.

The underlying legislation takes the responsible step of providing criteria that the Director of the new regulatory agency should use to suspend contributions to the Affordable Housing Fund created by this bill, and that is a responsible step. However, I and others are concerned that this language doesn't go far enough to ensure the GSE safety and soundness, which indeed is the intent of this important legislation that we are dealing with today.

In the underlying legislation, if the Director finds that contributing to the Affordable Housing Fund would contribute to the instability of the GSE, would cause the GSE to become undercapitalized, or would prevent the GSE from successfully completing a capital restoration plan, then payments to the Housing Fund would be suspending.

I have three specific concerns.

First, nowhere in this language does this legislation provide an explicit requirement for the Director to actively seek out this information and to report on his or her findings.

Second, the language in this section doesn't explicitly list the safe and sound operation of the GSE as one of the factors that the Director should consider.

And, third, the Director does not consider the extent to which these payments into the Housing Trust Fund will result in an increase in costs to the borrowers under residential mortgages.

This amendment very simply would require the Director to study the additional factors that I just mentioned, safety and soundness, and increased costs to the borrowers. Along with those factors already in the text of the underlying bill, and to certify to Congress that they won't be adversely affected before the GSE makes a payment into the Housing Fund, it is imperative that we make certain that all of the hard work that went into creating this new world-class regulator in the underlying legislation isn't undone because of the mandatory payments the GSE will have to make into the Affordable Housing Fund. And we can do that by requiring the Director to look at all of these safety and soundness issues that might be affected, and to provide a responsible signoff requirement before payments are made into the Housing Fund.

I think this greatly improves the accountability and the success and the appropriateness of this bill, and I urge my colleagues to adopt the amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is another version of the effort to kill the fund. It is very similar to amendments we have had before. I will ask Members to draw on their memories. I think at this point they would try to remember than stay up an extra 10 minutes listening to the debate very similar to what they have had before.

It is subject to the frailty which the gentleman from North Carolina (Mr. WATT) pointed out before, since we have had a similar amendment before; namely, that it would give to the Director the right to cancel this. It doesn't ask just for information from

the Director for us to take into account when we do this after the sunset; it empowers the Director to end it.

And it also says: Will not result in increased costs to borrowers on their residential mortgages.

There may be a de minimis cost increase. The way this is worded, a director would have to find that there would be no cost increase at all, not 10 cents, not $1 a mortgage.

I do not think it is intended mainly to deal with the soundness of the enterprise; I think it is dealing, once again, with an effort to try to kill the fund, which we have had five or six votes on already and a couple of more pending amendments.

The other factors, other than it might raise the cost of the mortgage, are already in the text of the bill and they are already factors that the Director is required to study.

So since we have talked about this before, I do not think at this hour anybody is going to bring any new knowledge.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. PRICE).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. PRICE of Georgia. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Georgia will be postponed.

AMENDMENT NO. 19 OFFERED BY MR. DOOLITTLE

Mr. DOOLITTLE. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 19 offered by Mr. DOOLITTLE:

Page 100, after line 17, insert the following new section:

SEC. 136. MORTGAGOR IDENTIFICATION REQUIREMENTS FOR MORTGAGES OF REGULATED ENTITIES.

(a) IN GENERAL.—Subpart A of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4541 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 1330. MORTGAGOR IDENTIFICATION REQUIREMENTS FOR MORTGAGES OF REGULATED ENTITIES.

''(a) LIMITATION.—The Director shall by regulation establish standards, and shall enforce compliance with such standards, that—

''(1) prohibit the enterprises from the purchase, service, holding, selling, lending on the security of, or otherwise dealing with any mortgage on a one- to four-family residence that will be used as the principal residence of the mortgagor that does not meet the requirements under subsection (b); and

''(2) prohibit the Federal home loan banks from providing any advances to a member for use in financing, and from accepting as collateral for any advance to a member, any mortgage on a one- to four-family residence that will be used as the principal residence of the mortgagor that does not meet the requirements under subsection (b).

''(b) IDENTIFICATION REQUIREMENTS.—The requirements under this subsection with respect to a mortgage are that the mortgagor have, at the time of settlement on the mortgage, a Social Security account number.''.

(b) FANNIE MAE.—Section 304 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719) is amended by adding at the end the following new subsection:

''(g) PROHIBITION REGARDING MORTGAGOR IDENTIFICATION REQUIREMENT.—Nothing in this Act may be construed to authorize the corporation to purchase, service, hold, sell, lend on the security of, or otherwise deal with any mortgage that the corporation is prohibited from so dealing with under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

(c) FREDDIE MAC.—Section 305 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454) is amended by adding at the end the following new subsection:

''(d) PROHIBITION REGARDING MORTGAGOR IDENTIFICATION REQUIREMENTS.—Nothing in this Act may be construed to authorize the Corporation to purchase, service, hold, sell, lend on the security of, or otherwise deal with any mortgage that the Corporation is prohibited from so dealing with under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

(d) FEDERAL HOME LOAN BANKS.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following new paragraph:

''(6) PROHIBITION REGARDING MORTGAGOR IDENTIFICATION REQUIREMENTS.—Nothing in this Act may be construed to authorize a Federal Home Loan Bank to provide any advance to a member for use in financing, or accept as collateral for an advance under this section, any mortgage that a Bank is prohibited from so accepting under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

Mr. DOOLITTLE. Mr. Chairman, this amendment will prevent the government-sponsored enterprises, or GSEs, from purchasing any mortgage from a lender where the person who received the mortgage did not use a valid Social Security number.

In my State of California, it has been calculated that each legal resident in the State pays approximately $1,200 every year for illegal immigrants to use taxpayer-funded resources, including our highways, hospitals, and schools. Reducing the opportunities for illegal immigrants to purchase primary residences in the United States will be an important step toward decreasing the burden illegal immigrants impose upon our society.

Fannie Mae and Freddie Mac support the residential mortgage market by purchasing mortgages from lenders that, in turn, use the proceeds to make more loans available to home buyers. These organizations, chartered by Congress, should not be in the business of assisting illegal immigrants to purchase homes.

The size of the GSE's portfolios represents a concentration of mortgage market risks, and this has been observed before, that led former Federal Reserve Board Chairman Alan Greenspan and others to urge Congress to consider ways to shrink the size of the GSE's asset portfolios.

What better way to reduce the size of these portfolios than to prohibit mortgages for illegal immigrants. Not only will this change decrease the market risk, but it will also eliminate one more incentive that draws illegal immigrants to our country.

When a person applies for a mortgage, he is asked whether the loan is for a primary residence, a secondary home, or an investment property. According to my amendment, only a person seeking to buy a primary residence would be required to have a Social Security number. Therefore, this amendment does not discourage foreign investment in the United States. Should a foreign investor wish to obtain a mortgage for a real estate investment, he would be able to do so. However, no person illegally in this country should be allowed to purchase a primary residence here.

Since all people who are legally allowed to work in the United States are able to receive a work authorized Social Security number, this bill only targets those that are here illegally. Lending institutions should not be allowed to reward individuals violating U.S. law. Please vote ''yes'' on this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

And I do want to congratulate the gentleman from California for a very nonduplicative amendment. It is an amendment that is different from all the other amendments, and I am glad to see it. I almost feel like it was Passover; we finally have an amendment that is different from all the other amendments.

The question I have for the gentleman that was raised here, and he may have explained it as I was going over this. He did submit it in a timely fashion, so we should have checked it earlier. What about a foreign visitor who is in the country legally, say on a student visa. Would you be able to purchase a home on this?

I would yield to the gentleman.

Mr. DOOLITTLE. Yes. I did indicate that this only applies to a primary residence. A foreign investor could indicate that——

Mr. FRANK of Massachusetts. Not an investor, but someone who is here under a student visa that might not have a Social Security number, is not working, is here under a student visa and maybe can't work. Could that individual buy a home?

Mr. DOOLITTLE. You would have to be entitled to have a Social Security number, which, as I understand it, would be someone who is employed here.

Mr. FRANK of Massachusetts. But we do have people here, for instance, who are here as students. There are wealthy people who come here to study. In fact, if you find someone paying full tuition in a college, she is probably from another country. And if that parent wanted to buy a home for that student, I don't believe they would have to get a Social Security number; I believe under a student visa you might not be able to work.

Mr. DOOLITTLE. A parent wouldn't need the Social Security number.

Mr. FRANK of Massachusetts. I understand that. But does every student here under student visa have to get a Social Security number? I am told in some cases under a student visa you can't work. If you are here as a student with wealthy parents, the parents want to buy you a home, you might not have a Social Security number and this would keep you from buying a home.

Mr. DOOLITTLE. Well, if the parents want to buy you a home, it would be their investment.

Mr. FRANK of Massachusetts. No, excuse me. The gentleman first said it wasn't the parents. The parents live in another country. The student is here under a student visa, not working, for a 4-year course of study. Could the parents from another country buy that student a home under this bill if the student didn't have a Social Security number?

Mr. DOOLITTLE. As I understand it, Mr. Chairman, the answer to that would be yes.

Mr. FRANK of Massachusetts. How could they if the students don't have a Social Security number, how could you buy them a home?

Mr. DOOLITTLE. Well, because the owner of the home is the parents.

Mr. FRANK of Massachusetts. No. The gentleman is obfuscating now. The parents live in another country. The parents give the student the money so that the student can buy the home. What about a student lawfully in the U.S., under a student visa, whose parents in another country want to finance the purchase of that home? The student doesn't have a Social Security number, maybe under the visa can't work. I think that is the case. The student wouldn't be able to buy a home.

And I do agree that we should tighten up the rules on people here illegally, but as I read this I think it may sweep too far, impose too broad a mandate on Fannie and Freddie over things they can't control. And there may be other categories, but somebody here under a student visa whose family lives in another country, is prepared to finance the purchase of a home, it would appear to me that would make that impossible.

I yield to the gentleman.

Mr. DOOLITTLE. It is true the student himself wouldn't be able to purchase the home. But the parents——

Mr. FRANK of Massachusetts. Again, the gentleman is simply misrepresenting the question. The parents live in another country. People in Saudi Arabia don't have to have Social Security numbers. So the parents are in another country; the student is here without a Social Security number. How does the student buy the home?

Mr. DOOLITTLE. Mr. Chairman, I thought I made clear, the bill allows for foreign investment in the country. The student, under the provisions of this amendment, himself would not be able to buy the home if he were a student not able to work, therefore not having a Social Security.

Mr. FRANK of Massachusetts. The gentleman's interpretation in foreign investment is the parents buy the home for the student. Well, if the student had enough money on his or her own, then the student couldn't buy it.

Mr. DOOLITTLE. Then the student couldn't buy it.

Mr. FRANK of Massachusetts. Well, I don't understand why we would say that. There might be students who have the money to buy it. And this fiction that students who buy a home, parents who buy a home for their own child to live in are foreign investors seems to me to import a fiction to get around an excessively rigid bill. And there may be other categories of people who are lawfully in this country who don't have Social Security numbers and could have the money to buy a home, and I am unpersuaded that we should prohibit that.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

Are you saying that this amendment would prevent home buyers without Social Security numbers from obtaining home loans? Is that correct?

Mr. DOOLITTLE. That is correct.

Mr. SCOTT of Georgia. Is it Social Security number, or valid Social Security number?

Mr. DOOLITTLE. Well, obviously the intent is valid Social Security numbers.

Mr. SCOTT of Georgia. But you don't have valid Social Security number in here. And my point is this: That one of the problems we have got in immigration is there are many illegals, if you are getting at illegal immigrants, who have Social Security numbers. We would place on these this system, much like it is in the employer system, where employers will come and tell you that all of our employees are legal because they have Social Security numbers.

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But I will also tell you, there is a burgeoning industry within the illegal immigration area of falsified Social Security numbers. That's a big deal. So I think that this raises a very serious problem within your amendment, because if you simply say Social Security Number, you're not really getting at the problem that you feel you're getting at.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. SCOTT of Georgia. Yes, I yield to the chairman.

Mr. FRANK of Massachusetts. We might be able to work this out. I am really concerned about the students and others. I am prepared to say that I would be willing to see that this bill is in conference. The gentleman obviously can press ahead. I going to vote against it at this point because it does seem to me that there are categories of people who can lawfully be in the country who have money who could buy a house, and I don't think we want to stop it.

There will be some enforcement issues that we could work out, but I would hope we could more clearly define it; that is, I do think it's important that we say that this be confined to people who are illegally here. But relying on the Social Security number as the exclusive validator of someone's legal presence in the U.S. seems to me not good policy.

Mr. SCOTT of Georgia. Reclaiming my time, again, that does create a problem with your amendment. And further, another problem it creates is because under current requirements, lenders may use any legitimate form of identification, so it would compound the difficulty, because it would make it difficult, again, for community banks to use blanket liens to pledge collateral, raising costs. The point I'm trying to get at is while the intention is good, I think that when you look at all of the problems with immigration, when you look at the problem of the fact of the cottage industry of providing bogus Social Security numbers, unless you put into this feature some mechanism to check to make sure that the Social Security number is valid, then the amendment seems to be moot.

The Acting CHAIRMAN (Mr. ALTMIRE). The question is on the amendment offered by the gentleman from California (Mr. DOOLITTLE).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. DOOLITTLE. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from California will be postponed.

SECOND AMENDMENT NO. 22 OFFERED BY MR. GARRETT OF NEW JERSEY

Mr. GARRETT of New Jersey. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Second Amendment No. 22 offered by Mr. GARRETT of New Jersey:

Page 129, after line 22, insert the following:

''(4) PROHIBITION OF PASS-THROUGH OF COST OF ALLOCATIONS.—The Director shall, by regulation, prohibit each enterprise from—

''(A) treating the costs to the enterprise of making the allocations required under paragraph (1) as a regular business expense of the enterprise; and

''(B) redirecting such costs, through increased charges or fees, or decreased premiums, or in any other manner, to the originators of mortgages purchased or securitized by the enterprise.''.

Mr. GARRETT of New Jersey. Mr. Chairman, I come to the floor at this late evening time now to offer this amendment and, in essence, what we're trying too do here is to, bottom line is to help protect middle class American home owners as we move forward with this legislation with the housing fund in it, with the world class regulator, and to protect the American taxpayer from what we heard not only on the floor tonight, but going all the way back to testimony when this bill was being first considered from Chairman Bernanke, the potential for an MTI, a mortgage tax increase.

We know how the underlying bill works. H.R. 1427 takes 1.2 basis points of the GSE's total annual business, not their profit, but the total annual business and directs those funds to help in an appropriate manner, some would say, to provide for low income housing.

What this amendment does not do, and I know we have heard from the other side every time we tried to make any improvement to this legislation, that we characterize our efforts to improve the legislation to try to kill the underlying fund in this bill. Anyone making a clear reading of this amendment would realize this amendment does not do that in any way shape or form. This does not kill the fund. It improves the fund and it does so in a manner consistent with what the chairman said he has intended for the underlying bill in the first place, and that is to say that the increased tax would not hit those who we're trying to help, the low and moderate income earners.

How does it do that? Well, if you just look to the text of the amendment, section 4, prohibits pass through of costs of allocation. The director shall by regulation prohibit such enterprises, the GSEs from treating the cost of enterprises of making allocation required under paragraph 1 as regular business expenses. In essence, what the amendment does is says it cannot pass those costs down the line to the originator and to the home owners. It has to be just where the chairman has said he intended it to be all along, on the stockholders and the investors in the GSEs.

So I would hope that this commonsense amendment which basically effectuates what the Chairman said he intended for this legislation would seek unanimous support.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word. The gentleman overstated what I said. I do agree as to B. I would say this, and B, I think is perfectly reasonable. I think it might be hard to administer, but I would certainly, I would want to agree to B.

I have a problem with A for this reason. We got CBO to score this. CBO scored it based on a tax reduction, and then there's a repayment in the REFCORP bonds. There's a fairly complicated proposal that we accepted from CBO to keep it revenue neutral, and it includes a tax deduction at one end, but a payment back at the other end. If the gentleman would be willing to ask unanimous consent to strike A, I would be prepared to be in favor of B. We could go back into the whole House, we could get unanimous consent. The problem is that if we strike A, I'm afraid it could unravel or scoring from CBO which assumes that they could deduct it and they would get the deduction, but CBO then said the government will lose money because you deducted it and we make up for another way with payments for the REFCORP bonds. I don't always understand what CBO says, but I can say that it's revenue neutral, recognizing the tax deduction, but making a payment that offsets that.

So if the gentleman would agree, I would certainly agree, because I think B is a reasonable effort to do this. I'm not sure how effective it will be, but I agree we should try. We are not sure about the pricing. I know procedurally we could do this, so if the gentleman would be agreeable, I would hope we could do that. If you would ask unanimous consent to modify the amendment by dropping A. If not, I will oppose this amendment, but I will move to, if I am successful in opposing it move to incorporate B when we get to conference. But I think a better way to do it would be to get unanimous consent to modify the amendment.

I will yield to the gentleman.

Mr. GARRETT of New Jersey. Thank you. Would the gentleman, by chance, have at your fingertips there the language from the CBO?

Mr. FRANK of Massachusetts. No, I do not. I can tell the gentleman that what CBO, we asked them about the scoring, they said there would be a cost because it would be a tax deduction. But they then made up for that by requiring some of the funds to go to help pay off the REFCORP bonds which are left over from the S&L bailout. And I do know that's what was done.

I yield to the gentleman.

Mr. GARRETT of New Jersey. I'm not looking for a yield. I'm looking for a moment.

Mr. FRANK of Massachusetts. I will just talk for a while, Mr. Chairman.

Mr. GARRETT of New Jersey. I'm not looking for that either. Just for a moment.

Mr. FRANK of Massachusetts. Yes, I was just going to kill time while you were looking so that, you know, we look like even though it's midnight, we're not all comatose. And as I said, alternatively, because it does cause us problems in the scoring and technical ways. It does seem to me the key is section B, and I would be agreeable to accepting section B now. Alternatively, I would hope that it would be defeated and we would put section B in conference.

I'll yield to the gentleman.

Mr. GARRETT of New Jersey. I would agree with the gentleman's comments. And we can proceed with the procedural matters.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Parliamentary inquiry, Mr. Chairman.

The Acting CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. What steps would be needed for us to have the gentleman get unanimous consent to modify his amendment by striking section A?

The Acting CHAIRMAN. The gentleman from New Jersey could request unanimous consent to modify his amendment the way he so chooses.

MODIFICATION TO SECOND AMENDMENT NO. 22 OFFERED BY MR. GARRETT OF NEW JERSEY

Mr. GARRETT of New Jersey. Mr. Chairman, I ask unanimous consent to modify my amendment by striking lines 4 through 7, which would be paragraph A, and I guess appropriately renumbering or relettering paragraph line A, paragraph B to correspond.

Mr. FRANK of Massachusetts. If it's only one paragraph, we probably don't have to call it A. It can just be the paragraph.

Mr. GARRETT of New Jersey. That's why I say to appropriately reflect the change and deletion of that.

The Acting CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Second amendment No. 22 offered by Mr. GARRETT of New Jersey, as modified:

Page 129, after line 22, insert the following:

''(4) PROHIBITION OF PASS-THROUGH OF COST OF ALLOCATIONS.—The Director shall, by regulation, prohibit each enterprise from—

''(A) redirecting such costs, through increased charges or fees, or decreased premiums, or in any other manner, to the originators of mortgages purchased or securitized by the enterprise.''.

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

There was no objection.

The Acting CHAIRMAN. The question is on the amendment of the gentleman from New Jersey (Mr. GARRETT), as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 30 OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 30 offered by Mr. HENSARLING:

Page 153, line 14, after the period insert close quotation marks and a period.

Strike line 15 on page 153 and all that follows through line 6 on page 154.

Mr. HENSARLING. Mr. Chairman, the first thing I'd like to do is really thank the chairman of the full committee. There are many on this side of the aisle who talk a lot about making this the most open and democratic and fair Congress. Many of their deeds do not match their words. But I want to congratulate the committee chairman for this open process this evening and

his commitment to the institution, his commitment to democracy and permitting these amendments to be offered. And although I have two remaining, Mr. Chairman, I have decided to only offer one. The amendment I offer at this moment, No. 30, achieves one very simple purpose.

I understand that our side has lost on the creation of the so-called affordable housing fund, but in the underlying legislation, there is a place holder for something called an affordable housing trust fund. And apparently, if this fund, which is rather ill-defined, is created at some later time, the bill would authorize funds to be transferred from the affordable housing fund to the housing trust fund. I've been pretty diligent in my attendance of our subcommittee and committee hearings. I don't recall a hearing on the housing trust fund. I don't remember a markup on the housing trust fund. And I don't know exactly what the housing trust fund is, but I'm nervous about it. I'm nervous about it because when I look at almost every other government trust fund, what I see is an entitlement. Entitlement spending, Mr. Chairman. And the last thing we need to do is to be authorizing spending for a yet to be created entitlement spending fund.

The number one fiscal challenge in the Nation is to reform entitlement spending. And I believe the Chairman's passion about wanting to create affordable housing. I have profound philosophical differences with our chairman, but I don't doubt his passion. I don't doubt his sincerity.

But I have my passion. I have my passion. And right now, according to the Office of Management and Budget, the Congressional Budget Office, the Federal Reserve chairman, we are on the road to bankrupt the next generation. Ask anybody who has looked at the long-term spending patterns of entitlement spending in America today and they're going to tell you, we're facing a fiscal fork in the road. In one generation, in one generation, either there will be almost no Federal Government except for Medicare, Medicaid and Social Security, there will be no HUD. None of these housing programs will exist. And the other fork in the road, Mr. Chairman, is that we're going to have to double taxes, on the next generation just to balance the budget. Don't take my word for it. Go to the Web site of OMB, GAO, CBO. They're all going to tell you the same thing.

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And yet here we are tonight deciding that we are going to transfer funds to this yet-to-be-created housing trust fund, create yet another entitlement spending.

I am a Member of Congress, but let me tell you something else. I also happen to be a father of a 5-year-old daughter and a 3-year-old son who are already looking at paying for unfunded obligations in this entitlement spending of $50 trillion and now we are going to add to it. And I have heard many speakers on this side of the aisle eloquently speak about the least of these among us. Well, I maintain the least of these among us are those who cannot vote and those who are yet to be born. So I don't particularly care to take it on trust or faith that I am not somehow enabling the next new entitlement to hopefully hasten the bankruptcy of next generation.

The Comptroller General of America has said we are on the verge of being the very first generation in America's history to leave the next generation with a lower standard of living. I myself will not sit idly by and allow that to happen.

So perhaps the chairman has a good idea of what he intends to with the housing trust fund. I do not and I will not create another entitlement program.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is not an entitlement. It isn't close to one. It cannot get out of control. The only money that can come from this is very clearly limited to 1.2 basis points on the mortgage portfolio of Fannie Mae and Freddie Mac.

The gentleman misstates the problem of entitlements if he thinks this is a problem. An entitlement is when the Federal Government, without necessarily a funding source, says if you are X, if you have these characteristics, you are entitled to this amount of money. That is Social Security and that is Medicare. That is not this bill. This bill does not entitle anybody to an affordable housing fund. It does not say if the population grows at a certain rate, then there is the demand for spending. It defines the spending source, a nontax spending source. It says 1.2 basis points of the mortgage portfolio. It doesn't entitle anyone to housing.

Social Security and Medicare, he mentioned. Those are entitlements. That means if you are a certain age and have a certain characteristic, you are entitled to receive the funding.

No one is entitled under this bill to receive housing funding. This is an authorization of spending, but it is not an entitlement to receive it.

Secondly, there is nothing secret here. It says it will be transferred if there is enacted a provision of Federal law establishing the Affordable Housing Trust Fund. That means it only becomes operational if this Congress decides in open session, with another 47 duplicate amendments from the Republican side, to deal with it. We will have a dozen roll calls to make sure that it happens.

I should also point this out. Why do we do it this way? To make sure we meet the PAYGO issue. This bill creates a fund out of Fannie Mae and Freddie Mac profits. We have not yet got any consensus on how best to spend it after the first year when it goes to Louisiana and Mississippi. So we say to meet budgetary requirements, we don't want to be in a situation where we create a pot of money in one bill and then in the second bill decide how to spend it. This means that when we get to the collective decision in open session about how to spend it, whether it goes through the States, whether it is goes through HUD, whatever method we choose, we will not be charged with a source of funding. We will simply take the source of funding and hold it in limbo after Mississippi and Alabama and it will catch up if this Congress decides to do it with the method of distribution. That is not an entitlement. An entitlement is when you as an individual are legally entitled to receive money from the Federal Government because of your status. No one is entitled under this bill. No one gets the right to say I'm such and such, build me a house, rent me an apartment. This says a fixed sum will go at a limited rate, a percentage of the mortgage portfolio, and Congress will decide how it will be distributed.

Mr. NEUGEBAUER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to my good friend from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I thank the gentleman for yielding.

And, again, I guess the chairman has a whole lot more confidence on the attributes of an ill-defined housing trust fund than I do. I have read earlier comments that the chairman has made: ''The placeholder would similarly preserve from this bill to the next bill our ability to spend money on a housing trust fund.'' And I know that the chairman, I believe in the same markup of March 28, in responding to a question: ''Would the gentleman be willing to accept an amendment that explicitly states that it would be subject to PAYGO?'' the chairman replied, ''No.''

So knowing that PAYGO, as the Democratic side has defined it, applies to new entitlement spending and to tax relief, it makes one a little bit suspicious thinking maybe there could be a new entitlement here. The housing trust fund does not appear to be defined; so maybe it is an entitlement; maybe it is not an entitlement. But if it is defined, I don't know. I just happen to be very passionate about not wanting to be part of an effort that might ultimately lead to helping create a new entitlement program and exacerbate the number one fiscal challenge in America. But I don't know how the chairman can say with such great definition if we are going to potentially create a funding stream for a housing trust fund, we don't define it, that he knows absolutely it will not or ever have the attributes of an entitlement.

I thank the gentleman for yielding.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

I yield to the chairman of the committee.

Mr. FRANK of Massachusetts. Mr. Chairman, I very much resent the gentleman from Texas simply doubting my words so blatantly. You do not create an entitlement by accident. Secondly, of course, he misstates the word ''entitlement.'' An entitlement means that you as an individual are entitled to receive the money. That has never been contemplated here. Nothing I ever suggested says it. I repudiated the notion. The gentleman says, yeah, but who knows what he is thinking? I really do not believe the gentleman has any basis for impugning these kinds of motives to me. I am simply repeating what the gentleman said. Well, he says it is not an entitlement but how can we be sure?

Because the committee which I chair where I have talked frequently with all the members, including certainly the majority, I know what we intend. It is not to create anything remotely like an entitlement. An entitlement means that individuals will be able to say give me housing, I am entitled to it legally. What we are saying is we will set up a housing fund. We will debate how it is distributed, but it will never be close to an entitlement. No one has ever suggested that any individual would have the right to demand, as you do on Social Security and Medicare, which makes then entitlements, the funding.

I said no to PAYGO because I rejected the assumption that it was necessary. This meets PAYGO. It totally meets PAYGO. Has scored this as revenue neutral. We asked them from the standpoint of the Federal Government, and it is revenue neutral. You don't need PAYGO with something that is revenue neutral. What it says is that the Congress, not me personally or a small cabal, will decide that we are going to create an entitlement when no one is looking. It says that having reserved this money in a revenue-neutral way, we will then decide as a Congress how best to distribute it but to distribute it as a housing fund, not as an entitlement. There has never been any suggestion that it would be an entitlement. It is not remotely going to be like Social Security and Medicare, and it cannot be a runaway fund. It is limited to 1.2 basis points of the mortgage portfolio of Fannie Mae. That is an entirely different funding mechanism than an entitlement funding mechanism.

I thank the gentleman for yielding.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. HENSARLING. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 1 OFFERED BY MR. NEUGEBAUER

Mr. NEUGEBAUER. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. NEUGEBAUER:

Page 128, strike lines 18 through 20 and insert the following: ''amount equal to the lesser of (A) 1.2 basis points for each dollar of the average total mortgage portfolio of the enterprise during the preceding year, (B) the number of basis points for each dollar of the average total mortgage portfolio of the enterprise during the preceding year, which when applied to such average portfolios of both enterprises, results in an aggregate allocation under this paragraph by the enterprises for the year of $520,000,000, or (C) a lesser amount, as determined by the Director, if the Director determines for such year that allocation of the lesser of the amounts under subparagraphs (A) and (B) poses a safety or soundness concern to the enterprise.''.

Mr. NEUGEBAUER. Mr. Chairman, this is a pretty simple amendment. We have had a lot of debate this evening about whether to have a housing fund or not to have a housing fund, and the votes are in and we are going to have a housing fund.

One of the things that I feel very strongly about is this is a substantial amount of money to any entity. While these are large entities, $520 million, over $3 billion over a 5-year period, is a lot of money. If we are going to ask these entities to make this kind of commitment, I think we owe them some certainty here.

Now, the current formula is that we will take 1.2 basis points times the portfolio. But what I believe is fair is to set a ceiling on what that amount can be. Now, the current scoring by is that at 1.2 on the total portfolio that we would have about $520 million. What I am saying is let's cap it at $520 million.

When you start looking at an entity, you don't want them making a decision on whether to make additional loans available for people in America that need loans, affordable loans, of saying if we increase our portfolio, we are going to have to pay more money into the housing fund. So what I believe is a fair balance is saying that as they bring their portfolio up and down to meet the market demands and adjust to the market conditions that we just give them a number that they know that is not going to exceed so what when they are budgeting, making sure that they are going to have a safe and sound entity, that they know what the number is.

I am a small businessman, Mr. Chairman, and when I was sitting down every year, I made a budget for my business. And one of the things that we tried to do was to fix a lot of our costs so that we would know what our costs would be because variable costs many times are causing you not to be able to control those or they are counter to being profitable in many cases. These are entities that have provided housing opportunities for Americans for many, many years. And I was in the real estate business and the home building business in the 1980s, and I will tell you if it was not for Fannie Mae and Mae and the Federal Home Loan Bank board buying mortgages in America, many people would not have been able to buy a house during that time because a lot of the players got out of the market.

So, number one, the original purpose of this legislation was safety and soundness. That is how this debate got started. So if we are really concerned about the safety and soundness of it we have come up with a number here, and it is a big number. This is a lot of money. When I came to Washington, I was a little surprised. People use a billion around here like it is not a lot of money. But everybody in this room should understand what $1 billion is. If you and I started a business the day that Jesus Christ was born and that business lost $1 million not every week, not every year, but that business lost $1 million every day since the birth of Christ, we wouldn't have yet lost $1 billion. So we are talking about a large sum of money. That may not be large to people in Washington, but let me tell you to people in West Texas it is a lot of money.

So if we are going to ask a company to make that kind of contribution to a housing fund, I think we owe them some certainty. And I believe that $520 million a year is a certain number. It is a big number. It a accomplishes a lot of the things that the other side, I think, wants to do with this fund. So whether you agree with the fund or not agree with the fund, I don't see how you can disagree with the opportunity to come up with a fair compromise for these entities to say that we are going to cap this contribution requirement at this level.

As I mentioned, and it was somewhat turned around in our committee meeting when I offered this, when I sit down and make a commitment to a charity, they say to me sometimes we want you to make a multi-year commitment. Now, I don't always make that multi-year commitment based on whether I am going to make money that year or lose money that year. I make a commitment and I stick to it. But I always make a commitment that I think I can live up to.

So it is important for several reasons: That, number one, that we give some certainty; and, number two, that we make sure that when these contributions are asked for that the regulator is given some ability to be able to say we think in this particular year, because of the market conditions, because of the profitability of this company, that that may be less.

So I encourage Members on both sides let's give some certainty.

The Acting CHAIRMAN. The gentleman's time has expired.

□ 0015

Ms. WATERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have reached a very interesting point in this debate and in this discussion. It has been a long one and it has been a rather interesting one. This amendment that my friend, Mr. NEUGEBAUER, is attempting was attempted in committee and it was defeated.

I find it very interesting because we have seen all kinds of attempts here this evening by the opposite side of the aisle to deny this Housing Fund. We have seen attempts to try to diminish or cut the Housing Fund, to redefine the Housing Fund, to use it for economic development. We have seen everything. And we are at the point now that I guess if you can't stop it, somehow cap it. Cap it no matter how much money under this formula it will bring in. We are going to take an arbitrary amount at $520 million or so and just cap it, even if the actual funds under the formula exceed the estimated $600 million a year. I don't think so.

I would ask my colleagues to vote against this amendment again because it does not make good sense. This particular fund that has been developed by our chairman is one of the most creative items that have happened here in this House in a long time.

We don't have a lot of money to do some of the things we need to be doing for the domestic agenda. As a matter of fact, yes, we support PAYGO because our deficit has gotten out of hand. Our friends on the opposite side of the aisle, in cooperation with this administration, have been spending like drunken sailors. So now we have a way that we can help the least of these in our society attain quality, decent housing, low and moderate income people, and not tap the general fund at all.

And so we have this very, very creative way to do this led by our chairman. And a lot of people are going to benefit from it. And again, we have had attempts to deny it, and now we have an attempt to cap it.

I am saying we should not support this amendment. We should debate it in the way that we have been debating basically this Housing Trust Fund all evening. You have tried everything that you can possibly think of. You have tried to redefine it. You have tried to talk about it in different ways that certainly it was not meant to be described. And you are not winning at this. As a matter of fact, I am hoping that since you are now at the point where you see that there is a lot of support for this Housing Trust Fund, and that you have tried everything that you can possibly try and it hasn't worked, that you will just fold your tent, roll over, come on in, and in the final analysis, vote for this bill which will include this Housing Trust Fund.

I am so tired. I don't have another word that I can share about it. And I hope you feel the same way, too, so we can wrap it up and go home.

Mr. HENSARLING. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from Texas.

Mr. NEUGEBAUER. I thank the gentleman, and I thank the distinguished chairwoman of the Housing Committee. I enjoy serving with her.

You know, I think one of the points I would make here is my bill does not try to kill the Housing Fund. My bill tries to say that, you know what? We're asking these entities to step up and make a big contribution, and we want to make sure that they do it in a safe and sound manner.

You know, I will tell you, the problem here is that if these entities, if we do something that jeopardizes the health of these entities by taking money out of their capital structure, these entities will not be able to perform the functions that they have been performing in the marketplace. And so what this is, I believe, is a realistic approach at looking at how we begin to go down this road.

Now, even the majority has put a sunset in this bill, a 5-year sunset I believe, if I am correct. What that allows us to do is we are going to see, you know, $520 million roughly over a 5-year period, we are going to see what happens to how does that Housing Fund perform, how does that impact the entity that is paying these monies? If we want to come back at the end of 5 years and you want to raise the cap, let's look at the cap. But let's also let the regulator look at the cap during that process and make sure that we're not doing something that is causing harm.

The worst thing we can do for the housing market in this country is to disrupt one of the envies of the world, and that is our financial structure, how we finance housing in this country.

When I was in the home building industry, I was on the National Board of Directors of Home Builders, people from all over the world wanted to come and say how is it that America has such a high ownership rate and such a robust financial market for housing. They wanted to know how to copy ours. So we need to preserve that and not sit around and figure out ways to necessarily harm it.

So I encourage Members to support this. This is a fair proposition. This is not killing anything. This is a fair proposition. It's saying that we believe that how we got to the ownership rate that we have in America today is by protecting the companies and the entities and the financial structure that allowed us to get here, and not by trying to somehow cause it harm.

In closing, I want to say this to Chairman FRANK and to the ranking member, this has been a very deliberative process. And Mr. FRANK, in our full committee, allowed us the opportunity to offer as many amendments as we would like to. We had a lot of dialogue there. We've had a lot of dialogue here tonight, and maybe some of it has been duplicative. But I think the good thing about it is that we have aired all of the concerns that people have about this. Because this is a very important piece of legislation. It has a tremendous amount of impact on the future of the financial markets in America. And so if it takes 1 day or it takes 2 days, and if it takes 20 amendments or 100 amendments to get to the right place, then I think that is a good process. But I want to thank the chairman for allowing us to get to this point.

Mr. SCOTT of Georgia. I move to strike the last word.

Let me see if we can put some of this in perspective for tonight as we wind down in this successful debate.

Here we've got an extraordinary emergency problem affecting the very poorest of people. Not just the very poorest of people, but people who have been devastated by the worst natural disaster in the modern history of our country; and on top of that, people who have been denied and denied. What comes to my mind are those images of those individuals who lost everything standing on rooftops to get saved. In a way, they are still standing on those rooftops, without homes. And here we've got a measure to go and address that.

This evening has just been an illustrative of attempt after attempt. First you wanted to make this equate to saving Social Security or raiding Social Security. Then you put this program in as being a measure to add to the deficit. Then came immigration. That wasn't enough. Then you want to restrict the means of the GSEs to have the most profitable way of arranging their portfolios. And you want to clamp down and make it so that the only investments they could get would be those at the bottom of the economic heap yielding the lowest return. Because you knew that this would not require a tax increase. You knew that this was based upon shareholders, nontaxable funds, a very creative way. And yet you tried to slam it in. Here are these Democrats raising your taxes again. But the American people are not buying that. That is not the case.

Then the game comes that again, this is an entitlement, where nowhere in the legislation is it an entitlement. All of tonight just reminded me, when I remember those images of those poor people still looking for help, but what you have offered them tonight is a massive cut, cutting the legs out from under them and then condemning them for being a cripple. That's devastating.

Now we come to the last amendment. Having failed all of that, my good friend from Texas says we're going to cap it. Oh, that's not going to do anything. But your fellow Congressman from Texas game down to that floor, Congressman GREEN and Congressman BRADY asking for help, wanting to help, but no money, and here you are wanting to crimp it, wanting to cap it.

Now, you say the cap doesn't mean anything, that it is going to be the lesser of 1.2 basis point average total

mortgage portfolio for the prior year, or $520 million, or a lesser amount determined by the director. The director determines either the higher amount possesses a safety or soundness concern.

But what this amendment actually does, it reduces the amount available in the affordable housing program from an estimated $600 million a year down to $520 million a year. But it goes more than that. It just doesn't cap that. It would also cap the amount that the $520 million, even if the actual funds under the formula exceeded the estimated $600 million a year.

Chairman FRANK has put a very creative measure in. He has tagged it to no set amount, he just put it at 1.2 of the basic points so it allows a free marketplace. And then it allows these GSEs and the shareholders, based upon the profit that they make, to take some of that and help the most needy among us.

This has, indeed, been a tremendous debate tonight. We have been going at it since 5 o'clock this afternoon. But it has been worth it because there is no greater thing you can do for your fellow citizens than make sure they have a roof over their heads.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Members on both sides are reminded to address their comments to the Chair.

Ms. JACKSON-LEE of Texas. I move to strike the requisite number of words.

I want, first of all, to start with a loud applause for the Financial Services Committee. As I said in my office, to see this story unfold, something that has never happened in this Congress during the tenure that I have had, is a real legislative initiative that addresses the question of the deficit in housing in America.

This bill, for the first time, will provide a stable and well-regulated mortgage market. And my good friend from Texas, the spirit that he has offered this amendment, I assume that he is both serious, and, of course, concerned. But coming from Texas as well, I don't know how many Texans my good friend speaks for because this particular Affordable Housing Fund does start off the first year in funding the devastation of Louisiana and Mississippi, but what it continues to do is provide a $500, $600 million affordable Housing Trust Fund that the people of Texas will benefit from.

□ 0030

Maybe my good friend has not been to East Texas and seen the devastation of Hurricane Rita. Those people, just a few miles down from Houston, are still living without housing.

This is a very measured legislative initiative, for the fund prohibits any hanky-panky. It has nothing to do with administrative costs, political activities, advocacy, lobbying, counseling, travel expense, preparation or advice on tax returns. It is all about housing. It even limits administrative costs. And it is sunsetted after 5 years.

We in Houston are still suffering from Storm Allison, and an affordable housing plan will allow housing to be restored to those who are unable to find housing. In fact, what this particular legislation will do is to answer the question why 71 percent of extremely low income renters pay more than half of their income for housing and 64 percent of homeowners who are low income pay more than half. There is a housing crisis. Right now there is an epidemic of foreclosures because of a broken mortgage system that has preyed upon eager Americans to be able to buy a home.

The capping of this strategic and innovative formula for affordable housing will only dumb-down the opportunities for people to gain housing. I can assure you that the throngs of Americans are begging for the passage of this legislation tonight, because all an American wants to do when you hear them talk about we all are created equal with certain inalienable rights, it is all about the quality of life, the ability to send a child to school for a good education, a good home and good healthcare.

My friend talks about money, $520 million, it may go up a bit, for one year. We are spending $1 billion a day almost in Iraq and certainly we have a difference of opinion on that use of money. But the real question is, what can we do to fix the broken predatory lending system, the broken mortgage system, the lack of housing for people who want housing? We can pass H.R. 1427.

It is interesting that I am looking at a letter to our colleagues, and it says signed by BARNEY FRANK, MEL WATT, RICHARD BAKER and GARY MILLER. To me, that seems like a bipartisan commitment to this reform.

So I am confused by the gentleman's amendment to cap and to dumb down this affordable housing trust fund that would in fact provide money for Texas. Those of us in Houston in districts like mine and districts that are surrounding all know of the many hard-working survivors who are in our community trying to make it from Hurricane Katrina and Hurricane Rita. We have ceased calling anyone a deadbeat or someone who doesn't want to work or doesn't want housing. I would venture to say if you walked along any block, inner-city block, you would find people saying give me an opportunity.

Chairman FRANK, all I see in this bill is an opportunity; a regulated, precise opportunity for affordable housing, and I ask my colleagues to defeat the Neugebauer amendment and vote for H.R. 1427.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. NEUGEBAUER).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. NEUGEBAUER. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

Mr. FRANK of Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Ms. JACKSON-LEE of Texas) having assumed the chair, Mr. ALTMIRE, Acting Chairman 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. 1427) to reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes, had come to no resolution thereon.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FRANK of Massachusetts. Madam 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 Massachusetts?

There was no objection.

ADJOURNMENT TO MONDAY, MAY 21, 2007

Mr. FRANK of Massachusetts. Madam Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Monday next for morning-hour debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DAY THREE OF THE FOOD STAMP CHALLENGE

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

Mr. MCGOVERN. Madam Speaker, today is the third day of my week on the Food Stamp Challenge, where public officials live for 1 week on a food stamp budget in order to raise awareness about the Food Stamp Program. Representatives JO ANN EMERSON, TIM RYAN, and JAN SCHAKOWSKY are also taking part.

Although critics of the Food Stamp Program frequently speculate that it runs rampant with fraud, waste, and abuse, this is simply and utterly untrue. Don't just take my word for it. Go ask the Government Accountability Office. According to the GAO, the Food Stamp program currently operates at

historically low error rates. Between 1999 and 2005, the national payment error rate declined 40 percent to an all-time low of 5.84 percent. In addition, there are incentives built into the program so that States are rewarded for low error rates and may be fined if they are underperforming.

By any measure the Food Stamp Program is an example of an efficiently run government program. I will insert into the RECORD the highlights of the GAO testimony before the Senate on payment errors and trafficking.

[From Highlights, Jan. 31, 2007]

FOOD STAMP PROGRAM

WHY GAO DID THIS STUDY

The U.S. Department of Agriculture's (USDA) Food Stamp Program is intended to help low-income individuals and families obtain a better diet by supplementing their income with benefits to purchase food. USDA's Food and Nutrition Service (FNS) and the states jointly implement the Food Stamp Program, which is to be authorized when it expires in fiscal year 2007. This testimony discusses our past work on two issues related to ensuring integrity of the program: (1) improper payments to food stamp participants, and (2) trafficking in food stamp benefits.

This testimony is based on a May 2005 report on payment errors (GAO–05–245) and an October 2006 report on trafficking (GAO–07–53). For the payment error report, GAO analyzed program quality control data and interviewed program stakeholders, including state and local officials. For the trafficking report, GAO interviewed agency officials, visited field offices, conducted case file reviews, and analyzed data from the FNS retailer database.

WHAT GAO FOUND

The national payment error rate for the Food Stamp Program combines states' overpayments and underpayments to program participants and has declined by about 40 percent between 1999 and 2005, from 9.86 percent to a record low of 5.84 percent, due in part to options made available to states that simplified program reporting rules. In 2005, the program made payment errors totaling about $1.7 billion. However, if the 1999 error rate was in effect in 2005, program payment errors would have been $1.1 billion higher. FNS and the states we reviewed have taken several steps to improve food stamp payment accuracy, most of which are consistent with internal control practices known to reduce improper payments. These include practices to improve accountability, perform risk assessments, implement changes based on such assessments, and monitor program performance.

FNS estimates indicate that the national rate of food stamp trafficking declined from about 3.8 cents per dollar of benefits redeemed in 1993 to about 1.0 cent per dollar during the years 2002 to 2005 and that trafficking occurs more frequently in smaller stores. FNS has taken advantage of electronic benefit transfer and other new technology to improve its ability to detect trafficking and disqualify retailers who traffic. Law enforcement agencies have investigated and referred for prosecution a decreasing number of traffickers; they are instead focusing their efforts on fewer high-impact investigations. Despite the progress FNS has made in combating retailer trafficking, the Food Stamp Program remains vulnerable because retailers can enter the program intending to traffic and do so, often without fear of severe criminal penalties, as the declining number of investigations referred for prosecution suggests.

While both payment errors and trafficking of benefits have declined in a time of rising participation, ensuring program integrity remains a fundamental challenge facing the Food Stamp Program. To reduce program vulnerabilities and ensure limited compliance-monitoring resources are used efficiently, GAO recommended in its October 2006 trafficking report that FNS take additional steps to target and provide early oversight of stores most likely to traffic; develop a strategy to increase penalties for trafficking, working with the Inspector General as needed; and promote state efforts to pursue recipients suspected of trafficking. FNS generally agreed with GAO's findings, conclusions, and recommendations. However, FNS believes it does have a strategy for targeting resources through their use of food stamp transaction data to identify suspicious transaction patterns. GAO believes that FNS has made good progress in its use of these transaction data; however, it is now at a point where it can begin to formulate more sophisticated analyses.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. HARMAN (at the request of Mr. HOYER) for today after 12 noon on account of official travel.

Mrs. JONES of Ohio (at the request of Mr. HOYER) for today on account of death in the family.

Mrs. JONES of Ohio (at the request of Mr. HOYER) for May 14.

Mr. WYNN (at the request of Mr. HOYER) for May 16 after 4 p.m.

Mr. BAIRD (at the request of Mr. HOYER) for today through May 22.

ADJOURNMENT

Mr. FRANK of Massachusetts. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 36 minutes a.m.), under its previous order, the House adjourned until Monday, May 21, 2007, at 10:30 a.m., for morning-hour debate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1816. A letter from the Comptroller, Department of Defense, transmitting the Secretary's certification that the current Future Years Defense Program (FYDP) fully funds the support costs associated a multi-year procurement for the V-22 Osprey, pursuant to 10 U.S.C. 2306b(i)(1)(A); to the Committee on Armed Services.

1817. A letter from the General, Department of the Army, Department of Defense, transmitting a letter regarding the U.S. Army Training and Doctrine Command (TRADOC); to the Committee on Armed Services.

1818. A letter from the Under Secretary for Personnel and Readiness, Department of Defense, transmitting a letter on the approved retirement of Lieutenant General Steven W. Boutelle, United States Army, and his advancement to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

1819. A letter from the Chairman and President, Export-Import Bank, transmitting a report on transactions involving U.S. exports to Singapore pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended; to the Committee on Financial Services.

1820. A letter from the Secretary, Department of Education, transmitting the Department's final rule — Title I — Improving the Academic Achievement of the Disadvantaged; Individuals With Disabilities Education Act (IDEA) — Assistance to States for the Education of Children with Disabilities (RIN: 1810-AA98) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and Labor.

1821. A letter from the Secretary, Department of Labor, transmitting a copy of proposed legislation entitled, ''Workforce Investment Act Amendments of 2007''; to the Committee on Education and Labor.

1822. A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting the Commission's report on the amount of the acquisitions made from entities that manufacture the articles, materials, or supplies outside of the United States in fiscal year 2006, pursuant to Public Law 109-115, section 837; to the Committee on Education and Labor.

1823. A letter from the Director, International Cooperation, Department of Defense, transmitting Pursuant to Section 27(f) of the Arms Export Control Act and Section 1(f) of Executive Order 11958, Transmittal No. 02-07 informing of an intent to sign the Special Forces Equipment Capability Memorandum of Understanding between the United States and Australia, pursuant to 22 U.S.C. 2767(f); to the Committee on Foreign Affairs.

1824. A letter from the Secretary, Department of the Treasury, transmitting a six month periodic report on the national emergency with respect to the Democratic Republic of the Congo that was declared in Executive Order 13413 of October 27, 2006, pursuant to 50 U.S.C. 1641(c); to the Committee on Foreign Affairs.

1825. A letter from the Secretary, Department of the Treasury, transmitting as required by Executive Order 13313 of July 31, 2003, a six-month periodic report on the national emergency with respect to the Development Fund for Iraq that was declared in Executive Order 13303 of May 22, 2003, pursuant to 50 U.S.C. 1641(c); to the Committee on Foreign Affairs.

1826. A letter from the Secretary, Department of the Treasury, transmitting as required by Executive Order 13313 of July 31, 2003 a six-month periodic report on the national emergency with respect to Burma declared by Executive Order 13047 of May 20, 1997, pursuant to 50 U.S.C. 1641(c); to the Committee on Foreign Affairs.

1827. A letter from the Secretary, Department of the Treasury, transmitting a six month periodic report on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997, pursuant to 50 U.S.C. 1641(c); to the Committee on Foreign Affairs.

1828. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on Foreign Affairs.

1829. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 17-39, ''Human Papillomavirus Vaccination and Reporting Act of 2007,'' pursuant to D.C. Code section 1-233(c)(1); to the Committee on Oversight and Government Reform.

1830. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 17-40, ''Looraine H.

Whitlock Memorial Bridge Designation Act of 2007,'' pursuant to D.C. Code section 1-233(c)(1); to the Committee on Oversight and Government Reform.

1831. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 17-41, ''Verizon Center Sales Tax Revenue Bond Approval Act of 2007,'' pursuant to D.C. Code section 1-233(c)(1); to the Committee on Oversight and Government Reform.

1832. A letter from the District of Columbia Auditor, Office of the District of Columbia Auditor, transmitting a report entitled, ''Letter Report: Auditor's Concerns Regarding Matters that May Adversely Affect the Financial Operations of the District of Columbia Water and Sewer Authority,'' pursuant to D.C. Code section 47-117(d); to the Committee on Oversight and Government Reform.

1833. A letter from the Director, Office of Management, Department of Energy, transmitting the Department's Year 2006 Inventory of Commercial Activities, as required by the Federal Activities Reform Act of 1997, Pub. L. 105-270; to the Committee on Oversight and Government Reform.

1834. A letter from the Assistant Administrator, OARM, Environmental Protection Agency, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Oversight and Government Reform.

1835. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Special Local Regulation: ULHRA Hydroplane Rces, Columbia Park, Kennewick, Washington. [CGD13-07-013] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1836. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Special Local Regulations for Marine Events; Western Branch, Elizabeth River, Portsmouth, VA [CGD05-07-013] (RIN: 1625-AA08) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1837. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Special Local Regulations for Marine Events; Martin Lagoon, Middle River, MD [CGD05-07-009] (RIN: 1625-AA08) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1838. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulation; Venetian Causeway (West) Drawbridge, Atlantic Intracoastal Waterway, Mile 1088.6, and Venetian Causeway (East) Drawbridge, Biscayne Bay, Miami, Miami-Dade County, FL [CGD07-06-050] (RIN: 1625-AA09) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1839. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulation; Illinois Waterway, Illinois [CGD08-06-013] (RIN: 1625-AA09) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1840. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Regulated Navigation Area; Cumberland River, Clarksville, TN. [CGD08-07-010] (RIN: 1625-AA11) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1841. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulations; Charles River and its tributaries, Boston, MA [CGD01-07-048] (RIN: 1625-AA09) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1842. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulations; Intracoastal Waterway (ICW); Inside Thorofare, Atlantic City, NJ [CGD05-07-047] (RIN: 1625-AA-09) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1843. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulation; Venetian Causeway (West) Drawbridge, Atlantic Intracoastal Waterway, Mile 1088.6, and Venetian Causeway (East) Drawbridge, Biscayne Bay, Miami, Miami-Dade County, FL; Correction [CGD07-06-050] (RIN: 1625-AA09) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1844. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Celebration 2007, Appomattox River, Hopewell, VA [CCGD05-07-024] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1845. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Florence Rhodie Days Fireworks Display, Siuslaw River, Florence, OR [CGD13-07-012] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1846. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone: Willoughby Point located on Langley Air Force Base, Back River, Hampton, VA. [CCGD05-07-023] (RIN: 1625-AAOO) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1847. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Michigan Aerospace Challenge, Muskegon Lake, Muskegon, MI. [CGD09-07-011] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1848. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Fireworks Display, Potomac River, Oxon Hill, MD [CGD05-07-034] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1849. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Intracoastal Waterway, Treasure Island, Florida [COTP Sector St. Petersburg 07-048] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1850. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; South Portland, Maine, Gulf Blasting Project [CGD01-07-33] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1851. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone: Satellite Launch, NASA Wallops Flight Facility, Wallops Island, VA. [CCGD05-07-035] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1852. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Kimmelman's Wedding Party Fireworks Display, San Francisco Bay, CA [COTP San Francisco Bay 07-007] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1853. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Port Pirate Festival Fireworks, Port Washington Harbor, Port Washington, WI. [CGD09-07-015] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1854. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Fireworks Display, Pamlico River, Washington, North Carolina [CGD05-07-040] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1855. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; KFOG ''Kaboom'' Fireworks Display, San Francisco Bay, CA [COTP San Francisco Bay 07-006] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1856. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Model A320 Airplanes [Docket No. FAA-2006-26595; Directorate Identifier 2006-NM-208-AD; Amendment 39-14998; AD 2007-06-17] (RIN: 2120-AA64) received May 10, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1857. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Model A318, A319, A320, and A321 Airplanes [Docket No. FAA-2006-26272; Directorate Identifier 2006-NM-153-AD; Amendment 39-14999; AD 2007-06-18] (RIN: 2120-AA64) received May 10, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1858. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Eurocopter France Model AS350B, AS350B1, AS350B2, AS350B3, AS350BA, AS350C, AS350D, and AS350D1 Helicopters [Docket No. FAA-2006-25085; Directorate Identifier 2006-SW-02-AD; Amendment 39-14996; AD 2007-06-15] (RIN: 2120-AA64) received May 10, 2007, pursuant to 5 U.S.C.

801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1859. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Peru, IL [Docket No. FAA-2007-27110; Airspace Docket No. 07-AGL-1] (RIN: 2120-AA66) received May 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1860. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Changes to the Definition of Certain Light-Sport Aircraft [Docket No. FAA-2007-27160; Amendment No. 1-56] (RIN: 2120-AI97) received May 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

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. RAHALL: Committee on Natural Resources. H.R. 1100. A bill to revise the boundary of the Carl Sandburg Home National Historic Site in the State of North Carolina, and for other purposes; with an amendment (Rept. 110–157). 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:

[Omitted from the Record of May 16, 2007]

By Mr. DICKS (for himself, Mr. INSLEE, and Mr. SAXTON):

H.R. 2338. A bill to establish the policy of the Federal Government to use all practicable means and measures to assist wildlife population in adapting to and surviving the effects of global warming, and for other purposes; referred to the Committee on Natural Resources, and in addition to the Committee on Agriculture, 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.

[Submitted May 17, 2007]

H.J. Res. 43. A joint resolution increasing the statutory limit on the public debt.

By Mr. SCOTT of Georgia:

H.R. 2356. A bill to amend title 4, United States Code, to encourage the display of the flag of the United States on Father's Day; to the Committee on the Judiciary.

By Mr. STARK (for himself, Mr. ABERCROMBIE, Ms. BALDWIN, Mr. BERMAN, Mrs. CHRISTENSEN, Mr. CLAY, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. HASTINGS of Florida, Mr. HINCHEY, Mr. HONDA, Mr. KUCINICH, Ms. MATSUI, Mrs. MCCARTHY of New York, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Mr. GEORGE MILLER of California, Mr. RANGEL, Mr. RUSH, Ms. SCHAKOWSKY, Ms. SCHWARTZ, Mr. SHERMAN, and Mr. WU):

H.R. 2357. A bill to amend the Social Security Act to guarantee comprehensive health care coverage for all children born after 2008; to the Committee on Ways and Means, and in addition to the Committee on Energy and 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. KILDEE (for himself, Mr. FRANK of Massachusetts, Mr. BOREN, Mr. RENZI, and Mr. COLE of Oklahoma):

H.R. 2358. A bill to require the Secretary of the Treasury to mint and issue coins in commemoration of Native Americans and the important contributions made by Indian tribes and individual Native Americans to the development of the United States and the history of the United States, and for other purposes; to the Committee on Financial Services.

By Mr. SESTAK (for himself, Ms. VELÁZQUEZ, and Mr. SHULER):

H.R. 2359. A bill to reauthorize programs to assist small business concerns, and for other purposes; to the Committee on Small Business.

By Mr. EHLERS (for himself, Mr. DANIEL E. LUNGREN of California, and Mr. MCCARTHY of California):

H.R. 2360. A bill to amend the Help America Vote Act of 2002 to require States to meet Federal guidelines for the operation of electronic voting equipment, and for other purposes; to the Committee on House Administration.

By Mr. DOGGETT (for himself, Mr. HULSHOF, Mr. LARSON of Connecticut, Mr. ANDREWS, Mr. BECERRA, Mr. BISHOP of New York, Mr. BLUMENAUER, Mr. BRALEY of Iowa, Ms. CORRINE BROWN of Florida, Mr. CARNAHAN, Ms. CARSON, Ms. CLARKE, Mr. CLAY, Mr. CLEAVER, Mr. CONYERS, Mr. CROWLEY, Mr. DEFAZIO, Ms. DELAURO, Mr. ELLISON, Mr. EMANUEL, Mr. FARR, Mr. FILNER, Mr. FORTENBERRY, Mr. GRIJALVA, Mr. HARE, Mr. HINCHEY, Mr. INSLEE, Ms. KAPTUR, Ms. KILPATRICK, Mr. KIND, Ms. LEE, Mr. LEVIN, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mr. LOEBSACK, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Mr. OBERSTAR, Mr. PASCRELL, Ms. SCHWARTZ, Ms. SLAUGHTER, Ms. SOLIS, Mr. STARK, Ms. SUTTON, Mr. TIERNEY, Mr. VAN HOLLEN, Ms. VELÁZQUEZ, Ms. WATSON, Mr. WELCH of Vermont, Mr. WAXMAN, Ms. WATERS, Mrs. CAPPS, Ms. SCHAKOWSKY, and Ms. WOOLSEY):

H.R. 2361. A bill to amend the Internal Revenue Code of 1986 to disallow the credit for renewable diesel in the case of fuel coproduced with petroleum, natural gas, or coal feedstocks; to the Committee on Ways and Means.

By Mr. BILBRAY (for himself and Mr. THOMPSON of California):

H.R. 2362. A bill to reduce the duty on certain golf club components; to the Committee on Ways and Means.

By Mr. BISHOP of New York (for himself and Mr. TOM DAVIS of Virginia):

H.R. 2363. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts paid on behalf of Federal employees and members of the Armed Forces on active duty under Federal student loan repayment programs; to the Committee on Ways and Means.

By Mr. BLUMENAUER (for himself, Mrs. BOYDA of Kansas, Mr. KAGEN, Mrs. GILLIBRAND, Mr. RUSH, Mr. PAYNE, Ms. SCHAKOWSKY, and Mr. ALLEN):

H.R. 2364. A bill to promote expanded economic opportunities for farmers and ranchers through local and regional markets, expand access to healthy food in underserved communities, provide access to locally and regionally grown food for schools, institutions, and consumers, and strengthen rural-urban linkages, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on Education and Labor, 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. BOUCHER (for himself, Mr. GOODLATTE, and Mr. CHABOT):

H.R. 2365. A bill to amend title 35, United States Code, to limit damages and other remedies with respect to patents for tax planning methods; to the Committee on the Judiciary.

By Mr. BUCHANAN (for himself, Ms. VELÁZQUEZ, Mr. SHULER, and Mr. CHABOT):

H.R. 2366. A bill to reauthorize the veterans entrepreneurial development programs of the Small Business Administration, and for other purposes; to the Committee on Small Business.

By Mr. CARNAHAN (for himself, Ms. LEE, Mr. RYAN of Ohio, Mr. CROWLEY, Mr. MOORE of Kansas, Ms. MCCOLLUM of Minnesota, Mr. SHAYS, Mr. OBERSTAR, Mr. MICHAUD, and Mr. MCGOVERN):

H.R. 2367. A bill to amend the Foreign Assistance Act of 1961 to authorize assistance to provide contraceptives in developing countries in order to prevent unintended pregnancies, abortions, and the transmission of sexually transmitted infections, including HIV/AIDS; to the Committee on Foreign Affairs.

By Mr. CARTER:

H.R. 2368. A bill to provide for updated and secure social security cards; to the Committee on Ways and Means.

By Mr. CHABOT:

H.R. 2369. A bill to extend the authorization of appropriations for the Office of Government Ethics through fiscal year 2011; to the Committee on Oversight and 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. CRENSHAW (for himself, Mr. MEEK of Florida, Mr. CAMP of Michigan, Mr. SESSIONS, Mr. TOM DAVIS of Virginia, Mr. RAMSTAD, Mrs. BONO, Mr. MACK, Ms. CORRINE BROWN of Florida, Mr. PUTNAM, and Mr. WEXLER):

H.R. 2370. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of financial security accounts for the care of family members with disabilities; to the Committee on Ways and Means.

By Mr. CUMMINGS (for himself, Mr. WAXMAN, and Mr. KUCINICH):

H.R. 2371. A bill to amend the Public Health Service Act to expand and improve the provision of pediatric dental services to medically underserved populations, and for other purposes; to the Committee on Energy and Commerce.

By Ms. DELAURO (for herself, Ms. KAPTUR, Mr. COHEN, and Mr. FATTAH):

H.R. 2372. A bill to amend the Internal Revenue Code of 1986 to impose a temporary windfall profit tax on crude oil, to make the revenues from such tax available for investments in renewable energy and energy efficiency, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on the Budget, and Rules, 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. FATTAH (for himself, Mr. KANJORSKI, Mr. MOORE of Kansas, Mr. CONYERS, Ms. DELAURO, Ms. EDDIE

BERNICE JOHNSON of Texas, Mr. JEFFERSON, Mr. GRIJALVA, Ms. CORRINE BROWN of Florida, Mrs. NAPOLITANO, Mr. RUSH, Mr. RANGEL, Mr. ALLEN, Ms. KILPATRICK, Mr. HINOJOSA, Ms. JACKSON-LEE of Texas, Ms. WATERS, Mr. GONZALEZ, Mr. CUMMINGS, Mr. THOMPSON of Mississippi, Mr. TOWNS, Mr. BISHOP of Georgia, Ms. SCHWARTZ, Mr. MEEKS of New York, Mr. TIERNEY, Mr. SCOTT of Virginia, Mr. LEWIS of Georgia, Mrs. JONES of Ohio, Ms. NORTON, Mr. BUTTERFIELD, Mr. WYNN, Ms. WOOLSEY, Mr. HOLDEN, Mr. DOYLE, Mr. CLAY, Mr. AL GREEN of Texas, Mr. MORAN of Virginia, Ms. CARSON, Mr. OLVER, Mr. MURTHA, Mrs. MALONEY of New York, Mr. HONDA, Mr. KUCINICH, Mr. JACKSON of Illinois, Mr. DAVIS of Alabama, Mr. DAVIS of Illinois, Mr. HASTINGS of Florida, Ms. LEE, Mr. PAYNE, Mrs. CHRISTENSEN, Ms. WATSON, Ms. BORDALLO, Mr. CARDOZA, and Mr. WATT):

H.R. 2373. A bill to provide for adequate and equitable educational opportunities for students in State public school systems, and for other purposes; to the Committee on Education and Labor.

By Mr. FORTENBERRY:

H.R. 2374. A bill to authorize the Secretary of the Interior to expand the boundary of the Homestead National Monument of America, in the State of Nebraska, and for other purposes; to the Committee on Natural Resources.

By Mr. FRANK of Massachusetts (for himself, Mr. MCGOVERN, Mr. KENNEDY, and Mr. LANGEVIN):

H.R. 2375. A bill to provide wage parity for certain prevailing rate employees in Southeastern Massachusetts and Rhode Island; to the Committee on Oversight and Government Reform.

By Mr. FRANKS of Arizona:

H.R. 2376. A bill to prohibit the rewarding of suicide bombings, to prohibit terrorist kidnappings and sexual assaults, and for other purposes; to the Committee on the Judiciary.

By Mr. GINGREY:

H.R. 2377. A bill to amend the Internal Revenue Code of 1986 to increase the deduction under section 179 for the purchase of qualified health care information technology by medical care providers, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Energy and 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 Ms. HERSETH SANDLIN:

H.R. 2378. A bill to amend title 38, United States Code, to establish a financial assistance program to facilitate the provision of supportive services for very low-income veteran families in permanent housing, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HOLT (for himself, Mr. LOBIONDO, Mr. SMITH of New Jersey, Mr. PAYNE, Mr. TOWNS, Mr. JEFFERSON, Ms. JACKSON-LEE of Texas, Mr. GRIJALVA, Mr. BRADY of Pennsylvania, Ms. CORRINE BROWN of Florida, Mr. FERGUSON, Ms. ROYBAL-ALLARD, Mr. PASCRELL, Ms. LINDA T. SÁNCHEZ of California, Mr. BISHOP of Georgia, Mr. SAXTON, Mr. COHEN, and Ms. NORTON):

H.R. 2379. A bill to amend title XIX of the Social Security Act to require staff working with developmentally disabled individuals to call emergency services in the event of a life-threatening situation; to the Committee on Energy and Commerce.

By Mr. HULSHOF (for himself, Mr. CRAMER, Mrs. EMERSON, Mr. AKIN, Mrs. BIGGERT, Mr. CANNON, Mrs. BACHMANN, Mr. FRANKS of Arizona, Mr. LOBIONDO, Mr. BRADY of Texas, Mr. KNOLLENBERG, Mr. CULBERSON, Mr. HENSARLING, Mr. GRAVES, Mr. PAUL, Mr. CARTER, Mr. CANTOR, Mr. SULLIVAN, Mr. LATHAM, Mr. FERGUSON, Mr. SENSENBRENNER, Mr. KUHL of New York, Mr. GERLACH, Mr. FRELINGHUYSEN, Mr. WAMP, Mrs. DRAKE, Mr. ENGLISH of Pennsylvania, Mr. REYNOLDS, Mr. HALL of Texas, Mr. MILLER of Florida, Mr. KELLER, Mr. FOSSELLA, Mr. DOOLITTLE, Mr. MARIO DIAZ-BALART of Florida, Mr. NUNES, Mr. DAVIS of Kentucky, Mr. MCCARTHY of California, Mr. GOODE, Mr. PORTER, Mr. LAMBORN, Mr. TERRY, Mrs. MCMORRIS RODGERS, Mr. RENZI, Mr. RAMSTAD, Mrs. MYRICK, Mr. CAMP of Michigan, Mr. EVERETT, Mr. RADANOVICH, Mr. SHIMKUS, Mr. MACK, Mr. TIAHRT, Ms. PRYCE of Ohio, Mr. GALLEGLY, Mr. MCCAUL of Texas, Mr. PITTS, Mr. BOUSTANY, Mr. ROSKAM, Mr. HERGER, Mr. BARTLETT of Maryland, Mr. KIRK, Mr. STEARNS, Mr. BONNER, Mr. SESSIONS, Mrs. CUBIN, Mr. WHITFIELD, Mr. PRICE of Georgia, Mr. PETERSON of Pennsylvania, and Mr. SHUSTER):

H.R. 2380. A bill to make the repeal of the estate tax permanent; to the Committee on Ways and Means.

By Mr. KIND (for himself, Mr. BRALEY of Iowa, Mr. BOSWELL, Mr. ELLISON, Mr. HARE, Mr. LOEBSACK, Ms. MCCOLLUM of Minnesota, Mr. WALZ of Minnesota, and Mr. BERRY):

H.R. 2381. A bill to promote Department of the Interior efforts to provide a scientific basis for the management of sediment and nutrient loss in the Upper Mississippi River Basin, and for other purposes; to the Committee on Natural Resources.

By Mr. KIRK:

H.R. 2382. A bill to promote a return to democracy in Thailand; to the Committee on Foreign Affairs.

By Mr. MATHESON:

H.R. 2383. A bill to protect public health and safety, should the testing of nuclear weapons by the United States be resumed; to the Committee on Armed Services, and in addition to the Committees on Energy and Commerce, and Natural Resources, 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. MCCARTHY of New York (for herself and Mr. BOUSTANY):

H.R. 2384. A bill to create a pilot program to increase the number of graduate educated nurse faculty to meet the future need for qualified nurses, and for other purposes; to the Committee on Education and Labor.

By Mr. PATRICK MURPHY of Pennsylvania:

H.R. 2385. A bill to provide and enhance education, housing, and entrepreneur assistance for veterans who serve in the Armed Forces after September 11, 2001, and for other purposes; to the Committee on Veterans' Affairs, and in addition to the Committees on Armed Services, and Small Business, 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. PALLONE:

H.R. 2386. A bill to amend title XVIII of the Social Security Act to provide special treatment of certain cancer hospitals under the Medicare Program; to the Committee on Ways and Means.

By Mr. PAUL (for himself, Mr. MILLER of Florida, Mr. EVERETT, Mr. BURTON of Indiana, Mrs. BLACKBURN, Mr. HUNTER, Mr. SIMPSON, Mr. MCCOTTER, Mr. NEUGEBAUER, Mr. HENSARLING, Mr. BARTLETT of Maryland, Mr. TANCREDO, and Mr. DOOLITTLE):

H.R. 2387. A bill to prohibit the use of Federal funds for any universal or mandatory mental health screening program; to the Committee on Energy and Commerce, and in addition to the Committees on Education and Labor, and Ways and Means, 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 Ms. SCHAKOWSKY:

H.R. 2388. A bill to amend the Immigration and Nationality Act to enhance protections for immigrant victims of domestic violence, sexual assault, and trafficking; to the Committee on the Judiciary, and in addition to the Committees on Ways and Means, Agriculture, Financial Services, and Energy and 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. SHULER (for himself and Ms. VELÁZQUEZ):

H.R. 2389. A bill to help small businesses to develop, invest in, and purchase energy efficient buildings, fixtures, equipment, and technology; to the Committee on Small Business.

By Mr. SMITH of New Jersey (for himself and Mr. DOYLE):

H.R. 2390. A bill to amend the Internal Revenue Code of 1986 to provide a refundable tax credit for education and training expenses relating to autism spectrum disorders to increase the number of teachers with such expertise; to the Committee on Ways and Means.

By Mr. STUPAK (for himself and Mr. RAMSTAD):

H.R. 2391. A bill to amend title 5, United States Code, to make family members of public safety officers killed in the line of duty eligible for coverage under the Federal employees health benefits program, and for other purposes; to the Committee on Oversight and Government Reform.

By Ms. WOOLSEY (for herself, Mr. GEORGE MILLER of California, Ms. DELAURO, Mr. ELLISON, Mrs. CAPPS, Ms. CARSON, Mr. CONYERS, Mr. FARR, Mr. HINCHEY, Mr. HINOJOSA, Ms. JACKSON-LEE of Texas, Ms. LEE, Mrs. LOWEY, Mrs. MALONEY of New York, Ms. MATSUI, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Ms. MOORE of Wisconsin, Mr. OLVER, Mr. PAYNE, Ms. SCHAKOWSKY, Ms. SOLIS, Ms. WATSON, Ms. KILPATRICK, Mr. JOHNSON of Georgia, Mr. DELAHUNT, Mr. COHEN, Ms. CORRINE BROWN of Florida, Mr. TOWNS, Ms. CLARKE, Mr. CUMMINGS, Mr. DAVIS of Illinois, Mr. JACKSON of Illinois, Mr. JEFFERSON, Mr. KILDEE, Mr. KUCINICH, Mr. LANTOS, Mr. LEWIS of Georgia, Mrs. MCCARTHY of New York, Mr. MEEKS of New York, Mr. RUSH, Ms. LINDA T. SÁNCHEZ of California, Mr. WAXMAN, Mr. WEXLER, Mr. STARK, Mr. CLAY, Mrs. DAVIS of California, Mr. FRANK of Massachusetts, Mr. GRIJALVA, Mr. HONDA, Mr. RAHALL, Mr. ROTHMAN, Ms. NORTON, Ms. BORDALLO, and Ms. WATERS):

H.R. 2392. A bill to improve the lives of working families by providing family and medical need assistance, child care assistance, in-school and afterschool assistance, family care assistance, and encouraging the

establishment of family-friendly workplaces; to the Committee on Education and Labor, and in addition to the Committees on House Administration, Oversight and Government Reform, Financial Services, and Armed Services, 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. YOUNG of Alaska (for himself and Mr. SALI):

H.R. 2393. A bill to amend the American Bald Eagle Recovery and National Emblem Commemorative Coin Act; to the Committee on Financial Services.

By Mrs. WILSON of New Mexico (for herself, Mrs. BACHMANN, Mrs. BIGGERT, Mrs. BLACKBURN, Mrs. BONO, Ms. GINNY BROWN-WAITE of Florida, Mrs. CAPITO, Mrs. DRAKE, Ms. GRANGER, Mrs. EMERSON, Ms. FALLIN, Ms. FOXX, Mrs. MILLER of Michigan, Mrs. MUSGRAVE, Mrs. MYRICK, Ms. PRYCE of Ohio, Ms. ROS-LEHTINEN, and Mrs. SCHMIDT):

H.R. 2394. A bill to study the needs of Wounded Women Warriors; to the Committee on Armed Services.

By Mr. ROHRABACHER:

H. Con. Res. 150. Concurrent resolution expressing gratitude to the people and Government of the Republic of Georgia for their support and commitment in combating Islamist terrorism worldwide and their specific efforts to bring security and stability in Iraq and Afghanistan; to the Committee on Foreign Affairs.

By Mr. BOOZMAN:

H. Res. 412. A resolution expressing gratitude to Her Majesty Queen Elizabeth II and His Royal Highness, Prince Philip, Duke of Edinburgh, for their State Visit to the United States and reaffirming the friendship that exists between the United States and the United Kingdom; to the Committee on Foreign Affairs.

By Mr. FILNER:

H. Res. 413. A resolution recognizing the service of United States Merchant Marine veterans; to the Committee on Transportation and Infrastructure.

By Mr. GOODLATTE (for himself and Mr. SCHIFF):

H. Res. 414. A resolution expressing the sense of the House of Representatives that foreign governments should work diligently to legalize all computer software used by such foreign governments, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HONDA (for himself, Mr. WU, Mr. RADANOVICH, Mr. GONZALEZ, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. GUTIERREZ, Mr. GRIJALVA, Ms. BORDALLO, Mr. RANGEL, Mrs. NAPOLITANO, Ms. BERKLEY, Ms. HIRONO, Mr. LANTOS, Ms. ZOE LOFGREN of California, Ms. MCCOLLUM of Minnesota, Mr. SALAZAR, Mr. BECERRA, Mr. MCDERMOTT, Mr. WYNN, and Mr. LARSON of Connecticut):

H. Res. 415. A resolution honoring Edward Day Cohota, Joseph L. Pierce, and other veterans of Asian and Pacific Islander descent who fought in the United States Civil War; to the Committee on Armed Services.

By Mr. KING of New York (for himself, Mr. NEAL of Massachusetts, Mr. SHAYS, Mr. MCNULTY, Mr. MCCOTTER, Ms. JACKSON-LEE of Texas, Mr. PUTNAM, Mr. COSTELLO, Mr. FOSSELLA, Mr. HINCHEY, Mr. WALSH of New York, Mr. TANNER, Mr. DANIEL E. LUNGREN of California, Mr. WILSON of South Carolina, Mrs. MILLER of Michigan, Mr. WOLF, Mr. MCHUGH, Mr. REYNOLDS, Mr. BURTON of Indiana, Mr. CHABOT, Mr. MILLER of Florida, Mrs. MYRICK, Mr. PEARCE, Mr. LEWIS of California, Mrs. JO ANN DAVIS of Virginia, Mr. MARIO DIAZ-BALART of Florida, Mr. HAYES, Mr. CAMPBELL of California, Mr. YOUNG of Florida, Mr. BROWN of South Carolina, Mr. FEENEY, Mrs. MCMORRIS RODGERS, Mr. CONAWAY, Ms. BORDALLO, Mr. BILIRAKIS, Mr. MCCAUL of Texas, Mr. POE, Mr. KIRK, Mr. WICKER, Mr. DREIER, Mr. LINCOLN DIAZ-BALART of Florida, Mrs. MCCARTHY of New York, Mr. TIAHRT, and Mr. BLUNT):

H. Res. 416. A resolution expressing the sense of the House of Representatives regarding the public service of Tony Blair, Prime Minister of the United Kingdom; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 20: Mr. EMANUEL.
H.R. 65: Mr. ALEXANDER and Mr. SMITH of New Jersey.
H.R. 67: Mr. ENGEL and Mr. MCDERMOTT.
H.R. 77: Mr. WELDON of Florida.
H.R. 111: Mr. CRENSHAW, Mr. KING of Iowa, and Mr. WELLER.
H.R. 141: Mr. AL GREEN of Texas.
H.R. 180: Mr. BRALEY of Iowa.
H.R. 245: Mr. MCCOTTER.
H.R. 260: Mr. HIGGINS.
H.R. 303: Mr. TIAHRT.
H.R. 333: Mr. PEARCE.
H.R. 346: Mrs. BOYDA of Kansas.
H.R. 418: Ms. SHEA-PORTER.
H.R. 450: Mr. MCDERMOTT.
H.R. 468: Ms. SCHAKOWSKY and Ms. ROYBAL-ALLARD.
H.R. 480: Mr. POE and Mr. MCCOTTER.
H.R. 491: Mrs. MCCARTHY of New York.
H.R. 507: Mr. CHANDLER, Mr. FILNER, and Mr. DAVIS of Kentucky.
H.R. 562: Mr. BAKER and Ms. HERSETH SANDLIN.
H.R. 618: Mr. ADERHOLT.
H.R. 621: Mr. CRAMER, Mr. LYNCH, Mr. THOMPSON of Mississippi, and Mr. TIAHRT.
H.R. 628: Mr. TIAHRT.
H.R. 642: Mr. DAVIS of Illinois and Mrs. MCCARTHY of New York.
H.R. 643: Mr. MEEKS of New York, Mr. DELAHUNT, Mr. COLE of Oklahoma, Mrs. BIGGERT, Mr. DAVIS of Illinois, Mr. FORBES, Ms. BALDWIN, Mr. HAYES, and Mr. CANTOR.
H.R. 657: Mr. WALZ of Minnesota.
H.R. 662: Mr. MORAN of Virginia, Mr. REYES, and Mr. GEORGE MILLER of California.
H.R. 670: Ms. SHEA-PORTER.
H.R. 695: Mr. MOLLOHAN and Mr. SMITH of New Jersey.
H.R. 715: Mr. RUSH, Mr. CLEAVER, Mr. HINCHEY, and Mrs. JONES of Ohio.
H.R. 743: Mr. GORDON and Ms. GINNY BROWN-WAITE of Florida.
H.R. 758: Mr. GORDON.
H.R. 819: Mr. UDALL of New Mexico and Mr. PERLMUTTER.
H.R. 864: Mr. PRICE of North Carolina and Mr. LARSEN of Washington.
H.R. 926: Mrs. BOYDA of Kansas.
H.R. 971: Mr. DUNCAN.
H.R. 989: Mr. DAVIS of Kentucky and Ms. FALLIN.
H.R. 1014: Mr. BURTON of Indiana, Mr. CARTER, and Ms. BEAN.
H.R. 1017: Mrs. NAPOLITANO.
H.R. 1038: Mr. WOLF.
H.R. 1043: Mr. KUHL of New York.
H.R. 1069: Mr. CLAY.
H.R. 1070: Mr. CLAY.
H.R. 1105: Mr. DAVID DAVIS of Tennessee.
H.R. 1107: Mr. PITTS.
H.R. 1111: Ms. NORTON.
H.R. 1113: Mr. ACKERMAN, Mr. MARSHALL, Mr. OLVER, Mr. DICKS, and Mr. GILLMOR.
H.R. 1137: Mr. TIAHRT.
H.R. 1187: Mr. HIGGINS, Ms. MATSUI, Mr. GRIJALVA, Mr. COHEN, Ms. LORETTA SANCHEZ of California, and Mr. MEEKS of New York.
H.R. 1192: Mr. MCINTYRE.
H.R. 1201: Mr. FILNER.
H.R. 1222: Mr. MORAN of Virginia.
H.R. 1225: Mr. MCGOVERN.
H.R. 1230: Ms. CARSON.
H.R. 1252: Mrs. LOWEY and Mrs. DAVIS of California.
H.R. 1278: Mr. ENGLISH of Pennsylvania.
H.R. 1279: Mr. MOORE of Kansas.
H.R. 1282: Mr. ORTIZ and Mr. HINCHEY.
H.R. 1293: Mr. WALSH of New York.
H.R. 1304: Mr. MCCARTHY of California, Mrs. BONO, Mr. RAMSTAD, and Mr. RENZI.
H.R. 1338: Mrs. DAVIS of California, Mrs. GILLIBRAND, and Mr. JACKSON of Illinois.
H.R. 1343: Mr. SIMPSON, Mr. FRANK of Massachusetts, Mr. BILIRAKIS, Mr. DAVIS of Kentucky, Mr. JACKSON of Illinois, and Mr. GILLMOR.
H.R. 1354: Mr. ALLEN.
H.R. 1366: Mr. BLUNT, Mr. LOBIONDO, Mr. BONNER, and Mr. THORNBERRY.
H.R. 1381: Mr. ELLISON.
H.R. 1391: Ms. SHEA-PORTER.
H.R. 1419: Mr. HONDA and Mr. PASCRELL.
H.R. 1422: Mr. KILDEE and Ms. LEE.
H.R. 1426: Mr. GENE GREEN of Texas.
H.R. 1439: Mr. TIAHRT.
H.R. 1440: Mr. MARSHALL and Mr. JEFFERSON.
H.R. 1456: Mr. ROTHMAN and Mr. HINCHEY.
H.R. 1459: Mrs. EMERSON, Mr. BUTTERFIELD, Mr. GRIJALVA, Mr. OBERSTAR, and Mr. BROWN of South Carolina.
H.R. 1461: Mr. RYAN of Ohio and Mr. FARR.
H.R. 1475: Mr. SIRES.
H.R. 1500: Mr. KUCINICH.
H.R. 1506: Mr. WALZ of Minnesota, Mr. MILLER of North Carolina, Mrs. GILLIBRAND, Mr. ISRAEL, and Mr. BISHOP of New York.
H.R. 1514: Ms. WATSON, Mr. WALBERG, and Mr. MICHAUD.
H.R. 1532: Mr. SIRES.
H.R. 1535: Mr. PASTOR.
H.R. 1537: Mr. HERGER and Mr. WYNN.
H.R. 1542: Mr. CUMMINGS and Mr. HINCHEY.
H.R. 1551: Mr. YARMUTH.
H.R. 1552: Mr. SMITH of Nebraska, Mr. WILSON of Ohio, Ms. HERSETH SANDLIN, Mr. MARKEY, and Mr. FEENEY.
H.R. 1567: Mr. WYNN and Mr. SERRANO.
H.R. 1576: Mr. DAVIS of Alabama, Mr. BOYD of Florida, Mr. KILDEE, and Mr. BRADY of Texas.
H.R. 1583: Mr. OLVER, Mr. HODES, Mr. WALZ of Minnesota, Mr. CARNEY, Mr. KAGEN, Mr. PERLMUTTER, and Mr. HOLT.
H.R. 1584: Mr. SHAYS, Mr. LOEBSACK, Mr. SOUDER, Mrs. CAPITO, Mr. WHITFIELD, Mr. ROSS, Mr. MCCARTHY of California, Mr. LUCAS, Mr. HOEKSTRA, and Mr. LATOURETTE.
H.R. 1589: Mr. ROGERS of Alabama and Mr. WOLF.
H.R. 1590: Ms. NORTON.
H.R. 1600: Ms. LINDA T. SÁNCHEZ of California, Mr. ENGLISH of Pennsylvania, and Mr. MICHAUD.
H.R. 1610: Mr. PORTER, Mr. KIND, Mr. CLAY, Mrs. BACHMANN, Mr. MCHENRY, Mr. MELANCON, Mr. AKIN, Mr. COLE of Oklahoma, and Mr. PICKERING.
H.R. 1629: Mr. DAVIS of Alabama.
H.R. 1647: Mr. GILCHREST.
H.R. 1687: Mrs. MALONEY of New York.
H.R. 1713: Mr. CROWLEY, Mr. WYNN, and Mr. SCOTT of Virginia.
H.R. 1735: Mr. PUTNAM, Mr. BILBRAY, Mrs. JO ANN DAVIS of Virginia, Mr. ROSKAM, Mr. LAMBORN, Mr. MILLER of Florida, Mr. GINGREY, Mr. ROHRABACHER, Mr. MCCARTHY of California, and Mr. HERGER.

H.R. 1738: Mr. BURTON of Indiana.
H.R. 1747: Mr. BARROW.
H.R. 1754: Mr. ABERCROMBIE, Mr. POMEROY, Mr. ROSS, Mr. WELCH of Vermont, Mr. BISHOP of New York, Mr. SIRES, Ms. HERSETH Sandlin, Ms. CLARKE, Mr. PERLMUTTER, Mr. BOYD of Florida, and Mr. COSTA.
H.R. 1776: Mr. CLAY.
H.R. 1779: Mr. TIM MURPHY of Pennsylvania.
H.R. 1781: Mr. SCOTT of Georgia, Mr. MCNULTY, Mr. WU, Ms. HIRONO, Mr. DOGGETT, Mr. GEORGE MILLER of California, Mr. BERRY, Mr. CRAMER, and Mr. PASTOR.
H.R. 1789: Mr. REICHERT.
H.R. 1845: Mr. LYNCH and Mrs. EMERSON.
H.R. 1866: Mr. PAUL, Mr. MCCAUL of Texas, Mr. PUTNAM, Mr. DOGGETT, Mr. ORTIZ, and Mr. MCHUGH.
H.R. 1921: Ms. BALDWIN.
H.R. 1932: Mr. GORDON and Mr. HARE.
H.R. 1933: Mr. MARSHALL and Mr. SCHIFF.
H.R. 1938: Mr. MOORE of Kansas and Mr. KUHL of New York.
H.R. 1940: Mr. GARY G. MILLER of California, Mr. PENCE, and Mr. JONES of North Carolina.
H.R. 1945: Mrs. LOWEY.
H.R. 1954: Ms. HERSETH SANDLIN.
H.R. 1956: Mr. KIND, Mr. DAVIS of Alabama, and Mr. SMITH of Washington.
H.R. 1957: Mr. MCDERMOTT and Mr. SPRATT.
H.R. 1960: Mr. PETERSON of Minnesota, Mr. HODES, and Mr. DAVIS of Illinois.
H.R. 1968: Mr. HONDA, Mr. JEFFERSON, Mr. MEEKS of New York, Ms. NORTON, and Ms. LINDA T. SÁNCHEZ of California.
H.R. 1971: Mr. COHEN, Mr. MCGOVERN, Mr. MCNULTY, Mr. GONZALEZ, Mr. AL GREEN of Texas, Mr. MORAN of Virginia, and Mr. RYAN of Ohio.
H.R. 1975: Ms. LINDA T. SÁNCHEZ of California, and Mr. WEINER.
H.R. 1990: Mr. ABERCROMBIE, Ms. MCCOLLUM of Minnesota, Ms. DEGETTE, and Ms. HIRONO.
H.R. 2036: Mr. BILBRAY, Mr. MARSHALL, and Mr. HONDA.
H.R. 2040: Mr. RUSH, Mr. HIGGINS, Mr. AL GREEN of Texas, Mr. JEFFERSON, Ms. JACKSON-LEE of Texas, Mr. CLAY, Mr. BUTTERFIELD, Mr. BISHOP of Georgia, Mr. BARROW, Mr. CUMMINGS, Mr. DAVIS of Alabama, Mr. GRIJALVA, Ms. CARSON, Mr. HASTINGS of Florida, Mrs. CHRISTENSEN, Mr. PAYNE, Mr. THOMPSON of Mississippi, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. SHAYS, Mr. MCCOTTER, and Mrs. EMERSON.
H.R. 2046: Mr. TOWNS and Ms. LINDA T. SÁNCHEZ of California.
H.R. 2048: Ms. BEAN.
H.R. 2051: Mr. BACA.
H.R. 2060: Mr. DEAL of Georgia and Ms. CARSON.
H.R. 2061: Ms. BERKLEY.
H.R. 2073: Mr. GERLACH.
H.R. 2086: Mr. CAMPBELL of California and Mr. POE.
H.R. 2087: Mr. JACKSON of Illinois, Mr. SHAYS, and Mr. HONDA.
H.R. 2090: Ms. HOOLEY, Mrs. MCMORRIS RODGERS, Mr. ENGLISH of Pennsylvania, and Mr. MCCOTTER.
H.R. 2102: Mr. TOWNS, Mr. LARSON of Connecticut, Ms. DELAURO, Mr. GONZALEZ, Ms. BALDWIN, Ms. ESHOO, Mrs. CAPPS, Ms. CASTOR, and Mr. RADANOVICH.
H.R. 2108: Mr. ROTHMAN.
H.R. 2111: Mr. MCGOVERN.
H.R. 2118: Mr. CLAY.
H.R. 2128: Mr. POE.
H.R. 2129: Mr. JEFFERSON, Mr. RANGEL, Ms. KILPATRICK, Mr. CROWLEY, Mr. MCHUGH, Ms. NORTON, and Mr. AL GREEN of Texas.
H.R. 2138: Mr. FARR, Mr. WAMP, Mr. SCOTT of Georgia, and Mr. HOEKSTRA.
H.R. 2144: Mrs. GILLIBRAND and Mr. MICHAUD.
H.R. 2161: Mr. DINGELL, Ms. SCHAKOWSKY, and Mr. CARNEY.
H.R. 2165: Ms. SCHWARTZ, Ms. MATSUI, Mr. RODRIGUEZ, Mr. COHEN, and Ms. DELAURO.
H.R. 2192: Mr. GONZALEZ, Mr. CONAWAY, Mr. SCOTT of Virginia, Mr. LYNCH, Mr. MOORE of Kansas, Mrs. MCCARTHY of New York, Mrs. GILLIBRAND, Mr. GILCHREST, Mr. MCDERMOTT, Mr. WAXMAN, and Mr. BRALEY of Iowa.
H.R. 2205: Mr. CAMPBELL of California, Mr. RUPPERSBERGER, Mr. SOUDER, and Mr. MCKEON.
H.R. 2208: Mr. COSTELLO and Mrs. CAPITO.
H.R. 2210: Mr. WYNN and Mr. SIRES.
H.R. 2212: Mr. ELLISON, Mr. MCDERMOTT, Mr. WELCH of Vermont, Ms. WOOLSEY, and Mr. MCGOVERN.
H.R. 2221: Mr. LARSON of Connecticut.
H.R. 2239: Ms. EDDIE BERNICE JOHNSON of Texas and Mr. CARNEY.
H.R. 2240: Mr. HOYER and Ms. NORTON.
H.R. 2244: Mr. UPTON.
H.R. 2253: Mr. MCHUGH.
H.R. 2279: Mr. WELDON of Florida and Mr. HALL of Texas.
H.R. 2280: Mr. LATHAM, Mr. MCHUGH, and Mr. WHITFIELD.
H.R. 2295: Mr. YOUNG of Florida, Mr. SMITH of Washington, Mr. DAVID DAVIS of Tennessee, Mr. SIMPSON, Mr. WOLF, Mr. CALVERT, Mr. MARSHALL, Mr. LOBIONDO, Mr. COBLE, Mr. PLATTS, Ms. LINDA T. SÁNCHEZ of California, Mr. RYAN of Ohio, and Mr. WALZ of Minnesota.
H.R. 2297: Mr. GRIJALVA, Mr. MITCHELL, and Mr. PASTOR.
H.R. 2298: Mr. MCHUGH.
H.R. 2303: Mr. TIAHRT.
H.R. 2317: Mr. SPACE and Mr. MURPHY of Connecticut.
H.R. 2327: Mr. DEFAZIO and Mr. NADLER.
H.R. 2329: Ms. BALDWIN and Mr. JINDAL.
H.R. 2351: Mr. HASTINGS of Florida and Mr. GRIJALVA.
H.J. Res. 28: Mr. BUTTERFIELD and Mr. CLAY.
H. Con. Res. 25: Mr. HASTERT and Mr. NEUGEBAUER.
H. Con. Res. 81: Mr. MARKEY.
H. Con. Res. 94: Mr. SAXTON.
H. Con. Res. 120: Mr. PERLMUTTER, Mr. WICKER, Mr. PICKERING, Mr. PAYNE, Mr. CLEAVER, Mr. WOLF, Mr. KUHL of New York, and Mr. HAYES.
H. Con. Res. 130: Mrs. CAPPS and Mr. COHEN.
H. Con. Res. 131: Mr. HENSARLING and Mr. POE.
H. Con. Res. 149: Mr. KIND.
H. Res. 37: Ms. LORETTA SANCHEZ of California, Mr. WELCH of Vermont, and Mr. UDALL of New Mexico.
H. Res. 71: Mrs. MCCARTHY of New York.
H. Res. 111: Mr. TIAHRT.
H. Res. 147: Mr. TIAHRT.
H. Res. 185: Mr. CHABOT.
H. Res. 226: Mr. LINCOLN DIAZ-BALART of Florida.
H. Res. 233: Mr. WEXLER and Mr. BROWN of South Carolina.
H. Res. 282: Mr. MCNULTY, Mr. PORTER, and Mrs. BOYDA of Kansas.
H. Res. 326: Mr. ELLSWORTH and Mr. SCOTT of Virginia.
H. Res. 329: Mr. COBLE.
H. Res. 341: Mrs. BLACKBURN.
H. Res. 351: Mr. PRICE of Georgia, Mr. MCCAUL of Texas, and Mr. DAVID DAVIS of Tennessee.
H. Res. 356: Mr. HINCHEY.
H. Res. 369: Ms. LINDA T. SÁNCHEZ of California.
H. Res. 384: Mr. TERRY and Mr. WU.
H. Res. 397: Mr. GOODLATTE.
H. Res. 401: Ms. MCCOLLUM of Minnesota, Mr. MCDERMOTT, Mr. BLUMENAUER, Mr. FORTUÑO, Ms. BORDALLO, Mrs. CHRISTENSEN, Mr. CLEAVER, Mr. HOLT, Mr. COBLE, and Mr. GRIJALVA.
H. Res. 402: Mrs. DRAKE and Ms. BORDALLO.
H. Res. 407: Mr. SARBANES.