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

LENDING CRISIS

Mr. CASEY. Madam President, I rise today to speak about something that is on the minds of a lot of Americans, but also something that initially was addressed by the President and by Secretary Paulson today when they announced their loan modification program as it relates to the subprime lending crisis that is engulfing many American communities and so many families. Despite all the evidence of the size and scope of the subprime crisis, this administration today unveiled what I would argue is a tepid plan that would reach only a small number of subprime borrowers.

I don't think it is too late for the President or Treasury Secretary Paulson to come up with a real solution, but this plan is far too little. It is my opinion that this plan will only affect a few borrowers, not enough to meet the need.

That is not just my opinion, though, it is the opinion of some experts in the industry. One in particular, Barklays Capital, is estimating that this plan announced today will reach only 12 percent of all subprime borrowers.

Mr. Eric Halperin, the Director of the Center for Responsible Lending, which institution is a leading expert in this area, was quoted in the New York Times as saying:

> I don't see anything that leads me to believe we will see an increase in loan modifications.

That is just two experts weighing in on something that is critical to so many families in America. The fact that the President and Secretary Paulson have put a kind of window dressing on these loan modifications and the problems that are caused by the subprime crisis doesn't mean that we can feel secure that they are meeting the need that we see across the country. I think the administration has to do more than just talk about this issue and take credit for having some kind of a plan because we know that more than 2 million subprime loans are about to reset at higher rates in the months ahead.

This crisis has already slowed economic growth in America and has an impact the world over. It is threatening to push our economy into recession, and still the President and the administration are not willing to truly help homeowners on the brink of foreclosure.

The Treasury Secretary has known about these problems for some time, as has the administration. I am afraid when Members of Congress weigh in on this problem, as so many have—with legislation, with suggestions, with ideas—the administration tends to ignore that advice or ignore that plea for help. Just this week I sent a letter to Secretary Paulson which was signed by a number of other Senators—Senator SCHUMER, Senator BROWN, and also Senator DODD. We asked the Secretary to consider basically five considerations.

Let me read what we asked him to examine as he and the President were preparing the plan they released today.

No. 1, we asked he ensure the eligibility for modification not be too narrow and that people who are affected have every opportunity to ensure that they remain in their home. No. 2, we asked they make sure loan modifications are long enough to ensure the long-term affordability of the mortgages and not merely delay a foreclosure. No. 3, we asked to waive all prepayment penalties. I think that is a reasonable request in this kind of crisis. No. 4, we asked the Secretary to guarantee the fair treatment of families that are not able to avoid foreclosure, even with modifications. No. 5, make sure the modification program must be transparent to allow for independent monitoring. Of these five key points, these five requests, really, it is only clear that one has been addressed. One has been addressed by freezing rates for 5 years.

A plan that affects only 10 to 12 percent of borrowers, can that kind of plan qualify and can most borrowers have confidence in such a plan? I don't think so. Unfortunately, Secretary Paulson and the President have come up far too short on their recommendations.

So many people here, not just in Washington but across the country, know the effects of this crisis on our country—obviously on families and their ability to make ends meet month to month, paying the bills, but also the effect on the economy, really on the world economy. We know, for example, the Joint Economic Committee, of which I am a member—the Presiding Officer is also a member, a proud member from the State of Minnesota. She knows when our committee had a chance to review this issue we issued a study, not too long ago, about how much this problem will cost. Just let me give you a couple of numbers which are relevant: 2 million foreclosures. We have heard a lot about that, but we know 2 million will occur by the time the riskiest subprime adjustable rate mortgages, the ARMS, will reset over the course of this year and next year. Many thought the crisis was behind us, that we were kind of over the hump. A lot of experts believe the worst is yet to come. That is why we needed a real plan by the President, not a half-baked plan.

No. 2, the Joint Economic Committee found that approximately $71 billion in housing wealth will be directly destroyed—$71 billion in housing wealth will be directly destroyed. There is another $32 billion on top of that, $32 billion in housing wealth that will be indirectly destroyed by the spillover effect of foreclosures which reduce the values throughout a neighborhood.

States across the country will lose some $917 million in property tax revenue because of this crisis. The 10 States with the greatest number of estimated foreclosures, of course, are some of the larger States: California, Florida, Ohio, New York, Michigan, Texas, Illinois, Arizona, and my home State of Pennsylvania. I am sure the State of the Presiding Officer, Minnesota, is probably close to the top as well. But there are several others close to that ranking.

Finally, in terms of the findings of this particular report, on top of the losses due to foreclosure, this report also says there will be a 10-percent decline in housing prices, which would lead to a $2.3 trillion economic loss.

We could go on and on about what the problem is, but we know there are some solutions on the table. I am one of the cosponsors, along with Senators SCHUMER and BROWN, of the Borrowers Protection Act, which imposes obligations on some of the players in this market who have not been regulated, frankly, have not been cracked down on, the so-called unregulated brokers and originators. This legislation, the Borrowers Protection Act, would do that looking forward, but also in the present context we have pushed very hard, and the Senate has already passed legislation—of course, the President, like he is about a lot of things, is talking about vetoing this legislation—in which we do have $200 million set aside for foreclosure counseling, which a lot of families need and a lot of homeowners have a right to expect. There are some short-term and long-term things that we can do but, unfortunately, what the President and the Secretary did today does not meet that.

I want to conclude by quickly moving to another topic for just a few moments before my time is up.

NUCLEAR PROLIFERATION

Mr. CASEY. Madam President, to highlight something that was in the New York Times last Friday—it was Friday, November 30—at the bottom of page A12, in the midst of all of this discussion we have had in this country over the National Intelligence Estimate on Iran—and properly so that we debate that and discuss that—all of the discussion on crises and challenges in our foreign policies that threaten our national security, the ongoing debate about Iraq, in the midst of all of that, we see in the New York Times and other publications a headline that reads as follows:

> In Slovakia, three are held in a uranium smuggling case.

What is this all about? Well, it is about what a lot of people believe is maybe the greatest nightmare we face in the country: that a small group of terrorists can get a hold of fissile material and create a nuclear weapon, any kind of even unsophisticated nuclear weapon or dirty bomb—however you want to describe the various types of weapons that can be developed—and explode it in an American city or explode