

brought another quarter of a million foreclosures, 223,561 families. Last year, in 2007, our Nation suffered 1.6 million foreclosures, the largest equity washout in our history. That's 1.6 million families, probably between 4 and 5 million people, who have destroyed credit and who lost their homes. Their lives have been thrown into chaos.

Despite the death grip that mortgage foreclosures are having in this country, Washington has yet to offer a credible solution. Back home my constituents are demanding to know what is taking so long. The huge jumps in foreclosures were becoming evident in 2006. Experts have forecast an even larger increase based on loan resets on adjustable rate mortgages. Still no credible action from the Bush administration or this Congress. One has to wonder why Washington has not moved more decisively to enact legislation when no congressional district has gone unaffected by this crisis. In whose interest is it to have so many Americans, by the millions, falling off the edge of the mortgage cliff?

The Bush administration should take real action. It isn't. This Congress should take real effective action. It hasn't. It is clear what will happen if we don't. Another 2.9 million loans were past due last December, signaling high rates of foreclosure to come. Another 40 million homeowners are at risk of seeing their property values decline, and 12.5 million will have either zero or negative net equity in their home. In fact, America has reached a very dangerous position. For the first time in our history, people owe more on their homes than their homes are worth. People owe more on their homes than their homes are worth. Net negative home equity.

Despite the great fanfare associated with government compacts and rescue hotlines, many servicers and investment banks are still refusing to come to the table. I've received a long list of servicers who can't be reached or who refuse to pursue workouts, including the banks that hold the mortgages that were serviced, when housing counselors and homeowners try to reach out to them at the local level. They used to call that "taking the lamb." They've disappeared, and, therefore, there is no one to work it out with.

Counseling services at the local level are overrun with desperate homeowners, many of whom could be helped if they weren't on long waiting lists for counseling assistance and could find with whom they should work out that mortgage. What good is the \$180 million in housing counseling funds we passed in Congress last year if the majority of servicers are still refusing those workouts and if that 180 million wasn't targeted to the districts that are most in need? And it wasn't.

Of those who are willing to engage in workouts, most only offer repayment plans, giving homeowners additional time to catch up with their payments. But this begs the question if home-

owners cannot keep up with their regular payments, what good does it do them to offer them a chance to catch up by making double and triple payments?

One of my constituents was offered such a "deal." He tells me that the bank will allow him to save his home if he just comes up with \$40,000 by October. This gentleman, who has lived in his home for more than two decades, has a low fixed income with no hope of coming up with such a large sum. His lender is offering concessions in name only.

A few servicers who are engaging in workouts are moving toward modifying the terms of the loans, reducing principal, lowering interest rates, extending the terms of the loan, to make them more affordable. We need much more of that. But the relatively small segment of the industry that is willing to do so, coupled with the painfully slow pace of working out individual plans, only drives America into deeper crisis.

More effective solutions should be forthcoming from this Congress, including bankruptcy bills like that of Congresswoman MAXINE WATERS and Congressman BRAD MILLER, which would allow judges now the flexibility to modify the terms of mortgage loans in bankruptcy court proceedings by lowering interest rates, forgiving penalties, reducing principal, and getting those servicers and banks to the table. Of course they don't want that. Too bad. The crisis is an American crisis and it needs an American solution.

To tread water while this disaster unfolds is wrong. It's not just about helping homeowners. It's about helping our Nation's economy and trying to rebuild the economic strength that we have lost through this deepening crisis.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### EDUCATION: THE QUALITY OF OUR NATION'S SCHOOLS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from California (Mr. MCKEON) is recognized for 60 minutes as the designee of the minority leader.

#### GENERAL LEAVE

Mr. MCKEON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of my Special Order this evening.

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

There was no objection.

Mr. MCKEON. Mr. Speaker, I am grateful to have this opportunity to

discuss an issue that's important to every single American family: the quality of our Nation's schools.

Twenty-five years ago this week, the National Commission on Excellence in Education issued its landmark report entitled "A Nation at Risk: The Imperative for Educational Reform." I would like to read an excerpt from the opening of that report:

"Our Nation is at risk. Our once unchallenged preeminence in commerce, industry, science, and technological innovation is being overtaken by competitors throughout the world... While we can take justifiable pride in what our schools and colleges have historically accomplished, the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a nation and as a people. What was unimaginable a generation ago has begun to occur. Others are matching and surpassing our educational attainments."

Again, this report was written 25 years ago. And some of the things we're going to talk about tonight are about what little improvement we have made in that 25 years.

When this report was released, it sent shock waves through our educational system. For the first time, we recognized the threat of educational failure as a threat to our national security. And to be frank, I don't think that was overstating the case. I have personally traveled to China with other Members of Congress and seen the progress they are making scientifically, technologically, and, yes, educationally. And China is not alone. All around the world, nations are realizing that educational excellence today will mean competitive dominance tomorrow.

"A Nation at Risk" was issued nearly two decades after enactment of the Elementary and Secondary Education Act. The ESEA, which was the precursor of No Child Left Behind, dramatically increased Federal funding for education. Unfortunately, it didn't link that funding to a demand for results. From 1965 until enactment of No Child Left Behind in 2002, the Federal Government spent more than \$227 billion on the Elementary and Secondary Education Act. Yet despite that considerable investment, academic achievement flatlined during that time period.

As you can see here, the graph shows the amount of money appropriated year by year, and the blue flat line is the test results during that period.

This is unacceptable. It's unacceptable to the taxpayers, being asked to fork over their hard-earned dollars to a bloated Federal bureaucracy that fails to produce results. It is unacceptable to parents, who should be empowered to seek out a quality educational experience for their children. And it is unacceptable to our citizenry as a whole, who deserve an educational system that strengthens our prospects for the future.

"A Nation at Risk" outlined dire consequences if we, as a nation, failed