

minutes each and the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half; that following morning business, the Senate resume consideration of S. 2284, flood insurance, as under the previous order.

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

FLOOD INSURANCE REFORM

Mr. DODD. Mr. President, before reading the concluding comments here, I wish to take a minute or so to summarize what happened today regarding the flood insurance bill.

I express my gratitude, first of all, to Senator REID, the majority leader, for insisting that this flood insurance matter come before the Senate. This is an important bill. There are a lot of issues that our constituents are facing,—the housing issue, on which I am spending a great deal of time, the economic issues generally, the price of gasoline, and the price of oil at \$120 a barrel, causing staggering problems across our country. The flood insurance issue, as we enter hurricane season coming up, could make a great deal of difference for people in this country who are concerned about that issue and what could happen with the cost of premiums, whether they are going to have that coverage at all.

Senator SHELBY of Alabama, my ranking member and former chairman of the committee, along with Senator BUNNING and others actually passed this legislation in a previous Congress and weren't able to get it adopted. We adopted it again out of the Banking Committee earlier this year, and I am optimistic that we will be able to bring final closure to this issue.

In light of the fact that there is a tremendous amount of debt, FEMA—the Federal Emergency Management Agency—had to borrow \$17 billion from the Federal Treasury to meet the claims of people who faced the devastating loss as a result of the flooding that occurred with the major natural disasters. Borrowing that money had an interest payment due on it, and that cost alone was raising the cost of premiums. This bill, which I hope we complete tomorrow, will forgive that debt. That will remove that cost that is added to the premiums, which are not inexpensive but absolutely necessary if you are going to have a flood insurance program.

I point out that the program generates about \$2.5 billion worth of revenues each year with the premiums collected. About a billion dollars of that is administrative costs.

When you have demands, as we did out of 2005 of \$17 billion just in the flood insurance area, you get some idea of how expensive this program can be if it is not well managed and actuarially sound. So we have made this significant effort, which I think will be valuable to people across the country and make a difference.

We still have major work to do on the housing issue. I would be remiss if I didn't say how disappointed I was earlier today to listen to the President of the United States standing with the Republican leadership of the House of Representatives, announcing that he intended to veto the housing legislation. Congressman FRANKS and his Republican counterparts are working on it in the House, and we are working on it in the Banking Committee. We are nowhere near having a bill per se, so I was shocked to hear the President saying he was vetoing something that doesn't exist yet. We are making an effort to have a bipartisan bill. I would have hoped he would say: I am watching what you are doing and I am interested, and I have ideas about what ought to be included, or excluded, and I invite the leadership in Congress to make sure we are involved. That would have been appropriate because we have dealt with the leadership of the administration's agencies that have been deeply involved in helping us craft the Hope for Homeowners Act. It was, therefore, shocking to have the President of the United States, despite the advice and counsel of some of the key economic advisers of the administration who have been constructive in working with us on a way to keep people in their own homes, announce he intended to veto something even before we have had a chance to put it together.

The good news is that I believe my colleagues on the Banking Committee, who are working on this, from the minority and Republican side, are still interested in hearing some ideas and working on this. That is not to suggest they have agreed to anything. They have not. But we are working—and our staffs are—to develop that compromise bill. They haven't been cowed by the announcement by the administration that they will veto anything we might do to keep hundreds of thousands of people in their homes.

I would be remiss if I didn't note that it was only about a month ago or a month and a half ago that the Federal Government committed \$29 billion, without ever a vote occurring here, to make the merger between Bear Stearns and JPMorgan occur. That \$29 billion the Federal Government put into that deal made it possible for it to actually be accomplished.

I happen to think they probably did the right thing that Sunday night of March 16. But I find it somewhat shocking that the President of the United States had little or nothing to say about that commitment of Federal dollars, and yet the idea that we might do something to make it possible for middle-income, hard-working families to stay in that most important possession, their home, he objects to—a bill before it exists that might accomplish that goal, done in a bipartisan fashion, involving his administration, key regulators from his own Government. That he would announce a veto of it is alarming to me, knowing how damaging this mortgage crisis is in so many aspects of our lives: commercial lending, student loans—they are all being adversely affected because of the mortgage crisis. The fact the President said, I am going to veto this bill no matter what you do up there, is disappointing.

My hope is in the coming days, as we move toward a markup in the Banking Committee on this issue, that we will get cooperation and support. I cannot guarantee what we are doing will work, but I know inaction is not an option and failure is not an option. Too many of our fellow citizens are hurting with rising energy prices, health care costs, the cost of higher education, not to mention all these other costs, commodity increases and the like, and they need to know their Government is making an effort to make it possible for them to stay in their homes. That is why I feel so strongly about it.

Although we are dealing with flood insurance today, I did not want to have people believe we are unmindful of what needs to be done in the area of home foreclosure. Mr. President, 7,000 to 8,000 foreclosures are filed every day, by 7,000 to 8,000 of our fellow citizens, and if you add our next door neighbors who are adversely affected, that is more than 20,000 people a day who have their life savings, their best investment put in jeopardy.

For those reasons, I am hopeful we can get more cooperation on that issue.

ADJOURNMENT UNTIL 9:30 A.M.
TOMORROW

Mr. DODD. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it stand adjourned under the previous order.

There being no objection, the Senate, at 9:01 p.m., adjourned until Thursday, May 8, 2008, at 9:30 a.m.