

For more than a decade, I have been concerned about my constituents becoming trapped in the cycle of debt caused by unfair payday loans. Consumers sometimes prefer these loans because the credit history requirement imposed by traditional banks is waived. Unfortunately, those who most need these loans are often the least able to repay them. The consumer is then subjected to exceptionally high interest rates, ranging from 261 percent to 913 percent annually.

The "Payday Loan Reform Act of 2009," which I am introducing today, provides significant new federal protections for payday loan consumers by restricting or prohibiting certain predatory payday loan terms and lending practices. The bill focuses on the two major concerns with regard to payday loans: the fees charged and the "cycle of debt" that occurs when consumers are not able to immediately repay their loans.

First, the bill caps payday loan fees and interest rates at a total of 15 cents for every dollar borrowed. This fee and rate cap is lower than the fees allowed in 23 states, and would save consumers roughly \$250 million annually through federally mandated lower fee levels. Undoubtedly, many in the payday industry will claim that fee and rate caps this low will drive lenders out of business. However, this fee is high enough to allow lenders to continue making such short-term credit advances, while at the same time providing consumers a credit option that is less expensive than many credit card fees and rates, and substantially less expensive than overdraft protection charges through banks.

The second major concern addressed in this bill relates to the "cycle of debt" that too often traps consumers when they cannot repay their payday loan when first due. As a result, many payday lenders force borrowers to rollover their payday loan or obtain a new loan to pay off the initial loan, while piling on additional fees. The "Payday Loan Reform Act of 2009" prohibits these rollovers (i.e., extensions of the loan term in exchange for an additional fee).

Under the bill, payday lenders would be banned from rolling over loans, and they would be required to give consumers the option of entering into a repayment plan in the event that they could not repay their loan when due. The repayment plan will allow consumers to repay the loan over an extended period of time without any additional fees or other charges whatsoever. The bill's repayment plan requirements are generally far stronger than those found in the few state laws that mandate such plans.

These three key provisions—capping fees, prohibiting rollovers and requiring extended repayment plans—would supersede state law provisions when such state provisions are less consumer-friendly. In all other areas, the bill's requirements would provide a minimum national standard for consumer protections, with states free to enact tougher payday lending restrictions.

The legislation also mandates that consumers receive special warnings and disclosures, stating that these short-term payday loans are only intended for short-term needs, that credit counseling should be considered, that no criminal prosecution can occur for nonpayment nor may security interest be taken in the consumer's personal property, and that an interest-free, no-cost repayment plan will be available if needed. These disclosure notices

must be given both in the loan documents before obtaining a payday loan and in similar disclosures posted in the lender's public business area, Web site and/or printed advertising and solicitation materials. Disclosures must be in English and in Spanish, as well as the language in which the loan was negotiated.

Finally, the legislation guarantees consumers additional protections relating to various potentially abusive terms and practices currently used by payday lenders. For example, I have already explained that the bill prohibits lenders from taking a security interest in a consumer's personal property or seeking to have the consumer prosecuted in criminal court for nonpayment of the loan. However, it would also prohibit unfair mandatory arbitration clauses and grant consumers the right to rescind a loan by notifying the lender in writing and returning the money no later than the end of the second business day after the loan agreement was executed.

Specifically, additional penalties of up to \$10,000 per violation could be imposed; and state attorneys general, as well as consumers, will be allowed to enforce the Act. Additionally, states will be free to provide consumers with additional or greater protections than are provided for in the "Payday Loan Reform Act of 2009."

I urge my colleagues to support this important consumer protection bill.

#### EARMARK DECLARATION

### HON. PETER HOEKSTRA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 2009

Mr. HOEKSTRA. Madam Speaker, pursuant to the House Republican standards on earmarks, I am submitting the following information regarding direct funding the Second Congressional District of Michigan received as part of H.R. 1105.

Requesting Member: Congressman PETE HOEKSTRA

Bill Number: H.R. 1105

Account: Army Corps of Engineers, Operations and Maintenance

Legal Name of Requesting Entity: Detroit District of the U.S. Army Corps of Engineers  
Address of Requesting Entity: 477 Michigan Avenue, Detroit, Michigan 48226-2550

Description of Request: Provide \$75,000 for operations and maintenance of Arcadia Harbor. Provide \$275,000 for operations and maintenance of Frankfort Harbor. Provide \$82,000 for operations and maintenance of Pentwater Harbor. Provide \$325,000 for operations and maintenance of Muskegon Harbor. Provide \$410,000 for operations and maintenance of Ludington Harbor. Provide \$546,000 for operations and maintenance of Holland Harbor. Provide \$1,218,000 for operations and maintenance of Grand Haven Harbor. This request is consistent with the intended and authorized purpose of the Army Corps of Engineers, Operations and Maintenance account.

Requesting Member: Congressman PETE HOEKSTRA

Bill Number: H.R. 1105

Account: Bus and Bus Facility Program (Section 5309)

Requesting Entities And Addresses: Cadillac/Wexford Transit Authority, 1202 N. Mitch-

ell St., Cadillac, Michigan 49601; Yates Dial-A-Ride, 1987 E. U.S. 10, Idlewild, Michigan 49642; Harbor Transit, 440 North Ferry St., Grand Haven, Michigan 49417; Muskegon Area Transit System, 2624 6th Street, Muskegon, Michigan 49444; Ludington Mass Transit, 5545 West Carr Street, Ludington, Michigan 49431; Macatawa Area Express, 171 Lincoln Ave. Suite 20, Holland, Michigan 49423; Benzie Transportation Authority, 12762 Honor Highway, Honor, Michigan 49640.

Description of Request: Provide \$285,000 for Cadillac/Wexford Transit Authority for the purchase of replacement transit buses and improved transit facility; provide \$190,000 for Yates Dial-A-Ride for the purchase of replacement transit buses; provide \$152,000 for Harbor Transit for the purchase of replacement transit buses; provide \$427,500 for Muskegon Area Transit System for the purchase of replacement transit buses; provide \$190,000 for Ludington Mass Transit for the purchase of replacement transit buses; provide \$256,500 for Macatawa Area Express for the purchase of replacement transit buses; and provide \$190,000 for Benzie Transportation Authority for the purchase of replacement transit buses. This request is consistent with the authorized purpose of the Bus and Bus Facility Program in the Safe, Accountable, Flexible, Efficient, Transportation Equity Act.

Requesting Member: Congressman PETE HOEKSTRA

Bill Number: H.R. 1105

Account: United States Department of Agriculture/Cooperative State Research, Education, and Extension Services (USDA/CSREES) Special Grants Account

Legal Name of Requesting Entity: Michigan State University

Address of Requesting Entity: 484 Administration Building, East Lansing, MI, 48824-9190

Description of Request: Provide \$346,000 for fire blight research at Michigan State University. Approximately, \$148,000 is for the salaries of laboratory and field research personal; and \$36,000 is for materials and supplies. Michigan State University has obtained funding from the Michigan Apple Committee and industry sources and will continue to fund the fire blight research at MSU at a level of \$52,500 in FY09.

Requesting Member: Congressman PETE HOEKSTRA

Bill Number: H.R. 1105

Account: USDA/Cooperative State Research, Education and Extension Services Research and Education

Legal Name of Requesting Entity: Michigan State University

Address of Requesting Entity: 109 Agriculture Hall, East Lansing, Michigan 48824

Description of Request: Provide \$346,000 in funding for Phytophthora research at Michigan State University. Approximately 85 percent of the funding will go to researchers, technicians and students. Approximately 15 percent will be used for materials, supplies and administration. Michigan State University has received outside sources of funding for Phytophthora research as well. This funding is consistent with the authorized purpose of the Cooperative State Research, Education and Extension Service.

Requesting Member: Congressman PETE HOEKSTRA

Bill Number: H.R. 1105

Account: Community Development Fund/Economic Development Initiative

Legal Name of Requesting Entity: Michigan State University

Address of Requesting Entity: 188 Howard Ave., Holland, Michigan 49424

Description of Request: Provide \$142,500 in funding for the conversion of a former pharmaceutical plant into a center for bio-based start-up companies and research. Approximately 95 percent of the funding will go to equipment acquisition and plant re-conditioning. The project has received funding from and will be supported by Lakeshore Advantage, Holland-Zee-land Community Foundation, State of Michigan and U.S. Department of Labor.

Requesting Member: Congressman PETE HOEKSTRA

Bill Number: H.R. 1105

Account: Department of Energy/Energy Efficiency and Renewable Energy

Legal Name of Requesting Entity: Michigan Alternative and Renewable Energy Center

Address of Requesting Entity: 200 Viridian Drive, Muskegon, Michigan 49440

Description of Request: Provide \$1,427,250 in funding for an offshore wind demonstration project at the Michigan Alternative and Renewable Energy Center. Approximately two-thirds of the funding will be used for the purchase and installation of the wind turbine. Approximately 30 percent will be used for technical support and interface, environmental impact, education and economic studies for the use of offshore wind turbines in Lake Michigan. The project will be supported by Grand Valle State University, Muskegon Area First and L-3 Communications.

#### TRIBUTE TO MELVIN CAULEY

##### HON. GREGORY W. MEEKS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 26, 2009*

Mr. MEEKS of New York. Madam Speaker, I am honored to recognize a true hero that has emerged in the New York Congressional Sixth District. Mr. Melvin Cauley, Jr. has served the Far Rockaway community for five years as a United States Postal Service Mail Carrier. He has walked the community's streets to deliver the letters and packages that are vital to the livelihood of many of my constituents. Now, Mr. Cauley walks the community's streets as a hero, as a citizen who went above and beyond his professional duties to save the life of Mrs. Margaret O'Brien, a 70-year-old resident of Rockaway Beach.

On January 29th, Mrs. O'Brien experienced a traumatic fall that rendered her helpless on her kitchen floor. For the next several days, Mr. Cauley delivered Mrs. O'Brien's mail without incident. Finally on February 5, Mr. Cauley took notice of the accumulated mail not collected by Mrs. O'Brien. This concerned him because Mrs. O'Brien often greeted him to receive his daily delivery. Mr. Cauley took action by notifying the 100th Police Precinct of her absence. At his insistence, the Police visited Mrs. O'Brien's home. Upon entering, they found Mrs. O'Brien lying on the floor unconscious, but alive. She was taken to a local medical facility where she was stabilized and has recovered since then. Mrs. O'Brien, who had lain on her floor for seven days, was saved because of the caring and decisive action of Mr. Cauley.

Beyond delivering letters and packages, the United States Postal Service is an important community partner in protecting the wellbeing of my constituents. For three decades, the Postal Service has had a "Carrier Alert" program in which Postal Carriers are empowered to alert social service agencies and law enforcement when they suspect a threat to the safety of their customers. The "Carrier Alert" program is a natural extension of the care that Postal Carriers have traditionally shown for their customers' wellbeing. Mr. Cauley has demonstrated the great impact that the program can have in protecting the lives of community members.

Mr. Cauley has established himself as a role model amongst his professional colleagues and community members, demonstrating what it is to be a dedicated citizen, on how to care for our neighbors, and the importance of rising to an occasion when circumstances necessitate it. I know that Mrs. O'Brien, her family, and her friends are grateful for his caring actions. On behalf of the Congressional Sixth District, I thank Mr. Melvin Cauley, Jr. for helping to save the life of Mrs. Margaret O'Brien.

#### INTRODUCTION OF THE "SELECT AGENT PROGRAM AND BIOSAFETY IMPROVEMENT ACT OF 2009"

##### HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 26, 2009*

Ms. HARMAN. Madam Speaker, no one can forget the 2001 anthrax letter attacks, which killed five people, paralyzed the Postal Service, and affects the flow of mail to Capitol Hill to this day.

In response, Congress expanded the Select Agent Program, which monitors the possession and use of potentially dangerous biological agents and toxins.

But, the program's authorization expired in 2007, and serious problems persist. Earlier this month, researchers at the Army Medical Research Institute of Infectious Diseases received another wake-up call.

They discovered serious gaps in record-keeping after finding germ samples not listed in their database. Since then, the Army has suspended some research at the lab while an inventory of dangerous agents is conducted.

That is why it is so important to reintroduce today the Select Agent Program and Biosafety Improvement Act with my friend MIKE ROGERS in the House and Senators KENNEDY and BURR in the Senate.

The bill requires an assessment of the government's ability to track and control the dangerous substances that can be used to construct dangerous weapons.

It reauthorizes and updates the Select Agent Program, which limits access to and controls the transfer of dangerous biological agents and toxins.

It requires the National Academy of Sciences to conduct a comprehensive evaluation of the program and recommend ways in which it can be restructured, to enhance biosecurity and international scientific collaboration.

It requires that the program consider newly discovered agents—such as genetically modi-

fied organisms, synthetic compounds, and other agents identified in Homeland Security risk assessments—to ensure that its database is current and comprehensive.

It encourages the sharing of information with State emergency planning officials, which is vital to ensuring that first responders have the tools they need to prevent or respond to an attack.

And it ensures minimum biosecurity and biosafety standards for the training of workers in the laboratories that deal with the most dangerous agents.

The threat of biological terrorism on U.S. soil is real and there is still room to improve the way our country tracks and transfers potentially dangerous materials that could be used against us in an attack. This bill will help that effort.

Nearly a decade has passed since weaponized anthrax was anonymously mailed as an attack on Americans. We must act swiftly to improve our capabilities to eliminate these dangers.

#### TRIBUTE TO MIKE AND MARIA VASQUEZ

##### HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 26, 2009*

Mr. CALVERT. Madam Speaker, I rise today to honor and pay tribute to two individuals whose dedication and contributions to the community of Corona, California are exceptional. Corona has been fortunate to have dynamic and dedicated community leaders who willingly and unselfishly give their time and talent and make their communities a better place to live and work. Mike and Maria Vasquez are two of those individuals. On January 17, 2009, Mike and Maria Vasquez were honored at the Corona Chamber of Commerce's 94th Annual Installation and Awards Gala and received the 2008 Citizen of the Year Award.

Mike and Maria Vasquez are wonderful people that have worked their way up from humble beginnings and turned one restaurant into a successful family empire. In 1973, upon receiving a Corona restaurant named Chile Pepper, they entered the restaurant business, renaming the establishment "Miguel's" in honor of Mike's grandfather. Maria developed dishes based on recipes from her childhood in Mexico. They focused on exceeding customer service expectations and delivering fresh great-tasting food while offering an inviting ambiance and providing a culture of integrity and self-responsibility. It was Mike and Maria's work ethic and undaunted ambition that has ensured the success of Miguel's.

In 1975, Mike and Maria purchased a fast-food restaurant two miles from the original. Miguel's Jr., as they called it, was immediately embraced by the community. Today, the original Miguel's has two locations in Corona including their newest location at Dos Lagos, and Miguel's Jr. has expanded to include seven locations. Following the same business philosophies and family traditions that founded the business, the Vasquez children are committed to growing Miguel's. Their youngest son, Javier, is the President, Michael oversees Miguel's Jr., and Carol and Sylvia serve in the corporate offices.