consisted of the corps participating in air rifle, physical fitness and drill tests. Due to their discipline and commitment and dedication to their program, the Gadsden cadets hosted their competition from across New Mexico for the second year in a row. I am proud and honored today to stand on the floor of the United States House of Representatives and say something that those students certainly deserve to hear: you are again the pride of your State, and congratulations on a job well done.

SEEKING THE BLESSING AND PROTECTION OF ALMIGHTY GOD

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

Mr. COHEN. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 406 and ask unanimous consent that all Members be permitted to revise and extend their remarks on House Resolution 406. The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? There was no objection.

Mr. COHEN. Madam Speaker, I ask unanimous consent that all Members be permitted to revise and extend their remarks on House Resolution 406. The SPEAKER pro tempore. The gentleman from California is recognized for 1 hour.

The 30TH ANNUAL BLUES MUSIC AWARDS

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

Mr. COHEN. Madam Speaker, my hometown of Memphis is known for music, the home of rock and roll and the birthplace of the blues. Tonight the Blues Foundation will celebrate the 30th awarding of the Blues Foundation International Awards for the greatest blues performers. B.B. King will be there, and he’ll give the first B.B. King International Entertainer of the Year Award. Other performers include Bonnie Raitt, Maria Muldaur, Taj Mahal and others. In the category for Best Blues Performer of the Year, Bobby Rush is nominated, not our Bobby Rush but the Bobby Rush of blues fame also from Chicago.

Memphis is proud to have a great musical heritage and we will celebrate it and enjoy it tonight. I encourage everyone to come and enjoy.

ISRAEL THREATENED BY IRAN

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

Mr. HERGER. Madam Speaker, as Congress commemorates the 61st anniversary of the independence of Israel, I rise to express my deep concern that the future of this nation is gravely threatened by Iran’s pursuit of nuclear weapons. Iran’s radical regime only desires the demise of Israel and longs for regional dominance. It is now on the cusp of acquiring the weapons needed to potentially achieve both.

Nations that value liberty and peace must stand strongly against Iran’s dangerous behavior. The United States must confront this looming crisis with resolve and strength.

I have cosponsored the Iran Sanctions Enabling Act, which would significantly undermine Iran’s lucrative energy sector. Congress should pass this legislation and show our steadfast support for Israel.

Providing for Further Consideration of H.R. 1728, Mortgage Reform and Anti-Predatory Lending Act

Mr. CARDOZA. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 406 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 406

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 further consideration of the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accurate disclosure of consumer mortgage transactions, to provide certain minimum standards for consumer mortgage loans, and for other purposes. No general debate shall be in order pursuant to this resolution. 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. The committee amendments in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the amendment, and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived except those arising under clause 9 or 10 of rule XXI. A conclusion of clause 10 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 committee amendment in the nature of a substitute. 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.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? There was no objection.

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

House Resolution 406 provides for consideration of H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act, under a structured rule. The rule makes in order 14 amendments, which are listed in the Rules Committee report accompanying the resolution. Five Republican amendments, eight Democratic amendments, and one bipartisan amendment have been made in order. Each amendment is debatable for 10 minutes, except the manager’s amendment, which is debatable for 30 minutes. The rule also provides for one motion to recognize with or without instructions.

Finally, I would like to take a moment to make a clarification regarding the description of one of the amendments that has been updated. I want to emphasize that the actual amendment text which was made in order is correct.
Madam Speaker, I ask unanimous consent to submit for the RECORD the correct description for the Frank amendment listed as No. 2 in the Rules Committee report.

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

There was no objection.

Corrected description for the Frank amendment No. 2 listed in the Rules Committee report:

2. Frank—would provide that no funds in this bill for legal assistance or housing counseling grants to organizations which have been or which employ an individual who has been convicted for a violation under Federal law relating to an election for Federal office.

Mr. CARDOZA. Madam Speaker, as we all know, our country is at a significant crossroads, the likes of which we have never known. Businesses continue to shed payroll, job losses continue to mount, and hardworking families across America continue to struggle.

Many economists have correctly stated that the foreclosure crisis is the root of our economic meltdown, and I firmly believe that until the housing market is stabilized, the economy will continue to falter and people will continue to spend less, more businesses will shut their doors, and mass layoffs will further spread.

Until that happens, however, more and more American families are at risk of losing their homes. In the first quarter of 2009, more than 800,000 mortgage loans entered into the foreclosure process, with over 340,000 in March alone. Both are record highs, which goes to show that the foreclosure crisis is far from over.

I can personally attest to the damage the foreclosure crisis has left in its wake and the long effects it will have into the future. I have the honor of representing California’s 18th Congressional District, which encompasses the San Joaquin Valley, but today my district is suffering like no other. My district has the highest rates of foreclosure in the Nation and a loss of 70 percent of home equity over the last 3 years. And with each passing month, it seems that the numbers are worsening.

As a result of the rampant foreclosures in my district, once vibrant neighborhoods have become vacant yards overgrown with weeds, and housing from vacation homes, small businesses and neighborhood restaurants which were once packed with customers are now almost empty and are shutting their doors at alarming rates. Our longest-serving community bank was swept up in the foreclosure crisis and recently closed. On top of that, my dairy farmers are in crises and we have one of the worst droughts in the country.

Madam Speaker, as I have been saying for quite some time, the devastation that has hit my district is massive and widespread and is somewhat similar to what Katrina left behind, only it was not caused on a single day by an extreme weather event but over the course of weeks, months, and years.

Long after the foreclosure crisis has come and gone, the Central Valley will continue to cope with the aftermath of this economic devastation for many years to come. My district and our Nation will not overcome this crisis overnight, and it will take unprecedented action to help us rebuild and recover.

Congress has taken several important steps and actions not just to combat this crisis, but to prevent a housing crisis of this magnitude will never happen again. The bill before us today is one more step in that direction.

Some say the foreclosure crisis can be traced back to the rapid increase in home prices over the past decade underwriting practices, most of which were made with no Federal supervision. Many of the families targeted by subprime lenders were, in fact, low-income families with poor credit histories who felt this was the only opportunity for them to achieve the American Dream. They were lured into low “teaser” introductory interest rates which morphed into loans which they had little chance of repaying once rates increased, starting the uptick in the foreclosure market.

H.R. 1728 is aimed at preventing these predatory practices in the future. Among other things, H.R. 1728 requires lenders to prove borrowers can actually repay a mortgage to ensure that vulnerable consumers aren’t pressured into loans at terms that they can’t meet. It eliminates incentives to steer consumers into high-cost loans. It also provides much-needed regulation of the lending industry.

H.R. 1728 is not a cure for the foreclosure crisis, but it is an important component in eliminating the unscrupulous practices that ran amok and helped lead the collapse of the housing market.

I want to thank Chairman Frank for once again bringing this bill forward and for his continued commitment to turning the tide on our Nation’s foreclosure crisis. I want to take this opportunity to thank Chairman Frank for working with me to insert language into the manager’s amendment of this bill that would create and make publicly available a national database of foreclosure and default statistics, which we can’t currently have. The Federal Government credit of many economic indicators, including home price declines and unemployment, but right now there is no government agency that keeps tabs on defaults and foreclosure rates.

As the foreclosure crisis has taught us, foreclosure and default rates are critical statistics not only for monitoring the Nation’s economy but also for determining which areas of the country have been hardest hit in the downturn. My amendment calls on the Secretary of HUD to create this database so that the Federal Government and Congress can better detect and assess the housing crisis so that we can respond in a timely and targeted manner.

Again, I thank Chairman Frank for incorporating my amendment, and I ask my colleagues on both sides of the aisle to support the manager’s amendment and the underlying billing so we can stop predatory lending and establish a federally maintained database on foreclosures and defaults.

Madam Speaker, I reserve the balance of my time.

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

I rise today in opposition to this rule and to the underlying legislation. This structured rule does not call for the open, honest debate that has been promised by my Democrat colleagues time and time again; yet here we are again discussing the mortgage reform bill for the second day.

Today not only will we be discussing the flawed underlying legislation, which is already addressed in Federal statute, as we spoke about yesterday being on the floor, that Federal Reserve already is doing and regulations as a result of feedback from industry last year, but what we are here to do is to try to redo that to put the majority’s mark on that legislation, which already takes care of the problem.

But this legislation that we’re going to handle again today limits choice, reduces credit, and increases costs to consumers and taxpayers at a time when the effort should be about making home mortgages more reliable, least cost conscious, and making sure that consumers would be able to have an opportunity to have a chance to have a home. But what we are going to do is give an opportunity to allow a patchwork of State laws to confuse the system, we are going to now create qualified mortgages which require lenders to hold 5 percent credit and creates a $140 million slush fund for trial lawyers. So what we are going to do is limit choice, reduce credit, and increase costs to consumers and taxpayers at a time when the effort should be about making home mortgages more reliable, least cost conscious, and making sure now there is a slush fund for trial lawyers to sue the same companies that we were trying to encourage
Madam Speaker, you will also hear the number of amendments that our Democrat majority has made in order and failed to make in order today, no matter how substantive those amendments were.

We have heard the number of amendments that were made in order. My good friend knows that there were about 20 Democrat amendments that were put into the manager's amendment. So the 8–5 ratio is a little bit deceptive. It should be 8 plus 20, it's 28 versus 5 Republican amendments.

I offered two amendments in the Rules Committee last night, and both were struck down on party-line vote—I guess that's no surprise. One was to limit trial lawyers access to taxpayer funds, and one was to ensure organizations like ACORN or any organization that receives money from the Federal Government, are more transparent and accountable with any government funds they receive.

At the end of 2007, the Board of Government of the Federal Reserve under-took careful review of the abuses in the mortgage process system, and they took public comments, held public hearings across the country. And after careful deliberations, they finalized new comprehensive mortgage rules. These rules are going to take effect 5 months from now in October.

So not only are we spending all of 1 week on one piece of legislation, but the necessary regulations already exist in Federal statutes, and companies all across this country are already aiming at implementing those rules and regulations being ready for October.

This legislation fails to address the uneven patchwork of state mortgage lending laws that leaves lenders and consumers with unfair and confusing laws where the costs will ultimately be borne by customers. While this legislation attempts to establish a new class of loans called qualified mortgages which will enjoy safe harbor and be subject to the necessary regulations already exist in Federal statutes, and companies all across this country are already aiming at implementing those rules and regulations being ready for October.

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Madam Speaker, I offer the amendments in the RECORD.

AMENDMENT TO H.R. 1728, AS REPORTED OFFERED BY MR. SESSIONS OF TEXAS

After section 220 insert the following new section:

SEC. 221. LIMITATION ON ATTORNEYS FEES.

Section 130 of the Truth in Lending Act (as amended by section 211) is further amended by adding at the end the following new subsection:

'(1) Certain Attorney's Fees.—With respect to any action brought under this section based on a right of action created by amendments made to section 2 of the Mortgage Reform and Anti-Predatory Lending Act—

'(a) the award of attorney's fees shall be limited to a reasonable hourly rate, as determined by the court; and

'(b) a person may not enter into a contingency fee agreement with an attorney to bring such action.'

This amendment would limit attorneys' fees for filing a right of action created by this legislation to ensure the borrower or victim of predatory lending, not trial lawyers, are fairly compensated for their hassle.

Madam Speaker, last month ago Congress took great strides to protect taxpayers from executives getting bonuses from TARP money. Yet today here we are allowing trial lawyers to seek compensation from the same banks that received TARP funding. I stand here today for the American taxpayer, not the trial lawyers or special interest groups, like my friends, obviously, on the other side.

Madam Speaker, I offered a second amendment in the Rules Committee yesterday, which I would submit for the RECORD.

AMENDMENT TO H.R. 1728, AS REPORTED OFFERED BY MR. SESSIONS OF TEXAS

After section 407, insert the following new section:

SEC. 408. ACCOUNTABILITY AND TRANSPARENCY FOR CERTAIN GRANT RECIPIENTS.

Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701k), as amended by the preceding provisions of this title, is further amended by adding at the end the following:

'(1) Accountability for Covered Organizations.

'(i) Tracking of Funds.—The Secretary shall—

'(I) develop and maintain a system to ensure that any covered organization (as such term is defined in paragraph (3)) that receives any grant or other financial assistance under this section, and any amounts in accordance with this section, the regulations issued under this section, and any requirements or conditions under which such amounts were provided—

'(aa) appropriate periodic financial and grant activity reporting, record retention, and audit requirements for the duration of the assistance to the covered organization to ensure compliance with the limitations and requirements of this section and the regulations under this section; and

'(bb) any other requirements that the Secretary determines are necessary to ensure appropriate administration and compliance.

'(ii) Misuse of Funds.—If any covered organization that receives any grant or other financial assistance under this section, or any requirements or conditions under which such amounts were provided—

'(aa) the Secretary shall require that, within 12 months after the determination of such misuse, the covered organization shall reimburse the Secretary for such misuse amounts and return to the Secretary any such amounts that remained unspent or uncommitted for use. The remedies under this clause are in addition to any other remedies that may be available under law; and

'(bb) such covered organization shall be ineligible, at any time after such determina-

'tion, to apply for or receive any further grant or other financial assistance under this section.

'(2) Organizations.—For purposes of this subsection, the term 'covered organization' means—

'(a) the Association of Community Organizations for Reform Now (ACORN); or

'(b) any entity that is under the control of such association, as determined by—

'(I) such Association directly owning or controlling, or holding with power to vote, 25 percent or more the voting shares of such entity; and

'(II) such other entity directly owning or controlling, or holding with power to vote, 25
percent of more of the voting shares of such Association; or

(III) a third entity directly owning or controlling, or holding with power to vote, 25 percent or more of the voting shares of such Association and such other entity;

(ii)(I) such Association controlling, in any manner, a majority of the board of directors of such other entity or such Association and such other entity;

(ii)(II) a third entity controlling, in any manner, a majority of the board of directors of such Association and such other entity;

(iii) individuals serving in a similar capacity as those of officers, or staff both such Association and such other entity;

(iv) such Association and such other entity sharing office space, supplies, resources, or marketing materials, including communications through the Internet and other forms of public communication; or

(v) such Association and such other entity exhibiting another indicia of control over, or control by, or common control with, such other entity or such Association, respectively, as may be set forth in regulation by the Corporation.''

This amendment would have ensured that ACORN and any organization affiliated with ACORN would need to provide more transparency with the Federal funds they received through this legislation and all housing and urban development grants. The amendment would have required them to submit a report on what they spent those taxpayer dollars on and, if they were used improperly, they would be forced to repay funds and would be banned from any future grants in the future. Yet, my friends on the other side of the aisle, once again, chose to side with special interests instead of the American taxpayer, and the amendment failed.

After a conversation with Chairman FRANK and his statement to the Rules Committee Tuesday afternoon, my impression was that the chairman supported transparency and would be inclined to support and include any disclosure amendments in the manager's amendment. Unfortunately, the above amendment was too specific, it was not included, even though it simply asked for the same transparency with government funds that Congress has asked our financial institutions to provide.

Even with the recent news reports of two senior employees of ACORN in Nevada that were charged in 26 counts of voter fraud, my Democratic colleagues still voted against my amendments.

Madam Speaker, I have an Associated Press article dated May 5, 2009, of this week, which I submit for the RECORD.

[From the Associated Press, May 5, 2009]

**LAS VEGAS—**Nevada authorities filed criminal charges Monday against the political advocacy group ACORN and two former employees, alleging they illegally paid canvassers to sign up new voters during last year’s campaign.

ACORN denied the charges and said it would defend itself in court.

Nevada Attorney General Catherine Cortez Masto said the Association of Community Organizations for Reform Now had a handbook and policies requiring employees in Las Vegas to work 12 hours per day to keep their $8- to $9-per-hour jobs.

Canvassers who turned in 21 new voter registrations earned a “blackjack” bonus of $5 for each person they didn’t meet the minimum were fired.

“By structuring employment and compensation around a quota system, ACORN facilitated voter registration fraud,” Masto said.

She accused ACORN executives of hiding behind and blaming employees, and vowed to hold the corporation accountable for training manuals that she said “clearly detail, condone and require illegal acts.”

Nevada Secretary of State Ross Miller emphasized the case involved “registration fraud, not voter fraud,” and insisted that no unqualified voters in Nevada were paid for votes and no unqualified voters were allowed to cast ballots.

Law enforcement agencies in about a dozen states investigated fake voter registration cards submitted during the 2008 presidential election campaign, but Nevada is the first to bring charges against the organization, ACORN officials said.

ACORN has thus far denied lists such as “Mickey Mouse” and “Donald Duck” represented less than 1 percent of the 1.3 million collected nationally and were complete by春天 and gotten out of canvassing neighborhoods. The organization has said it notified election officials whenever such bogus registrations were suspected.

ACORN spokesman Scott Levenson denied the Nevada allegations on behalf of ACORN, which works to get low-income people to vote and lists offices in 41 states and the District of Columbia. He blamed former rogue employees for the alleged wrongdoing.

“Our policy all along has been to pay workers at an hourly rate and to not pay employees based on any bonus or incentive program,” he said. “When it was discovered that an employee was offering bonuses linked to superior performance, that employee was ordered to stop immediately.”

Levenson said the two former ACORN organizers named in the criminal complaint—Christopher Howell Edwards and Amy Adele Busefink—no longer work for ACORN and would not be represented by the corporation accountable for training manuals.

ACORN denied the charges and said it would defend itself in court.

**NEVADA CHARGES ACORN ILLEGALLY PAID TO SIGN VOTERS**

*By Ken Ritter*

Las Vegas—Nevada authorities filed criminal charges Monday against the political advocacy group ACORN and two former employees, alleging they illegally paid canvassers to sign up new voters during last year’s campaign.

ACORN denied the charges and said it would defend itself in court.

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Levenson said the two former ACORN organizers named in the criminal complaint—Christopher Howell Edwards and Amy Adele Busefink—no longer work for ACORN and would not be represented by the organization.

ACORN denied the charges and said it would defend itself in court.

**VOTER FRAUD CHARGES ACORN TO BE DISQUALIFIED FROM FEDERAL FUNDS**

*By Ken Ritter*

Las Vegas—Nevada authorities filed criminal charges Monday against the political advocacy group ACORN and two former employees, alleging they illegally paid canvassers to sign up new voters during last year’s campaign.

ACORN denied the charges and said it would defend itself in court.
being tripped by scam artists posing as so-called foreclosure consultants. As such, I have an amendment that has been included in the manager’s amendment, and I thank the chairman very much for including this. This amendment requests the GAO to conduct an audit of our economic efforts to combat fraudulent foreclosure rescue and loan modification scams and to educate consumers of these scams. I will also soon be introducing legislation to direct the FTC to use its authority to initiate a rulemaking process relating to unfair or deceptive practices and foreclosure rescue. Madam Speaker, these harmful activities must end. This bill is a step in the right direction.

The bill establishes standards for home loans, while holding lenders and brokers accountable. It also prevents lenders and brokers from steering future homeowners to high cost, subprime loans just to make a quick extra buck.

Madam Speaker, Congress needs to be a partner with the communities in which we serve. We must continue to work together to find a comprehensive strategy that will protect our homeowners.

Mr. SESSIONS. Madam Speaker, we began this debate and discussion yesterday where we were trying to talk about the impact of this bill and what feedback we have received as a result of hearings that Chairman FRANK did have, and one of them, one of the outcomes of that, was a letter dated May 5, 2009. The letter comes from the Mortgage Bankers Association, one of the primary impacting organizations and, certainly, they are there in communities to serve on behalf of the American people for people’s housing needs.

Madam Speaker, I would submit for the record a letter that was sent to Speaker PELOSI and Leader BORHNER about their feedback about this legislation.

Hon. NANCY PELOSI,  Speaker of the House, U.S. House of Representaties, Washington, DC.  
Hon. JOHN BORHNER,  Republican Leader, U.S. House of Representatives, Washington, DC.  

DEAR SPEAKER PELOSI AND LEADER BORHNER: On behalf of the 2,400 members of the MBA Association and the thousands of MBA staff that worked tirelessly on this bill, we are writing with regard to H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act, a bill the House is scheduled to consider later this week.

Congress is facing a once-in-a-generation opportunity to improve the mortgage lending process. If carefully crafted, improved regulation is the best path to restoring investor and consumer confidence in the nation’s lending and financial markets and assuring the availability and affordability of sustainable mortgage credit for years to come. At the same time, if regulatory solutions are not well conceived, they risk exacerbating the current credit crisis.

While the comprehensive nature of H.R. 1728, we believe this legislation misses the opportunity to replace the uneven patchwork of state mortgage lending laws with a truly national standard that protects all consumers, regardless of where they live. MBA is also concerned with the bill’s requirement that lenders retain at least five percent of the credit risk presented by non-qualified mortgages. While this provision was recommended by the Financial Services Committee, it will still make it highly problematic for many lenders to operate, particularly smaller non-depositories that lend on lines of credit. It will also necessitate that larger lenders markedly increase their capital requirements. Both results will narrow choices, lessen credit, and force an inefficient use of capital at the worst possible time for our economy.

Finally, MBA believes the bill’s definition of “qualified mortgage” is far too limited and will result in the unavailability of sound credit options to many borrowers and the denial of credit to far too many others. We urge the House to expand the definition and provide a bright line safe harbor so that if creditors act properly, they will not be dogged by lawsuits that increase borrower costs. MBA would like to commend the House for the priority it has given to reforming our mortgage lending process. It is imperative that we continue to work together to stabilize the mortgage industry and in their homes and strengthen regulation of our industry to prevent future relapses.

Sincerely,

JOHN A. COURSON,  President and Chief Executive Officer,  DAVID G. KITTE, CMB, Chair

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Madam Speaker, this says is that not only are they concerned about this legislation, but they say that this will result in narrow choices, lessening credit and force an inefficient use of capital at the worst possible time for our economy.

The feedback that came directly to Members of Congress from people representing those that are in the business that have come face-to-face with consumers every day and who understand the marketplace, point blank have said narrow choices, which means fewer people will have fewer choices that are available to them, lessen credit, which means that there will be less money that is available in the marketplace for people to come and get a loan, and it will force an inefficient use of capital at the worst possible time for our economy.

I'd like to thank my colleagues, Representative MILLER, Representative WATT, and Representative FRANK, for the instrumental role in bringing this package on mortgage lending reforms to the floor, as well as the committee staff that worked tirelessly on this bill.

In Colorado and across the country, we have seen the house of cards built by Wall Street collapse on Main Street. Hungry commodities traders needed a constant supply of raw materials—namely, new mortgages—to be cut up, bundled together, and shipped out to keep Wall Street executives flush in commissions. But these exotic loans turned into a nightmare problem for our communities, as risk was outsourced.

“Volume and profit at all cost” became the paradigm, and production, regardless of quality, was rewarded handsomely. With the knowledge that someone else would be responsible, lenders abandoned prudent underwriting standards, knowing they could sell the loan to someone else before the ink even had a chance to dry.

I frequently hear about homeowners who bought more than they could afford, but predatory lenders set their sights on a wide range of prey, including low-income families, minorities, and the elderly. People who had considerable equity in their home were deceived into refinancing with an “offer you can’t refuse.”

As these poisonous loans reset, families lost a lifetime of equity to foreclosures. In Adams County, which I have the honor of representing, predatory lenders preyed on minorities and low-income families and turned once-thriving working class communities into a sea of foreclosure signs.

Clearly, losing a home is a traumatic experience for a family, but foreclosure has a broader negative impact on the entire community. Foreclosures drive down the value of other properties, resulting in declining revenues for local governments.

Municipalities are forced to cut services and even take police off the streets or teachers out of the classroom.

A mortgage is a private agreement between a borrower and a lender. However, the potential for disastrous and systemic impacts on communities when these deals go bad is, unfortunately, all too clear. Therefore, it is the obligation of Congress to ensure that these loans are made with the highest ethical standard.

The Mortgage Reform and Anti-Predatory Lending Act will give consumers the confidence to return to the marketplace and bring much needed stability to the lending industry.

There was no objection.  
Ms. MATSUI. Madam Speaker, I rise in support of the rule and ask my colleagues to join me in voting “yes” on the rule and the underlying bill.

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The Mortgage Reform and Anti-Predatory Lending Act will give consumers the confidence to return to the marketplace and bring much needed stability to the lending industry.
Madam Speaker, the majority of the lending industry has learned that being on the side of customers is best for the bottom line. Lenders who are doing the right thing by their customers need more than recognition; they need tools to do so.

I would like to thank the committee and Chairman FRANK for accepting my amendment that will allow lenders to give additional weight to their customers’ mortgage payment history when refi-nancing loans.

If a family is struggling due to reduced income, unexpected health care costs, or the rising cost of education for their children, the last thing they need is to add foreclosure to the list of their problems.

Too often, hardworking American families who pay their mortgages are turned away because credit blemishes in other areas prevent them from refinancing their hybrid loan. My amendment to consider their payment history with their bank in establishing the terms for resetting a mortgage.

Lenders know that preventing foreclosure is in their best interest. Allowing lenders to refinance hybrid loans would help families stay in their homes.

I urge a “yes” vote on the bill and the rule.

Mr. SESSIONS, Madam Speaker, at this hearing that was held about this bill, a lot of feed back was provided by the marketplace—people who were impacted the most; people who every day are in front of lenders and trying to get people in homes.

Part of the feedback was provided from the American Bankers Association. I’d like to insert into the RECORD a letter related to that meeting and this legislation.

American Bankers Association,

Payton DC 1 4-page 2009,

To: Members of the House of Representa-

From: Floyd E. Stoner, Executive Vice President, Government Relations and
Public Policy,

Re: H.R. 1728, the Mortgage Reform and
Anti-Predatory Lending Act of 2009,

I am writing on behalf of the members of the American Bankers Association regarding H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009, which the House of Representatives is scheduled to consider beginning on Wednesday, May 6, 2009.

H.R. 1728 is far-reaching legislation designed to prevent a recurrence of the problems in the subprime market that have harmed many American homebuyers. We appreciate the working relationship with the Committee and your colleagues openly received a copy of this. It is from Floyd Stoner, executive vice president with the American Bankers Association.

So what the American Bankers are saying is that the antitode, the medicine that now-Speaker Pelosi is coming up with will actually have the potential to impair economic recovery.

So every single Member of Congress got this letter. We will find out today what their views are. But the American
Bankers Association also said, and pretty much ends their letter by saying: “The bill still, in our view, needs serious work.”

We should reject this bill. We should understand that the people who are engaged in trying to make sure people have money and are worried about our economy are saying it not only has the potential to impair economic recovery, but the bill needs serious work.

I reserve the balance of my time.

The temporary, Without objection, the gentleman from California (Mr. CARDOZA) controls the time again.

There was no objection.

Mr. CARDOZA. I would just reply to the gentleman from Ohio (Mr. DRIEHUS).

Mr. DRIEHUS. Thank you to the chairman of the committee and the sponsor of the bill for this very important piece of legislation.

I have, Madam Speaker, the other side, the Republican minority, suggest that we are moving too quickly on this bill. Now, predatory lending legislation was introduced in this House in 2000, and in 2001 and 2002, and in 2003, this bill was introduced. And then they failed to consider it in 2004, in 2005, in 2006—all years when the Republican majority controlled this body.

They decided that it wasn’t necessary to address predatory lending legislation, that everything was just fine: that the markets would regulate themselves; that, for some reason, these individuals that were preying upon our poorest citizens, these individuals that were preying upon our low-income neighborhoods and our minority communities, that would regulate itself; that they would stop that behavior.

This chart, Madam Speaker, shows the results of that inaction. We could have acted in 2000. We could have acted in 2003. We could have acted in 2004. We could have prevented the meltdown of the financial industry. We could have prevented this recession. But the Republicans still suggest that we are acting too quickly.

The American people understand. They understand that it is the inaction of the Republican majority in these past years that has gotten us to the situation we are in today. This is a critically important piece of legislation that puts us on the right path. We have a choice today as Members of Congress. We can stand with homebuyers, we can stand with the communities that have been impacted by predatory lending, we can stand with those schools and those small businesses who are feeling the impact every day of vacancies in their neighborhoods, or we can stand with the sharks. We can stand with the predatory lenders. We can remain silent and pretend like the problem doesn’t exist. This is an important step in the right direction, and I am proud to support the rule and the underlying bill. I appreciate the work of the chairman and the sponsor.

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

I appreciate the gentleman coming down and talking about how Republicans have changed. The gentleman did not tell us before that I had to harken back to September 25, 2003, at a hearing that was held back in the Financial Services Committee.

Our current chairman, Barney Frank, who’s a very thoughtful and diligent chairman, thoughtful on the ideas of the entire industry, said, “I don’t think we face a crisis.” This is 2003. “I don’t think we face a crisis. I don’t think that we have an impending disaster. We have a chance to improve regulation of two entities I think that, on the whole, are working well.”

So perhaps the most thoughtful person in the House of Representatives in the last Congress, back on September 25, 2003, is saying, “I don’t think we face a crisis, and I don’t think we have an impending disaster.”

Further, he said, “I don’t see any financial crisis. You can always make things better, but I do think we should dispel the notion that we are here today because something rotten has gone on.” That was Barney Frank. That was Barney Frank at the hearings.

So the gentleman wants to blame Republicans. And yet, here we had the lead, very thoughtful and articulate, Democratic ranking member, arguing that there was nothing wrong and nothing was about to happen. Yet, today, what we have is another answer: Oh, I’m sorry. We forgot to say, and we know that the Fed has already taken care of this market and regulations that are already known and will be in place in October.

Here we have now legislation to readdress that issue. And the answer that comes from the marketplace is, This legislation limits choice, reduces credit, and increases cost to consumers and taxpayers.

I would have assumed that if there was nothing wrong in 2003, and now we corrected it with a series of hearings, including the Federal Reserve, that we would want to help the marketplace—not limit its ability, its choices, and put exposure to taxpayers. That’s why we’re opposed to this.

We’re opposed to it not because we’re trying to stop it, but because we’re trying to make it better. We think what should have been made better has already been done by the Fed. This Congress knows it.

Every single Member of Congress got a letter to their office directly from the American Bankers Association saying serious flaws in this legislation.

I respectfully yield the time.

Mr. CARDOZA. I’d like to inquire at this time how much time each side has remaining.

The SPEAKER pro tempore. The gentleman from California has 14 minutes remaining; the gentleman from Texas has 10½ minutes remaining.

Mr. CARDOZA. Thank you, Madam Speaker. I would at this time yield 3 minutes to the chairman of the Financial Services Committee, the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Yes, in 2003 I didn’t see a crisis. What I didn’t see was at that time the Bush administration was engaging in activity that helped us get to a crisis.

I refer Members again to page 183 of the bill, the amendment authored by the gentleman from Texas (Mr. HENSARLING), which notes that in 2004, the year after I made the statement, the Bush administration ordered Fannie Mae and Freddie Mac substantially to increase the number of mortgages it bought from low-income people. It went from 42 percent to 56 percent—a very significant increase in mortgages of people below median income—and set up a special category for low-income mortgages.

Mr. HENSARLING’s amendment also shows, from 2001 until 2006 there was an enormous increase in subprime mortgages.

So, yes, in 2003, I was not aware of what was going on in that context, and I certainly didn’t predict what was going to happen in 2004. When the Bush administration made that decision in 2004, according to the amendment from the gentleman from Texas (Mr. HENSARLING), I objected to it. I said they were going to put Fannie Mae and Freddie Mac in danger and give people mortgages they couldn’t pay back.

I then decided that we did need to do legislation. So I joined the chairman of the committee, Mr. Oxley, in trying to regulate Fannie Mae and Freddie Mac more.

In 2005, I voted with him for a bill that passed the committee to regulate Fannie Mae and Freddie Mac. I disagreed with the version on the floor because it cut affordable rental housing, not homeownership.

But the bill passed the House. It then died because, according to Mr. Oxley, the Bush administration opposed it for ideological reasons.

So, yes, in 2003 I didn’t see a crisis, because I didn’t see what was happening in the subprime market; by 2004, I did; and, in 2005, I joined in trying to restrain that. It is also the case that, in 2003, two of my colleagues, Mr. MILLER and Mr. WATT of North Carolina, began pushing for subprime reform because they were informed about what was happening. I joined them. So we did try to legislate. So the answer is yes, in 2003 we didn’t see what was happening.

I recommend Members again to page 183 of the bill. Mr. HENSARLING from Texas had given you the statistics. Subprime mortgages were skyrocketing in that period. Fannie Mae...
was being pushed by the Bush administration to do something, and we then tried to deal with it.

The last point that I find very surprising is that conservatives say here, as some of them said on credit cards: Oh, no, if we were the elected representatives of America decide this; let the Federal Reserve make public policy. I had thought there was some concern about undemocratic decisions by the Federal Reserve.

The gentleman from Texas has said today, as others said last week: Oh, the Federal Reserve has done it. There is no need for the elected officials to do it. Well, in fact the Federal Reserve hasn’t done anything because they cannot change statute. But even if they had, they could change it in the future. But the notion that we should defer on major policy decisions, not technical monetary policy issues but major policy decisions about credit cards or about what kind of mortgages we issue to the Federal Reserve, and not legislation is surprising.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CARDOZA. I yield the gentleman 30 seconds.

Mr. PRANK of Massachusetts. I admire the people at the American Bankers Association, and they do some useful things. But I am surprised that Members would think that, on the question of mortgage relief and regulating the mortgage market, the bankers of America are the ones to listen to. I am pleased that the Realtors, who do not have an economic interest in what kind of mortgages are there but have a genuine interest in promoting home ownership, are on our side and strongly support this bill.

So I would say to my friends and the American bankers, I understand that there are things here that we are telling you that you can’t keep doing, but I think the answer is that they were things you shouldn’t have done in the first place.

Mr. SESSIONS. Madam Speaker, I appreciate the gentleman. By the way, the gentleman and I are friends. We are speaking about policy here, disagreements.

I would say to the speakers that have come on the Democratic side today, it sounds like an argument they are having within their own party. Everybody is trying to blame the Republican party and George Bush for what happened; yet, if the gentleman didn’t like 2003, I will go to the end of 2004, December 16, 2004, if we need to get more current. And I will quote the gentleman, the chairman of the committee:

"The SEC’s finding that Fannie Mae used incorrect accounting is serious and disturbing. While these improper decisions by Fannie Mae do not threaten the financial soundness of the corporation, and should have been used by anyone else, the same would not have been the case for Fannie Mae’s housing efforts, they do not reveal troubling deficiencies in its corporate governance."

All of these signals that came to Members of Congress from people who were on the committee, including one of the most distinguished members of the committee, said: We don’t have a problem. There is no soundness problem. There is no weakness problem. I don’t think I need to go further, we can always do things better, but I think we should dispel the notion that we are here today because there is something that is rotten that has gone on.

Well, why are we trying to extend blame? Why don’t we just talk about the problem that we are in today? And if we are going to do that, my notion would be that what we should do is listen to the people who are in the banking business saying this is a problem.

This bill has serious flaws.

Madam Speaker, I yield 5 minutes to the gentlewoman from Minnesota (Mrs. BACHMANN).

Mrs. BACHMANN. I thank the gentleman from Texas for his work and also for yielding to me this morning. Madam Speaker, I rise in opposition to this rule and to the underlying bill. H.R. 1728 is far-reaching legislation, and it will significantly restrict access to credit, will ultimately hurt consumers across the nation, the very people that this bill seeks to help.

At a time when the financial markets are still fragile and they are working to get us out of the credit crunch, I was careful not to have any colleagues on both sides of the aisle who support this bill and hope that they will think about the potential, even if unintended, consequences that this legislation could provoke. It sounds good and it makes a great sound bite, but I am afraid that it will deliver a very dramatic blow to consumers across our very fragile economy.

The bill imposes harsh penalties on lenders for violations of vaguely defined and, some would even say, undefined lending standards. For instance, how does one truly define what a net negative amortization is and what criteria they might choose to apply? Every person’s financial circumstance is different, and they don’t lend themselves to a broad rule-making process.

During the committee consideration of this bill, I asked these questions to Sara Braunstein. She is the Director of the Division of Consumer and Community Affairs over at the Federal Reserve. And I asked her how the Fed and others would define these terms, and it wasn’t surprising, really. She stressed how challenging it would be to define them, but promised that the Fed would try.

It is not hard to see how their trying would simply open the door to a barrage of lawsuits. That is how this works. And that outcome will ultimately restrict access to credit for families all across our country. But even more troubling is that the bill would take this lack of clarity just one step further, and it would say that should the bill and its underlying bill comply with these same standards when they purchase or assign loans.

So let’s remember that these are parties that were not at the table when the bill originated. The last thing our economy and our housing markets need as they struggle to recover is an unknown, widespread shadow of liability cast over them, and one that their government puts over them, by the way.

The uncertainties that will stem from this provision pose serious threats to liquidity and our already fragile financial marketplace. We should be looking for ways to help ease liquidity pressures, not force greater uncertainty on the market. And can we expect those who had nothing to do with the loan origination to be held responsible for it later on? It goes against the very principles of law that our Nation is founded on. And I fear that carrying forward this approach will have one unintended consequence: More harm than good to the housing market.

I would also like to point out that during our committee markup of the underlying bill, many witnesses and industry organizations that have been indicted for voter fraud or who employ people who have been indicted for such crimes from being eligible for housing counseling grants and foreclosure legal assistance grants authorized by the underlying bill. I was very pleased when the gentleman from Massachusetts and our committee Chair accepted the amendment right in front of the whole committee and the amendment was passed unanimously by voice vote.

I assumed the easy passage was because my amendment used the very same language that this body approved last year as part of the Housing and Economic Recovery Act of 2008. So you can imagine, I was quite surprised when later in that markup, during the day, the committee chairman flipped his position and said he wanted to strip down the amendment and that he would move to amend the language himself during House consideration.

Currently, the intent and the effect might be to lower the bar so that organizations continue to have access to taxpayer money even after they have been involved with defrauding the American people and violating the American trust, not just an amendment but repeatedly, after almost every election cycle.

So make no mistake about it. The Chair will talk today about the bedrock legal principle of innocence until proven guilty, but that is not what this is about. The language in the bill today doesn’t jeopardize that principle at all. Decisions on criminal guilt will remain
in the capable hands of a jury of peers. That is where it should. But it is not only legitimate for Congress to decide the threshold for accessing taxpayer funds, it is incumbent upon us to do so. We have a fiduciary duty to the taxpayers of this country, and for too long Congress has failed to fulfill its duty.

Today, each and every one of us can go on record saying we will no longer set the bar so low; that we will require organizations that want to use taxpayer dollars to prove that they are worthy of the taxpayers’ trust.

There’s a saying: Fool me once, shame on you. Fool me twice, shame on me. ACORN and organizations like it have fooled us not once, not twice, but over and over again. The stories of their indictments for voter fraud for violating their tax status, for voter registration improprieties abound. Grand juries across the nation have found them and their employees lacking. Yet, we continue to funnel millions of dollars into their coffers.

Just this week, the headline out of Nevada were 39 counts of voter registration fraud against ACORN and two of its former employees.

How many felony charges does it take to see that this organization has violated the public’s trust is not the arbiter of guilt or innocence; but Congress does decide how to spend the people’s money. At what point do we say that this organization is not worthy of the hard-earned bucks of the American taxpayer?

The amendment offered by the gentleman from Massachusetts has been made in order under today’s rule and if passed it will eviscerate the taxpayer protections in the underlying bill. I look forward to further debating this issue later today and urge my colleagues to make clear today that they stand with the people, not with ACORN.

Mr. CARDOZA. Madam Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Let me thank the gentleman from California for his leadership and his personal commitment to these issues.

It is interesting to hear a good friend on the other side of the aisle talk about protecting the taxpayers’ money. In fact, this week, this Congress, this new leadership has done just that. Last week, the House passed the Credit Card Market Reform Act of Rights. As a member of the House Judiciary Committee, I was very pleased that we passed a judiciary bill dealing with protecting taxpayers against fraud prospectively, and now we stand on the floor today protecting taxpayers and future homeowners and homeowners again with mortgage lending reform in 1728.

I wonder if any of us can recall the peaking of the crisis dealing with mortgage foreclosures. Those of us who represent our constituents certainly can. I can pointedly in a hearing about 3 or 4 years ago in the lower end of Manhattan when I listened near Wall Street in a church to homeowners in that community or in New York speaking about this thing called subprime and adjustable rate, a transit worker who had purchased a home and was paying a $3,000 mortgage at all a sudden it jumped to $6,000 a month. How many times can we say that?

And how many times can Members or others point to the actual beneficiary of the mortgagee as at fault? How many times can we blame the hard-working taxpayer who simply tried to get a home? How many times can we blame them for papers that they signed that were then altered, ultimately? How many times can we blame the innocent who has paid over $6,000 a month? The cafeteria worker who had been in an apartment for 20 years, but the particular financial entity that she dealt with said, yes, you can get into this home. And she had been making payments, but was eventually foreclosed on and fell on hard times. Or the person who was divorced or catastrophic illness? But because their mortgage was fraudulently done, they suffered the consequences.

So I suppose this bill is like that, because we will protect this structure of buying a house. Borrowers can repay the loans they are sold. Mortgage lenders make loans that benefit the consumer and prohibit them from steering borrowers into higher costs. Why isn’t that protecting the taxpayer? All mortgage refinancing provides a net tangible benefit in the consumer.

The secondary mortgage market, for the first time ever, is responsible for complying with common sense standards, and we don’t have this horrible grid that shows us that it has been going up and up and up.

Madam Speaker, I think it is important to acknowledge that we have made this bill better, and I am glad that my amendment is in the manager’s amendment that indicates in the case of a residential mortgage. The SPEAC defined temporarily. The time of the gentlewoman has expired.

Mr. CARDOZA. I yield the gentlelady an additional 15 seconds.

Ms. JACKSON-LEE of Texas. The total amount of interest that the consumer will pay over the life of the loan as a percentage of the principle loan, this will help the consumer know better about what they are paying. I had hoped my financial literacy amendment would get in and also the predatory lending, but I support the underlining bill, because it will protect the total amount of interest paid by the borrower. The disclosure informing the consumer of the actual cost of borrowing, the true cost of credit be disclosed to the consumer. My amendment will certainly do this. This language is included in the Manager’s amendment. I urge my colleagues to vote affirmatively for this amendment.

I offered the following two amendments but they were not acceptable to the bill.

The amendment would require an additional disclosure informing the consumer of the actual amount of interest paid by the borrower over the life of the loan. The additional disclosure required by my amendment is best explained by an example. Take for example a $200,000 fixed mortgage. On a $200,000, 30 year fixed mortgage at 5% annual percentage rate, you would pay roughly $600,000 on the house, which is actually about 300 percent interest. It is important that the real cost of borrowing, the true cost of credit be disclosed to the consumer. My amendment will certainly do this. This language is included in the Manager’s amendment. I urge my colleagues to vote affirmatively for this amendment.

My second amendment would provide financial literacy training to persons seeking a mortgage and will require a minimum of 4 hours of counseling. Counseling will include the fundamentals of basic checking and savings accounts, budgeting, types of credit and their appropriate uses, the different forms of mortgages, repayment options, credit scores and ratings, as well as investing.

My third amendment would exclude foreclosures that resulted from a default on predatory subprime mortgages from being included in the calculation of a consumer’s credit score. Many of the credit crisis is largely blamed on the unscrupulous borrowing practices of the consumer. The reality is that mortgage lenders were unscrupulous in their dealings with consumers.

This amendment would prevent those most unscrupulous and predatory lenders from benefiting from the crisis. Therefore, any foreclosures that result from predatory subprime mortgage lending should not be included in the consumer’s credit score.
I support the Manager's Amendment. Specifically, it would add additional prohibitions on mortgage origination conduct within the anti-steering section of the bill; would provide that regulations proposed or issued pursuant to the requirements of Section 106 shall include "model" disclosure forms, and would also provide that the relevant financial regulators (HUD/Fed) may develop "standardized" disclosure forms, and may require their use, when they jointly determine that use of a standardized form would be of substantial benefit to consumers.

The Manager's Amendment would require a study into how shared appreciation mortgages could be used to strengthen housing markets and provide opportunities for affordable homeownership; would allow creditors to consider a consumer's good standing with them above other credit history considerations in refinancing of hybrid loans.

Further, the Manager's would require lenders who are subject to the Federal Truth in Lending Act or the Homeowners Equity Protection Act to disclose to borrowers that the anti-deficiency protections of the initial residential mortgage loan may be lost when a non-purchase money loan is received. The Manager's Amendment provides greater disclosure requirements. Specifically, it would create a policy regarding the acceptance of partial payments for a residential mortgage loan and it would modify preemption language in section 208(b) to include any state that has a law at the time of enactment.

Another important disclosure in the Manager's Amendment would require that mortgage disclosures for each billing cycle include contact information for local mortgage counseling agencies or programs.

The bill before us today provides the following key benefits. Simply put, to help rebuild the American economy, the House is taking additional steps to bring common sense reform and consumer protection to the financial markets and mortgage lending. This legislation to stop the kinds of predatory and irresponsible practices that played a major role in the current financial and economic meltdown and prevent borrowers from deliberately misstating their income to qualify for a loan.

These long overdue reforms, which Democrats have been advocating since 1999, perhaps could have prevented the current crisis. A similar measure (H.R. 3915) passed the House in 2007 by a vote of 291-127.

To restore the integrity of mortgage lending industry, this bipartisan bill will make sure that the mortgage industry follows basic principles of sound lending, responsibility, and consumer protection, ensuring that: borrowers can repay their mortgage than the home is worth, raising the possibility of default. Home values have fallen nationwide from an average of 19 percent from their peak in 2006 and this price plunge has wiped out trillions of dollars in home equity. The tide of foreclosures might become self-perpetuating. The nation could face being a housing depression—something far worse than a recession.

The current economic crisis and the foreclosure blight has affected new home sales and depressed home value generally. New home sales have fallen by about 50 percent. One in six homeowners owes more on a mortgage than the home is worth, raising the possibility of default. Home values have fallen nationwide from an average of 19 percent from their peak in 2006 and this price plunge has wiped out trillions of dollars in home equity. The tide of foreclosures might become self-perpetuating. The nation could face being a housing depression—something far worse than a recession.

Obviously, there are substantial societal and economic costs of home foreclosures that adversely impact American families, their neighborhoods, communities and municipalities. A single foreclosure could impose direct costs on local government agencies totaling more than $34,000.

Recently, the Congress set aside $100 billion to address the issue of mortgage foreclosure prevention. I have long championed that money be a set aside to address this very important issue. I believe in homeownership and will do all within my power to ensure that Americans remain in their houses.

A record amount of commercial real estate loans coming due in Texas and nationwide the next three years are at risk of not being renewed or refinanced, which could have dire consequences, industry leaders warn. Texas has $27 billion of commercial loans coming up for refinancing through 2011, ranking among the top five states, based on data provided by research firms Foresight Analytics LLC and Trepp LLC. Nationally, Foresight estimates that $530 billion of commercial debt will mature through 2011. Dallas-Fort Worth has nearly $9 billion in commercial debt maturing in that time frame. Most of Texas' $27 billion in loans maturing through 2011—$18 billion—is held by financial institutions. Texas also has $9 billion in commercial mortgage-backed securities, the third-largest amount after California and New York, according to Trepp.

For the foregoing reasons, I support the final passage of this legislation. I urge my colleagues to support the bill and vote it out of the House.

Mr. SESSIONS. Madam Speaker, at this time I yield 2 minutes to the gentleman from Egan, Illinois (Mr. MANZULLO).

Mr. MANZULLO. Madam Speaker, I rise in opposition to this bill.

If you take a look at the different lock-in periods, add to that the additional cost for appraisals that are necessitated by a flawed system in this bill, it is going to cost the industry hundreds of billions of dollars per year

I had offered in the Rules Committee an amendment which, unfortunately, is not allowed to come to the floor. And I know that the taxpayers are greatly distressed that this body is supposed to be for free and open debate, and yet Members cannot freely allow amendments to come to the floor.

There is an agreement that is signed between the Attorney General of New York and the people who regulate Fannie Mae and Freddie Mac on something called the Home Evaluation Code of Conduct. It is supposed to regulate the mischief that took place between the big lenders and the appraisers to cook the books in order to make the loans.

The problem is this: The agreement still allows that collusion or the opportunity for collusion or for banks to force someone to buy a house. And I think everyone in this country can own appraisal management companies, which are supposed to be third-party, independent agents to find an independent appraiser in order to make sure that the property is valued correctly. And I asked that the agreement be extended for a year so that the collusion and the opportunity to stop the collusion could be studied and better safeguards put into effect.

I am denied that opportunity. The American people were denied the opportunity to be heard on the floor because of the constritive nature that the majority has placed upon us.
Most Americans think that if a Member of Congress has an amendment, that amendment could easily come to the floor and be heard. That did not happen in this case. And because of that, it could cost the taxpayers an extra $3 billion a year because of this fatal flaw.

Mr. CARDOZA. Madam Speaker, I yield 2 minutes to my friend and colleague from North Carolina (Mr. MILLER), a sponsor of the bill.

Mr. MILLER of North Carolina. Madam Speaker, I rise to respond to what several on the other side have said, Mrs. BACHMANN, Mr. SESSIONS and others, that now is not the time to do this. Madam Speaker, I introduced this legislation or legislation like it in 2003, in 2005, in 2007 and now again in 2009. It has never been the time by the likes of the members of the minority party and by the likes of the lending industry.

Now their arguments have been a little different. In 2003 and in 2005, they said, the mortgage crisis is over. Now their arguments have been a little great. This is the unfeathered market at its best, creating these innovative loans so people can get credit that they otherwise couldn't get. And those Democrats like MILLER, who want to restrict it, they just don't know a good thing when they see it. In 2007, especially now, they are saying, "isn't it terrible that all those liberals made this provision. I want to continue to work with you as this process moves forward." And this is not the end of the process. We have assured everybody that we will continue to work to find the right balance.

Madam Speaker, they will never think it is the right time to protect the American people from abusive lending practices. We need, when credit starts flowing again, when the housing market revives again, we need to make sure there are rules in place so people can make an honest living by making reasonable loans to people who need to borrow money to buy a house. We don't need to be setting people up to make a killing by cheating people out of the equity in their home by predatory mortgages.

Mr. SESSIONS. Madam Speaker, in closing, I would like to thank the gentleman from California and each of the Members from his side who have participated today, including the gentleman, Mr. FRANK. I would like to stress that while my friends on the other side of the aisle claim to be protecting consumers and have said that that legislation is not true, that is not true. It has already taken place. Whatever we need, the Federal Reserve has already done.

What we will say is that what this legislation is doing is benefiting trial lawyers with tax dollars. And perhaps more importantly, it is causing this circumstance to be aggravated and to be worsened.

We already understand there will be less credit that will be available. This will raise the costs of loans and mortgages that people will want to receive. At a time, especially, when the economy needs help, this will harm the economy. And that is directly what the American Bankers Association has said in a letter to every single Member of Congress.

Mr. CARDOZA. Madam Speaker, I am really down to no speakers and just like to reserve to close.

The SPEAKER pro tempore. The question was taken; and the ayes appeared to have it.

Mr. CARDOZA. Madam Speaker, I am the last person to speak, and I would like to reserve to close.

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

Mr. SESSIONS. Madam Speaker, I thank my colleague from Texas. Mr. CARDOZA. Madam Speaker, in closing, I would like to thank the gentleman from California and each of the Members from his side who have participated today, including the gentleman, Mr. FRANK. I would like to stress that while my friends on the other side of the aisle claim to be protecting consumers and have said that that legislation is not true, that is not true. It has already taken place. Whatever we need, the Federal Reserve has already done.

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Mr. SESSIONS. Madam Speaker, on that I demand the yeas and nays. The yeas and nays were ordered.

Mr. SESSIONS. Madam Speaker, I thank my colleagues for support taking another step forward to stabilizing our housing market and helping our economy recover once and for all.

The SPEAKER pro tempore. 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.

The SPEAKER pro tempore. The vote was taken by electronic device, and there were—yeas 247, nays 174, not voting 12, as follows:

[Roll No. 237]
Recognizing the Border Patrol's Fight Against Human Smuggling

The Speaker pro tempore (Mr. CARNARAH). Pursuant to clause 8, rule XX, the unfinished business is the question on the suspension of the rules and the agreement recorded on the resolution, H. Res. 14, as amended.

The Clerk read the title of the resolution.

The Speaker pro tempore. The question is on the motion offered by the Republican amendments (Mr. COHEN) that the House suspend the rules and agree to the resolution, H. Res. 14, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended, and the resolution, as amended, agreed to.

The motion was agreed to as so recorded.

``Resolution recognizing the importance of the Department of Homeland Security, including U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement, in combating human smuggling and trafficking in persons, and commending the Department of Justice for increasing the rate of human smuggling and trafficking prosecutions.``