

the Milosevic regime remains in power, the war will continue. To stop the war, NATO forces led by the United States must be mobilized to wage air strikes against Serbian military targets in Kosovo and Serbia. But, ultimately, the only way to peace and stability in the Balkans is to allow the Albanian people the right to declare their independence under international law, just as we allowed the Slovenes, Croatians, Macedonians, and Bosnians after the demise of the former Yugoslavia.

THE PUERTO RICAN SOURCE TAX
FAIRNESS ACT

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1999

Mr. McCOLLUM. Mr. Speaker, I rise today in support of the Puerto Rican Source Tax Fairness Act, a bill to clarify that retirement income from pension plans of the government of the Commonwealth of Puerto Rico shall be exempt from nonresident taxation in the same manner as state pension plans. This may sound complicated, but it is not.

The 104th Congress passed important legislation banning the so-called "source tax." The source tax was a state tax placed on pension earnings of a nonresident for the portion of the pension that was earned while the worker was a resident of a state. If a person lives in New York and works for 25 years, builds a pension and then moves to Florida, New York had the opportunity to tax that pension income. That is no longer the case.

The issue at the time was one of fairness. This country was born under the cry "no taxation without representation." The source tax allowed a state to tax a person where he or she had no representation. Hence, the 104th Congress took action to remedy the situation.

Unfortunately, there is a glitch in the law. As written, the law prohibits source taxes on governmental retirement plans. However, the cross referenced section does not include the government of Puerto Rico in its definition. So, Puerto Rico may still tax the governmental pensions earned in Puerto Rico even though the person may no longer live in Puerto Rico. This could not have been the intent of the law, as the other 50 states and the District of Columbia may not tax government pensions. It is simply a glitch that is easily remedied.

As we did the first time, Mr. Speaker, we are again discussing an issue of fairness. Why should former state employees around the country escape the source tax on their pensions and not the former employees of the Commonwealth of Puerto Rico? The answer is that there is no reason for it. It is taxation without representation for former employees of the Commonwealth of Puerto Rico. A simple sense of fairness dictates that we need to make this change in the law to repeal the source tax in the way it was meant to be repealed. I urge my colleagues to support the Puerto Rican Source Tax Fairness Act.

EXTENSIONS OF REMARKS

SOUTH BRONX MENTAL HEALTH
COUNCIL, INC. EIGHTH PATIENT
RECOGNITION AND EMPOWER-
MENT DAY

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1999

Mr. SERRANO. Mr. Speaker, I rise today to once again pay tribute to the South Bronx Mental Health Council, Inc., which will celebrate its eight annual "patient Recognition and empowerment Day."

Created in 1968 as Lincoln Community Mental Health Center, the South Bronx Mental Health Council, Inc. is a community-based organization which provides treatment and mental health services to the local population and to area schools and senior centers. It is committed to helping empower its patients and their families through the rehabilitation of patients and their reintegration in their communities.

All of us, I am sure, have known someone who, whether we were aware of it or not, struggled with some form of mental illness. Tragically, a suicide or other crisis is too often our first—and only—indication of the individual's suffering.

While it is important, and appropriate, to recognize the care givers who provide these services, it is even more important that those individuals who have made special efforts to overcome their challenges also receive our attention and support.

Mr. Speaker, I ask my colleagues to join me in saluting our friends at the South Bronx Mental Health Council, who on Friday, January 29, will celebrate the eighth annual Patient Recognition and Empowerment Day.

CREDIT OPPORTUNITY
AMENDMENTS ACT

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1999

Mr. McCOLLUM. Mr. Speaker, today I rise to reintroduce the Credit Opportunity Amendments Act which will fundamentally reform the Community Reinvestment Act [CRA] of 1977, and clarify the enforcement of our fair lending laws.

The original purpose of CRA was to encourage banks to loan into the communities in which they maintained deposit taking facilities. In addition, the 95th Congress, which passed CRA, was concerned about redlining, the practice of denying loans in certain neighborhoods based on racial or ethnic characteristics. The enforcement mechanism chosen was to have CRA performance taken into account when regulators were deciding on applications by the banks.

When CRA passed in 1977, the Senate report stated that no new paperwork would be required under the new law. It was believed that examiners had all the information they needed on hand from call reports and their examination reports to enforce CRA. This is not

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the case. Instead of relying on existing information, regulators have created expansive new reporting requirements resulting in mounds of additional paperwork and many wasted hours that could have been used to serve the community.

CRA's enforcement mechanism has gone completely haywire. It has become what many refer to as regulatory extortion. By holding up applications on the basis of CRA protests, some community groups hope to get sizable grants or other contracts from banks. This happens all too often. Recently, the Clinton administration has linked the enforcement of CRA with other fair lending statutes. This has placed the Justice Department in the position of being an additional bank regulator. This new bank regulator caught the lending industry off guard by using the disparate impact test for proving discrimination. Disparate impact is a controversial theory for proving discrimination in employment law using only statistical data. Using this scenario, a lender can be found to have discriminated without some element of intent or without proving that any harm resulted from a lending practice.

This legislation remedies these problems while ensuring that lenders reinvest in the communities in which they serve. First, it replaces the current system of enforcement and graded written evaluations with a public disclosure requirement. This will dramatically reduce unnecessary paperwork and end the extortion-like nature of the current enforcement mechanism.

This approach allows bank customers to decide whether the bank is doing an adequate job in meeting its community obligations; not bureaucrats in Washington or organized community groups. If not, consumers can take their business elsewhere.

This will not end the congressional requirement that banks invest in their community. Nor will it stop organized groups from being involved. They will have the enforcement from the public disclosure on the bank's intentions and performance. They can raise any concerns with the bank or the regulators at any time. Consumers and the groups representing their interests can make their concerns known without having the extraordinary authority to hold up mergers and other obligations.

The second change in this bill makes the practice of redlining a violation of the Equal Credit Opportunity Act and the Fair Housing Act. Redlining will be defined as failing to make a loan based on the characteristics of the neighborhood where the house or business is located. Currently no prohibition against redlining in fair housing or fair lending exists, however, courts have interpreted these statutes to prohibit redlining. By placing a prohibition on redlining in statute, we will be sending a clear message that we are opposed to discrimination in lending in all forms, whether based on an individual's race, gender, age, sex, or makeup of neighborhood where the individual lives or works.

This will also clarify that the method chosen to enforce our antidiscrimination laws is clear and resides in the fair housing and lending laws. No longer will regulators be forced to confront laws to attempt to address problems that the laws are inadequate for the purpose.

Third, the Credit Opportunity Amendment Act adds two criteria to the current use of the

disparate impact theory. First, it requires regulators show actual proof that the lender discriminated and that the discrimination caused harm to the victim. Second, this legislation requires the party bringing suit to prove the lender intended to discriminate when making its lending criteria.

Finally, by designating a lead regulator to enforce our fair lending and community reinvestment statutes, we will have more evenhanded enforcement of these laws. In turn, banks will be in a better position to know how to comply with them. Currently, confusion is the most prevailing reaction to the enforcement of CRA over the last 15 years and fair lending more recently.

The current bill makes substantial reforms to CRA which I strongly support. By enacting this legislation, we make a bold step to eliminate credit allocations in the guise of CRA and rationalize our regulation of the banking industry. At the same time, we make it absolutely clear that redlining is unacceptable and is against the law. Therefore, Mr. Speaker, I urge my colleagues to support my legislation in the 106th Congress.

TRIBUTE TO RALPH AND ROSE
HITTMAN

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1999

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to the First Couple of Boys Brotherhood Republic, Ralph and Rose Hittman, two outstanding individuals who have dedicated their lives to public service. They will be honored on January 9 by parents, family, friends, and professionals for their outstanding contributions to the community. I have known them personally for many years, and I am very familiar with their background, experience, character, and personality. They are two people of enormous commitment.

An active citizen and police captain at the Boys Brotherhood Republic (BBR) in the 1930s, Ralph Hittman grew up on East Sixth Street just west of the present-day BBR "City Hall" at Avenue D. While a BBR citizen, Ralph was introduced to Rose Bader, whose parents owned a candy store just a block away, at a dance at the Christodora's House by Rose's cousin, who was also a BBR boy. They married in December 1939.

Mr. Speaker, during World War II, Mr. Hittman served as a noncommissioned officer in the Marine Corps, and both before and after the war he was associated with a West Seventeenth Street paper company, initially as sales manager then general manager.

Between 1954 and 1955 when the self-governing nature of the BBR had been all but lost and less than a hundred citizens frequented the "City Hall" building, then at 290 East Third Street, Ralph took on the responsibility of unpaid supervisor, working late afternoons and nights while still at the paper company. With the help and support of Rose (who took on administrative and bookkeeping duties during the daytime), the couple paid off some long overdue vendor bills, and began the task of steering the organization out of debt.

Rose was born on the Lower East Side, and she attended Public School 131, Junior High School 188 and graduated from Washington Irving High School at age 15. She received many honors while in school and the one she is most proud of is the citywide arithmetic medal which she won at J.H.S. 188. However, for financial reasons, it was impossible for her to attend college. She went to work as a switchboard operator and bookkeeper to help support her family.

Ralph Hittman has had a lifelong affiliation with Boys Brotherhood Republic of New York, having participated in its programs as a boy. During his forty-three years as executive director, Mr. Hittman oversaw the relocation and reorganization of Camp Wabenaki, the planning and construction of a new BBR City Hall at 888 East Sixth Street, and the expansion of program services. Rose Hittman had a critical role in each of these accomplishments. Since 1956, the Hittmans have lived on-site with the children at Camp Wabenaki during the summer months.

Over the years, Ralph and Rose Hittman have guided and nurtured tens of thousands of youngsters on the Lower East Side. This is ultimately the highest testament to their unsurpassed efforts.

Ralph and Rose Hittman are the proud parents of three sons, Michael, Jeffrey, and Stephen.

Mr. Speaker, I ask my colleagues to join me in commending and congratulating Ralph and Rose Hittman for their outstanding contributions to the community and in wishing them continued success.

COMMUNITY REINVESTMENT
IMPROVEMENT ACT

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1999

Mr. McCOLLUM. Mr. Speaker, today I rise to reintroduce the Community Reinvestment Improvement Act of 1999.

The original purpose of CRA was to encourage banks to loan into the communities in which they maintained deposit taking facilities. The enforcement mechanism chosen was to have CRA performance taken into account when regulators were deciding on applications by the banks. When CRA passed in 1977, the Senate report stated that no new paperwork would be required under the new law. It was believed that examiners had all the information they needed on hand from call reports and their examination reports to enforce CRA. This is not the case. Instead of relying on existing information, regulators have created expansive new reporting requirements resulting in mounds of additional paperwork and many wasted hours that could have been used to serve the community.

This paperwork and regulatory burden can create even larger problems for smaller banks which cannot absorb the costs of compliance without passing them on to consumers. This bill is geared to reduce the cost of credit to consumers by allowing smaller banks with a track record of reinvesting in their communities

to be released from some of the regulatory red tape.

If a bank with assets under \$500,000,000 is not in violation of section 701(a) of the Equal Credit Opportunity Act and has not received a rating of "needs to improve" or "substantial noncompliance" in its most recent evaluation, the bank would undergo a modified CRA evaluation. The bank would need to maintain internal policies to help meet the needs of its local community consistent with the safe and sound operation of a bank and make a record of its reinvestment efforts available for public inspection. The appropriate regulator, when checking for CRA compliance, would then use existing business documents for its review.

The bill would exempt small town banks of less than \$100,000 from CRA evaluation altogether since, in order to survive, such banks have to meet the credit needs of their communities without government bureaucracy involvement.

Finally, the bill would specify that a bank shall not have an application to a regulator denied if such bank has received an "outstanding" or "satisfactory" rating within the past 24 months unless the bank's compliance has materially deteriorated since such evaluation.

Mr. Speaker, I believe this is a prudent step in reducing unnecessary government bureaucracy. Furthermore, by reducing the cost of federal regulation, we can help lower the cost of credit to consumers. It is my hope that my colleagues will support this reform.

RETIREE VISA ACT OF 1999

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1999

Mr. McCOLLUM. Mr. Speaker, today I am introducing legislation to create a 4-year non-immigrant visa to allow various people to spend some of their retirement years in the United States. This legislation is meant to make it easier for individuals who already enjoy the ability to spend time in the U.S. to have a 4-year non-immigrant visa to allow them to spend larger periods of time here.

Currently, Canadians may stay continuously in the United States for 6 months each year without a passport or visa. Visitors from countries participating in the Visa Waiver Pilot Program (VWPP) can stay in the U.S. continuously for a 90-day period without a visa. Since this visa is only intended for retirees, applicants would have to be at least 55 years of age to qualify.

The fact that these individuals can, in some ways, already spend some of their retirement in the U.S. reinforces the fact that this legislation is merely meant to reduce some of the procedural hurdles which currently deter foreign retirees from spending additional time here. For example, many German citizens use the Visa Waiver Pilot Program to come to Florida for 90 days at a time. Many of these individuals would like to spend more than 90 days in the U.S. but are scrupulous about not overstaying their visit. These foreign retirees leave the U.S. within 90 days, spend some