As Senator KOHL has alluded to during the consideration of the 1996 farm bill, Congress did seek to make changes in the unjust Federal pricing system by phasing out the milk price support program and to finally reduce the inequities between the regions.

Unfortunately, that is not what happened at all. It didn't work. Because of the back-door politicking during the eleventh hour of the conference committee, America's dairy farmers were stuck with the devastatingly harmful Northeast Dairy Compact. Although it is painful and difficult for everyone, we in the Upper Midwest cannot stand for that or any change that further disadvantages our dairy farms—the ones who are left, not the tens of thousands who are gone but the less than 25,000 who remain. We are determined to keep them in business.

The Northeast Dairy Compact accentuates the current system's equities by authorizing six Northeastern States to establish a minimum price for fluid milk, higher even than those established under the Federal milk marketing order, which are already pretty high and, frankly, much higher than our folks get. The compact not only allows the six States to set artificially high prices for producers but permits them to block the entry of lower-priced milk from competing States. Further distorting the market are subsidies given to processors in these six States to export their higher-priced milk to noncompact States.

Despite what some argue, the Northeastern Dairy Compact has not even helped small Northeastern farmers. Since the Northeast first implemented the compact in 1997, small dairy farms in the Northeast, which are supposed to have been helped, have gone out of business at a rate of 41 percent higher than they had in the previous 2 years. It is not even working for the limited purposes it was supposed to serve.

Compacts often amount to a transfer of wealth to large farms by affording large farms a per farm subsidy that is actually 20 times greater than the meager subsidy given to small farmers.

As my senior colleague has indicated, we need to support the moderate reforms of the USDA and reject the harmful dairy rider and let our dairy farmers get a fair price for their milk. I know as we go through the coming days this may mean substantial delays. We all want to go home to our States as early as possible. However, Senator KOHL and I are determined to do our best to fight for the remaining Wisconsin dairy farmers. Some of those steps may be necessary in order to achieve that goal.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the joint resolution is considered read the third time and passed, and the motion to reconsider is laid upon the table.

The joint resolution (H.J. Res. 80) was considered read the third time and passed.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

BANKRUPTCY REFORM ACT OF 1999—Continued

AMENDMENT NO. 2756

(Purpose: To discourage indiscriminate extensions of credit and resulting consumer insolvency, and for other purposes)

Mrs. FEINSTEIN. Mr. President, I ask to call up amendment No. 2756.

Mr. GRASSLEY. Reserving the right to object, is there a unanimous consent agreement before the Senate?

The PRESIDING OFFICER (Mr. CRAPO). There is a unanimous consent agreement permitting the Senator from California to offer an amendment at this time.

Mr. GRASSLEY. I withdraw my reservation.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative assistant read as follows:

The Senator from California [Mrs. FEINSTEIN], for herself and Mr. JEFFORDS, proposes an amendment numbered 2756.

Mrs. FEINSTEIN. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. ___. ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the "Board") shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 12 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the indiscriminate solicitation and extension of credit by the credit industry;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

Mrs. FEINSTEIN. This is submitted on behalf of Senator JEFFORDS of Vermont and myself. This is the same amendment that passed the Senate last year by voice vote. It is an important amendment, which is why I wish to do it today and ask for a rollcall vote.

Last year it was deleted in conference. I believe it will suffer the same fate today if it were simply accepted. I note that the managers have agreed to accept the amendment. I particularly want the Senator from Iowa to know that I am very grateful for that accommodation. However, I run the risk in allowing it to be accepted that it is again expunged in conference.

This amendment requires the Federal Reserve Board to investigate the practice of issuing credit cards indiscriminately and inappropriately and to take necessary action to ensure that consumer credit is not extended recklessly or in a manner that encourages practices which cause consumer bankruptcies.

One part of the amendment, a brief paragraph, is a sense of the Senate that finds that certain lenders may offer credit to consumers indiscriminately and don't take steps to ensure that consumers have the capacity to repay the resulting debt, possibly encouraging consumers to even accumulate additional debt. We all know that to be true. The amendment then goes on to say that the resulting consumer debt may increasingly be a major contributing factor to consumer bankruptcies.

This amendment would authorize the Federal Reserve Board to conduct a study of industry practices of soliciting and extending credit indiscriminately without taking those steps that are prudent to ensure consumers are capable of repaying that debt. Within 1 year of enactment, the Federal Reserve Board would make a public report on its findings regarding the credit industry's indiscriminate solicitation and extension of credit.

The amendment then would allow the Federal Reserve Board to issue regulations that would require additional disclosures to consumers and to take any other actions, consistent with its statutory authority, that the Board finds necessary to ensure responsible industry-wide practices and to prevent resulting consumer debt and insolvency.

Why this amendment? Why is this amendment needed? This amendment directly addresses one of the major causes of personal bankruptcies: bad consumer credit card debt. The typical family filing for bankruptcy in 1998 owed more than 1½ times its annual income in short-term, high-interest debt. This means that the average family in bankruptcy, with a median income of just over $17,500, had $28,955 in credit card and other short-term, high-interest debt—almost double the income of debt.

Studies by the Congressional Budget Office, the FDIC, and independent economists all link the rise in personal bankruptcies directly to the rise in consumer debt. As consumer debt has risen to an all-time high, so have consumer bankruptcies. Any meaningful bankruptcy reform I think must address irresponsible actions of certain segments of the credit card industry because, after all, this is the major problem that is exacerbating bankruptcy and increasing the number of filings.

Last year, the credit card industry sent out a record 3.45 billion unsolicited offers. That is 30 solicitations for credit cards to every household in America. The number of solicitations jumped 15 percent from the last time I did this amendment to this time I am doing this amendment. So instead of slowing down irresponsible offers of credit to people who cannot possibly repay that credit, they have sped it up.

There are over 1 billion credit cards in circulation, a dozen credit cards for every household in this country. Three-quarters of all households have at least one credit card. Credit card debt has doubled between 1993 and 1997, to $422 billion from just over $200 billion.

During this 2-year debate on this bankruptcy bill, which I support, my staff has contacted numerous credit card issuers. The overwhelming majority of these companies do not check the income of the consumers being solicited. In other words, credit card issuers have no idea whether persons to whom they issued credit cards have the means to pay their bill each month.

One of my constituents from Lakewood, CA, wrote, and this really describes this aptly:

> What really bugs me about this is that credit card companies send out these solicitations for their plastic cards, and then when they get burned, they start crying foul. They want all kinds of laws passed to protect them from taking hits when it's their own practices that caused the problem.

There is a real element of truth in this. This amendment will not affect any responsible lender. It will not affect the vast majority of the credit card industry who responsibly check consumer credit history before issuing or preapproving credit cards.

Representatives of large credit card issuers have assured me and my staff that they do not provide credit cards to consumers without a thorough credit check. However, I note that major credit cards, such as Visa or MasterCard, do not require banks who issue their cards to check credit history. That is a bona fide area at which an investigation and a study should take a look. Is this a good practice, not to check the bank who issues your card under your auspices and see that they also check the creditworthiness of the individual?

This amendment would affect lenders who fail to even inquire into the consumer's ability to pay or those who specifically target consumers who cannot repay the balances. It was news to me that there is a whole category of companies out there who actually go after people who are overcome with credit card debt and offer them more credit cards to repay that debt. A growing segment of the credit industry, known as subprime lenders, increasingly searches for risk borrowers who they know will make inappropriately low minimum monthly payments and carry large balances from month to month and have to pay extraordinarily high interest rates.

This kind of lending has become the fastest growing, most profitable subset of consumer lending. Although losses are substantial, interest rates of 18 percent to 40 percent on credit card debt make this lending profitable. Many of these often relatively unsophisticated borrowers do not realize that minimum monthly payments just put them deeper in a hole which, in many cases, leads to bankruptcy.

I have somebody close to me who is in that situation and has been in that situation from 1991 to the present day with six or eight credit cards, does not have the income to repay them, and all this individual has had is mounting interest payments and can never get to the principal of the debt. No matter how this individual responds within his or her capabilities, he or she cannot possibly pay off the debt. I even stepped in and made an offer to the credit card companies to repay the debt with a modicum of interest attached to it for this individual and was turned down. They said they made an offer to settle and they rejected the offer, they withdrew the offer of settlement.

Industry analysts estimate that using a typical minimum monthly payment rate on a credit card in order to pay off a $2,500 balance—that is a balance of just $2,500—assuming the consumer never uses the card to charge anything else ever again, would take 34 years to pay off the balance. That is the situation in which people find themselves.

It is my belief that this is irresponsible. What we are asking is the Federal Reserve do a study, an investigation to see if they agree this is irresponsible.

So this is the core concept.

Oh, let me make one other point. On the situation I just indicated to you, that somebody who had that balance of $2,500 never used the card to charge anything else again, it would take 34 years to pay off that balance. Total payments would exceed 300 percent of the principal.

So what I have found out is, there are people who are needy, who succumb to these credit cards, who engage in not just one credit card with $10,000, but five or six or seven or eight, and maybe have an income of $17,000 or $15,000 a year. They make these purchases, they get into trouble, and they can never pay off their debt. So, yes, bankruptcy looms as the only alternative.

To tighten up their obligations to pay back the debt—which I am in agreement of doing—and yet not evaluate whether these policies of lending are as responsible as they should be is absolutely wrong.

So for the second time in 2 years, I offer this amendment and I ask for the yeas and nays in the hopes that the amendment will be agreed to and will remain in the bill in conference.

The PRESIDING OFFICER. Is the Senator requesting the yeas and nays at this time?

Mrs. FEINSTEIN. I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENTS NOS. 2655, AS MODIFIED; 2764, AS MODIFIED; AND 2661, AS MODIFIED

Mr. GRASSLEY. Mr. President, I would like to ask unanimous consent on some amendments that have been agreed to.

I ask unanimous consent that the following amendments, as modified where noted, be considered agreed to, en bloc, and the motions to reconsider be laid upon the table, en bloc. The amendments are as follows: No. 2655, as modified; No. 2764, as modified; and No. 2661, as modified. I send the modifications to the desk.

Mr. SCHUMER addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Reserving the right to object.

The PRESIDING OFFICER. The Senator is recognized.

Mr. SCHUMER. I thank the Senator.

The Senator from Iowa knows I reserve that right but will not ultimately object. But I do want to point out to my colleagues that the amendments to be accepted by unanimous consent, which deal with the "teaser" issue, which deal with disclosure on credit cards, in my judgment, do not go very far and need to go much further. I suggest to my colleagues that the amendment Mr. SANTORUM of Pennsylvania and I have offered would go much further on what would do the job.

Let me be very clear. I have been working on credit card disclosure for over 10 years. A while ago, about 7 or 8 years ago, we passed something we thought required the credit card companies to disclose, in large numerical print, how much the annual interest rate was. That is really the key issue when you decide what credit card to take. Many of the credit card companies use ''teaser'' rates. They say 2 percent or 3 percent for a couple of months and then raise it to 10 or 11 or 15 percent.

So we drafted an amendment. But at the request of the industry, we were not very specific. They said: You don't have to specify how large the print should be or what should be in the box; just do it. It became law. The box was known as the Schumer box.

Let me show you what it is in current law. This credit card shown on this chart is governed by that law. The only large print and the only number you see is ''3.9 percent.'' That is what is called the ''teaser'' rate. It is only offered for a few months.

When it is time to pay your regular annual fee—in this case, 9.9 percent—in the box is just a lot of legal gobbledygook, and you can hardly see what the number is. To understand it is the 9.9 percent or the 19.99 percent which governs, you probably have to have a degree from Harvard Law School.

What the Grassley-Torricelli amendment does is allow this kind of deception to continue. It makes some improvements, but it does not make the real improvement of disclosure. I have talked to leaders of the credit card industry. They say: Don't cap us. Don't limit us. We are not against disclosure. Then when we come up with a proposal, Mr. SANTORUM and I, that simply says they have to show the amount in 24-point type—and here is what it says: ''Long-term annual percentage rate of purchases,'' and the amount—we get opposition.

Many of those who are close to the credit card industry have told me the industry has told them they are against it. They say they are for disclosure, but they really are not.

I do not have to oppose this amendment because we have a better alternative. The alternative is this. If you really believe in disclosure, the Santorum-Schumer amendment is the way to go.

What is shown on this chart is deceptive. In all due respect to my good friend from Iowa, who I know cares strongly about this issue, his amendment will not change that one drop. They will have in big letters the ''teaser'' rate and in hardly intelligible language what the real interest rate is.

I would normally object to this unanimous consent request. But because there is an alternative to make real disclosure, and because we have already debated, and because I know it is our right to get a vote on that amendment, I will not object.

But I want my colleagues to understand one thing: We are not doing much, if anything, for the cause of real disclosure, for the cause of letting consumers see the interest rate they are paying before they buy the credit card, unless we pass the Schumer-Santorum amendment.

So I withdraw my objection to this amendment. I know it is offered in good faith. But please let my colleagues understand that if you want real disclosure—no more, just disclosure, Adam Smith economics—the only way to get it is not by an amendment that allows the industry to continue deceptive practices but, rather, by the Schumer-Santorum amendment which says, in no uncertain terms, ''9.99 percent''—whatever the interest rate is—24-point type, in large letters.

I thank the Senator from Iowa for his courtesy. I withdraw any objection to the unanimous consent request.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. Before the Chair rules, I think the Senator from Nevada wishes to make a statement.

Mr. REID. Mr. President, we appreciate the cooperation of all Members, especially the Senator from New York, who is always so involved in what goes on on the floor but also always so willing to work toward a resolution.

It is my understanding that at this time the Senator is not intending to offer amendment No. 2765 which has been filed.

Mr. SCHUMER. That is correct.

Mr. REID. I also say to my friend, before the unanimous consent agreement is entered, we have a number of amendments that perhaps at some later time—I understand there are going to be some votes around 4 o'clock. We can include, for example, the amendment of the Senator from California which is now pending. And there may be some others—for example, the one from the Senator from New York, No. 2761, which he filed and debated last week. So I would like the manager of the bill to take a look at those and see if we can get some definite times set.

No objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The unanimous consent request is agreed to.

The amendments (Nos. 2655, as modified; 2764, as modified; and 2661, as modified) were agreed to, as follows:

AMENDMENT NO. 2655, AS MODIFIED

(Purpose: To provide for enhanced consumer credit protection, and for other purposes)

At the end of the bill, add the following new title:

TITLE—CONSUMER CREDIT DISCLOSURE

SEC. ___01. ENHANCED DISCLOSURES UNDER AN OPEN END CREDIT PLAN.

(a) MINIMUM PAYMENT DISCLOSURES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(11)(A) In the case of an open end credit plan that requires a minimum monthly payment of not more than 4 percent of the balance on which finance charges are accruing, the following statement, located on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures required under this subsection: 'Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 2% minimum monthly payment on a balance of $1,000 at an interest rate of 17% would take 88 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum payments, call this toll-free number: ___________.'.

''(B) In the case of an open end credit plan that requires a minimum monthly payment of more than 4 percent of the balance on which finance charges are accruing, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures required under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. Making a typical 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call this toll-free number: ___________.'.

''(C) Notwithstanding subparagraphs (A) and (B), in the case of a creditor with respect to which compliance with this title is enforced by the Federal Trade Commission, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call the Federal Trade Commission at this toll-free number: ___________.' A creditor who is subject to this subparagraph shall not be subject to subparagraph (A) or (B).

''(D) Notwithstanding subparagraphs (A), (B), or (C), in complying with any such subparagraph, a creditor may substitute an example based on an interest rate that is greater than 17 percent. Any creditor who is subject to subparagraph (B) may elect to provide the disclosure required under subparagraph (A) in lieu of the disclosure required under subparagraph (B).

''(E) The Board shall, by rule, periodically recalculate, as necessary, the interest rate and repayment period under subparagraphs (A), (B), and (C).

''(F) The toll-free telephone number disclosed by a creditor or the Federal Trade Commission under subparagraph (A), (B), or (G), as appropriate, may be a toll-free telephone number established and maintained by the creditor or the Federal Trade Commission, as appropriate, or may be a toll-free telephone number established and maintained by a third party for use by the creditor or multiple creditors or the Federal Trade Commission, as appropriate. The toll-free telephone number may connect consumers to an automated device through which consumers may obtain information described in subparagraph (A), (B), or (C), by inputting information using a touch-tone telephone or similar device, if consumers whose telephones are not equipped to use such automated device are provided the opportunity to be connected to an individual from whom the information described in subparagraph (A), (B), or (C), as applicable, may be obtained. A person that receives a request for information described in subparagraph (A), (B), or (C) from an obligor through the toll-free telephone number disclosed under subparagraph (A), (B), or (C), as applicable, shall disclose in response to such request only the information set forth in the table promulgated by the Board under subparagraph (H)(i).

''(G) The Federal Trade Commission shall establish and maintain a toll-free number for the purpose of providing to consumers the information required to be disclosed under subparagraph (C).

''(H) The Board shall—

''(i) establish a detailed table illustrating the approximate number of months that it would take to repay an outstanding balance if the consumer pays only the required minimum monthly payments and if no other advances are made, which table shall clearly present standardized information to be used to disclose the information required to be disclosed under subparagraph (A), (B), or (C), as applicable;

''(ii) establish the table required under clause (i) by assuming—

''(I) a significant number of different annual percentage rates;

''(II) a significant number of different account balances;

''(III) a significant number of different minimum payment amounts; and

''(IV) that only minimum monthly payments are made and no additional extensions of credit are obtained; and

''(iii) promulgate regulations that provide instructional guidance regarding the manner in which the information contained in the table established under clause (i) should be used in responding to the request of an obligor for any information required to be disclosed under subparagraph (A), (B), or (C).

''(I) The disclosure requirements of this paragraph do not apply to any charge card account, the primary purpose of which is to require payment of charges in full each month.

''(J) A creditor that maintains a toll-free telephone number for the purpose of providing customers with the actual number of months that it will take to repay the consumer's outstanding balance is not subject to the requirements of subparagraphs (A) and (B).

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section. Section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section, and the regulations issued under this subsection shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

(c) STUDY OF FINANCIAL DISCLOSURES.—

(1) IN GENERAL.—The Board may conduct a study to determine whether consumers have adequate information about borrowing activities that may result in financial problems.

(2) FACTORS FOR CONSIDERATION.—In conducting a study under paragraph (1), the Board should, in consultation with the other Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration, and the Federal Trade Commission, consider the extent to which—

(A) consumers, in establishing new credit arrangements, are aware of their existing payment obligations, the need to consider those obligations in deciding to take on new credit, and how taking on excessive credit can result in financial difficulty;

(B) minimum periodic payment features offered in connection with open end credit plans impact consumer default rates;

(C) consumers make only the minimum payment under open end credit plans;

(D) consumers are aware that making only minimum payments will increase the cost and repayment period of an open end credit obligation; and

(E) the availability of low minimum payment options is a cause of consumers experiencing financial difficulty.

(3) REPORT TO CONGRESS.—Findings of the Board in connection with any study conducted under this subsection shall be submitted to Congress. Such report shall also include recommendations for legislative initiatives, if any, of the Board, based on its findings.

SEC. ___02. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY A DWELLING.

(a) OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1637a(a)(13)) is amended—

(A) by striking ''CONSULTATION OF TAX ADVISOR.—A statement that the'' and inserting the following: ''TAX DEDUCTIBILITY.—A statement that—

''(A) the''; and

(B) by striking the period at the end and inserting the following: ''; and

''(B) in any case in which the extension of credit exceeds the fair market value (as defined under the Federal Internal Revenue Code) of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes.''.

(2) CREDIT ADVERTISEMENTS.—Section 147(b) of the Truth in Lending Act (15 U.S.C. 1665b(b)) is amended—

(A) by striking ''If any'' and inserting the following:

''(1) IN GENERAL.—If any''; and

(B) by adding at the end the following:

''(2) CREDIT IN EXCESS OF FAIR MARKET VALUE.—Each advertisement described in subsection (a) that relates to an extension of credit that may exceed the fair market value of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall include a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer should consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(b) NON-OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended—

(A) in subsection (a), by adding at the end the following:

''(15) In the case of a consumer credit transaction that is secured by the principal dwelling of the consumer, in which the extension of credit may exceed the fair market value of the dwelling, a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer should consult a tax advisor for further information regarding the deductibility of interest and charges.''; and

(B) in subsection (b), by adding at the end the following:

''(3) In the case of a credit transaction described in paragraph (15) of subsection (a), disclosures required by that paragraph shall be made to the consumer at the time of application for such extension of credit.''.

(2) CREDIT ADVERTISEMENTS.—Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended by adding at the end the following:

''(e) Each advertisement to which this section applies that relates to a consumer credit transaction that is secured by the principal dwelling of a consumer in which the extension of credit may exceed the fair market value of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall clearly and conspicuously state that—

''(1) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(2) the consumer should consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(c) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of subsectons (a) and (b) of this section. Such regulations shall not take effect until the later of 12 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. ___03. DISCLOSURES RELATED TO "INTRODUCTORY RATES".

(a) Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(6) ADDITIONAL NOTICE CONCERNING 'INTRODUCTORY RATES'.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account and all promotional materials accompanying such application or solicitation, for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest, shall—

''(i) use the term 'introductory' in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear clearly and conspicuously;

''(ii) if the annual percentage rate of interest that will apply after the end of the temporary rate period will be a fixed rate, state the following in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)) or, if the first listing is not the most prominent listing, then closely proximate to the most prominent listing of the temporary annual percentage rate, in each document and in no smaller type size than the smaller of the type size in which the proximate temporary annual percentage rate appears or a 12-point type size, the time period in which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period; and

''(iii) if the annual percentage rate that will apply after the end of the temporary rate period will vary in accordance with an index, state the following in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)) or, if the first listing is not the most prominent listing, then closely proximate to the most prominent listing of the temporary annual percentage rate, in each document and in no smaller type size than the smaller of the type size in which the proximate temporary annual percentage rate appears or a 12-point type size, the time period in which the introductory period will end and the rate that will apply after that, based on an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

''(B) EXCEPTION.—Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed.

''(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest shall, if that rate of interest is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

''(i) a general description of the circumstances that may result in the revocation of the temporary annual percentage rate; and

''(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

''(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

''(II) will vary in accordance with an index, the rate that will apply after the temporary rate, based on an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

''(D) DEFINITIONS.—In this paragraph—

''(i) the terms 'temporary annual percentage rate of interest' and 'temporary annual percentage rate' mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation; and

''(ii) the term 'introductory period' means the maximum time period for which the temporary annual percentage rate may be applicable.

''(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede subsection (a) of section 122, or any disclosure required by paragraph (1) or any other provision of this subsection.''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 12 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. ____04. INTERNET-BASED CREDIT CARD SOLICITATIONS.

(a) Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(7) INTERNET-BASED APPLICATIONS AND SOLICITATIONS.—

''(A) IN GENERAL.—In any solicitation to open a credit card account for any person under an open end consumer credit plan using the Internet or other interactive computer service, the person making the solicitation shall clearly and conspicuously disclose—

''(i) the information described in subparagraphs (A) and (B) of paragraph (1); and

''(ii) the disclosures described in paragraph (6).

''(B) FORM OF DISCLOSURE.—The disclosures required by subparagraph (A) shall be—

''(i) readily accessible to consumers in close proximity to the solicitation to open a credit card account; and

''(ii) updated regularly to reflect the current policies, terms, and fee amounts applicable to the credit card account.

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) the term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks; and

''(ii) the term 'interactive computer service' means any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions.''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 12 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. ____05. DISCLOSURES RELATED TO LATE PAYMENT DEADLINES AND PENALTIES.

(a) Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(12) If a late payment fee is to be imposed due to the failure of the obligor to make payment on or before a required payment due date the following shall be stated clearly and conspicuously on the billing statement:

''(A) The date on which that payment is due or, if different, the earliest date on which a late payment fee may be charged.

''(B) The amount of the late payment fee to be imposed if payment is made after such date.''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 12 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. ____06. PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.

(a) Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

''(h) PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.—A creditor of an account under an open end consumer credit plan may not terminate an account prior to its expiration date solely because the consumer has not incurred finance charges on the account. Nothing in this subsection shall prohibit a creditor from terminating an account for inactivity in 3 or more consecutive months.''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 12 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. ____07. DUAL USE DEBIT CARD.

(a) REPORT.—The Board may conduct a study of, and present to Congress a report containing its analysis of, consumer protections under existing law to limit the liability of consumers for unauthorized use of a debit card or similar access device. Such report, if submitted, shall include recommendations for legislative initiatives, if any, of the Board, based on its findings.

(b) CONSIDERATIONS.—In preparing a report under subsection (a), the Board may include—

(1) the extent to which section 909 of the Electronic Fund Transfer Act (15 U.S.C. 1693g), as in effect at the time of the report, and the implementing regulations promulgated by the Board to carry out that section provide adequate unauthorized use liability protection for consumers;

(2) the extent to which any voluntary industry rules have enhanced or may enhance the level of protection afforded consumers in connection with such unauthorized use liability; and

(3) whether amendments to the Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.), or revisions to regulations promulgated by the Board to carry out that Act, are necessary to further address adequate protection for consumers concerning unauthorized use liability.

SEC. ____08. STUDY OF BANKRUPTCY IMPACT OF CREDIT EXTENDED TO DEPENDENT STUDENTS.

(a) STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study

regarding the impact that the extension of credit described in paragraph (2) has on the rate of bankruptcy cases filed under title 11, United States Code.

(2) EXTENSION OF CREDIT.—The extension of credit referred to in paragraph (1) is the extension of credit to individuals who are—

(A) claimed as dependents for purposes of the Internal Revenue Code of 1986; and

(B) enrolled in postsecondary educational institutions.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Senate and the House of Representatives a report summarizing the results of the study conducted under subsection (a).

AMENDMENT NO. 2764, AS MODIFIED

(Purpose: To provide for greater accuracy in certain means testing)

On page 7, strike line 24 through page 8, line 3, and insert the following:

''(I) the sum of—

''(aa) the total of all amounts scheduled as contractually due to secured creditors in each month of the 60 months following the date of the petition; and

''(bb) any additional payments to secured creditors necessary for the debtor, in filing a plan under chapter 13 of this title, to maintain possession of the debtor's primary residence, motor vehicle, or other property necessary for the support of the debtor and the debtor's dependents, that serves as collateral for secured debts; divided by

''(II) 60.

AMENDMENT NO. 2661, AS MODIFIED

(Purpose: To establish parameters for presuming that filing of a case under chapter 7 of title 11, United States Code, does not constitute an abuse of that chapter)

On page 12, between line 10 and 11, insert the following:

''In any case in which a motion to dismiss or convert or a statement is required to be filed by this subsection, the U.S. Trustee or Bankruptcy Administrator may decline to file a motion to dismiss or convert pursuant to 704(b)(2) or if

''(iA) the product of the debtor's current monthly income multiplied by 12—

''(I)(aa) exceeds 100 percent, but does not exceed 150 percent of the national or applicable State median household income reported for a household of equal size, whichever is greater; or

''(bb) in the case of a household of 1 person, exceeds 100 percent but does not exceed 150 percent of the national or applicable State median household income reported for 1 earner, whichever is greater; and

''(II) the product of the debtor's current monthly income (reduced by the amounts determined under clause (ii) (except for the amount calculated under the other necessary expenses standard issued by the Internal Revenue Service and clauses (iii) and (iv) multiplied by 60 is less than the greater of—

''(aa) 25 percent of the debtor's nonpriority unsecured claims in the case;

''(bb) $15,000.''

Mr. GRASSLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 2762

Mr. GRASSLEY. Mr. President, I ask unanimous consent that we now move to consideration of the amendment by the Senator from New York that we call the safe harbor amendment, and I ask unanimous consent that there be 10 minutes, 5 minutes for the Senator from New York——

Mr. SCHUMER. Could we have 10 minutes on each side?

Mr. GRASSLEY. OK, 10 minutes on this side and 10 minutes to be controlled by the Senator from New York.

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

Mr. SCHUMER. Just to make sure, no second-degree amendments prior to the vote on this amendment?

Mr. GRASSLEY. We have no objection to that.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New York is recognized for 10 minutes.

Mr. SCHUMER. Mr. President, the Senator from Illinois, Mr. DURBIN, and I are offering an amendment to do some commonsense housecleaning with respect to the means test safe harbor now in the bill and, more significantly, to restore something that was unfortunately taken out of the bill by the managers' amendment: true protection for low- and moderate-income bankruptcy filers from coercive predator litigation tactics involving section 707(b) of the bankruptcy code.

First the housecleaning: The managers' amendment included a provision stating that the bill's means test could not be used to remove low- and moderate-income debtors from chapter 7. That was undoubtedly a big step forward for this bill, and I congratulate the managers for having taken that step.

Now that the means test no longer applies to low- and moderate-income bankruptcy filers, it makes no sense for these individuals to have to file means test calculations based on their income and expenses along with the other papers they must file upon declaring bankruptcy. Likewise, it makes no sense for U.S. trustees to have to do means test calculations with respect to low- and moderate-income bankruptcy filers who, I repeat, cannot be means tested out of chapter 7. This imposes unnecessary burdens on debtors and wastes taxpayer dollars by leaving these requirements in place.

Our amendment would fix the problem by deleting these requirements only in cases involving low- and moderate-income bankruptcy filers. These filers would still have to document their income and expenses. They just wouldn't have to do means test calculations anymore, which are no longer required.

Now for the more important issue, the issue of protecting low- and moderate-income bankruptcy filers from any coercive creditor litigation tactics under 707(b). Sad to say, this only became an issue 2 days or so ago. The bill formerly had a provision preventing creditors from bringing any motion under 707(b) against low- and moderate-income bankruptcy filers. That included motions under the means test, motions alleging that the debtor filed for chapter 7 in bad faith, and motions alleging that the totality of the circumstances of the debtor's financial situation demonstrated abuse. Bankruptcy trustees could bring these motions against low- and moderate-income debtors, and appropriately so, just not creditors.

According to the report language for this bill, the ban on predator motions existed to protect low-income filers; in other words, no motion, no prospect for creditor coercion. Last year's Senate bill had the same protection for low- and moderate-income filers. And even this year's House bill, which many consider more stringent than the Senate bill, had this protection. Yet at this late stage in the game, the managers' amendment deleted much of this bill's so-called safe harbor against creditor 707(b) motions. It continues to protect low- and moderate-income bankruptcy filers from motions under the means test but now, for the first time, leaves these debtors vulnerable to creditor motions alleging debtor bad faith or that the totality of the circumstances demonstrated debtor abuse.

This chart illustrates the problem. Under the House's bill, safe harbor creditors can bring means test or totality of circumstances motions only against above-median-income debtors. Under the Senate bill, as modified by the managers' amendment, motions against all debtors, even those with income below median income for a household of similar size, can be brought by creditors.

What is the big deal about leaving low- and moderate-income debtors vulnerable to creditor motions based on these grounds? The big deal is what some aggressive creditors will do with these motions. These creditors will use these motions and threats to bully poorer debtors into giving up their bankruptcy rights altogether, whether that means staying away from bankruptcy altogether, giving up their bankruptcy claims, or agreeing that certain of their debts simply won't be reduced or eliminated by virtue of bankruptcy.

This should trouble all of us. Debtors who can't afford to litigate with their creditors will just bow to creditors' demands.

Now, if I sound alarmist, I do so because the record is filled with examples of aggressive creditors using the motions and leverage they currently have under the bankruptcy code to coerce low- and moderate-income debtors into giving up their bankruptcy rights in some form.

In a review of a bankruptcy court case for the Western District of Oklahoma, the judge described that creditor's practice as follows:

> A review of the practices of [creditor's] attorneys . . . indicated that in 1996 the firm filed 45 complaints seeking exceptions to discharges on behalf of creditors having debts arising from credit card agreements; that 100 such complaints were filed in 1997. . . .
>
> The firm's pattern of conduct appears as little more than the use of this court and the bankruptcy code to coerce from these debtors reaffirmation of their unsecured credit card debt or some portion of it.

I could go on with other examples, but I will not to save the time of my colleagues.

Here's a bankruptcy judge from the Western District of Missouri describing the litigation practices of AT&T Universal Card Services: The [fraud] complaints, filed by AT&T, were filed solely to extract a settlement from debtors. Once AT&T realized that the case would not settle and that is would actually be required to offer evidence to support the allegations in the complaints, it moved to dismiss.

A woman from California described her experience.

> . . . on the day we went to the bankruptcy hearing, we were approached by a woman from [a retail creditor]. She explained to me who she was. At the time, I was due to give birth in two weeks. The woman told us we needed either to pay our bill in full or return items such as a sofa, washing machine, and vacuum. We weren't going to the hearing because we had money, and we couldn't afford to replace these items, which we needed. We explained these things and found an attorney. The woman then said we could keep the items if we signed a paper saying we would continue making payments. . . . We signed, of course.

There is absolutely nothing illegal about making certain types of threats today. There is not enough in this bill to stop most threats of this nature from being made—and succeeding—tomorrow.

If you still think I am thrusting at windmills, let me direct your attention to a real-life letter from a creditor's attorney to a debtor's attorney. The words speak for themselves.

> We have reason to believe that your client may have committed fraud in the use of the above-referenced credit relationship. . . .
>
> Be assured that our company is aware of the deadline for filing an objection to dischargeability and has calendared this date.

The problem is unequal bargaining power. It simply pays for the creditor to put a debtor in the position of having to burn through several thousand dollars in attorney's fees fighting over a $100 TV set.

I want to be clear about something. I am not arguing that low- and moderate-income debtors should be exempt from motions to remove them from chapter 7 for filing in bad faith or filing for chapter 7 abusively in light of the totality of their financial circumstances. All I am saying is that when it comes to a debtor with $20,000 in yearly income, leave it to the bankruptcy trustees to bring these motions. Leave it to the numerous other provisions of this bill that graft new antifraud language onto the bankruptcy code to remedy the problem. Just don't leave these debtors and their families vulnerable to the small, but not insignificant, number of wolves among the creditor population.

I was leafing through Congress Daily one day last month, and I ran into this advertisement run by the supporters of bankruptcy reform. The ad features Mel from Mel's Auto Repairs, expressing concern: ''wealthy customers getting a free ride in bankruptcy,'' ''wealthy filers,'' ''higher-income filers,'' ''wealthy Americans today . . . erasing their debts while continuing to live an affluent lifestyle.'' The theme of ''bankruptcy abuse by the wealthy'' pervades the whole ad.

Mel is right. Wealthy persons do abuse the bankruptcy system, and too often. And it needs to be stopped. But surely, subjecting low- and moderate-income debtors to new and potent creditor motions has nothing to do with cracking down on wealthy deadbeats. The rhetoric of this ad doesn't match the reality of this bill—particularly its provision subjecting a single debtor with $20,000 in income, a married debtor with a household income of $30,000, or a debtor with a spouse and two kids with a household income of $40,000, to the threat of coercive creditor litigation tactics involving 707(b) of the bankruptcy code.

I urge colleagues to vote in favor of this amendment and to simply restore this bill to what it used to be and to where the House bill is.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, first of all, I thank the Senator from New York for his cooperation with us on a couple of amendments he has worked out with us and has withdrawn so we could get closer to completion of work on this particular amendment.

In the case of his amendment just now offered, and my opposition to it, I want to say we have taken into consideration some of the complaints he has made—not about our bill, but complaints he would have made about some of the people writing legislation in this area, that they would go too far. But I think his amendment goes too far because it would have the effect of letting bankrupts below the national median income file for bankruptcy and do it in bad faith. That would make the small businesses and honest Americans who stand to lose out—they will be told they can't do anything about it. What we want is opportunity in our legal system, in the bankruptcy system, in the courts there, to be able to make a judgment, if there is bad faith used, to do something about it—most importantly, to discourage that sort of activity.

So I think this amendment gets us back to the point where we are now under existing law—inviting abuse of the bankruptcy code.

Under our bill, which we have been debating for the last several days on the floor of the Senate, and particularly as modified by the managers' amendment now, people below the national median income are not subject to motions by anybody under the means test. But there is another part of this bill that says the bankruptcy cases can be dismissed if the debtor filed for bankruptcy in bad faith. At this point, the creditors are allowed to file motions asking a bankruptcy judge to dismiss a case if it is filed in bad faith. That is the way our litigation system works and should continue to work.

In an effort to go the extra mile, however, I accepted an amendment, by Senator REED of Rhode Island and Senator SESSIONS, to put new safeguards in place to prevent creditors using any power they have to file bad faith motions as a tactic to force a debtor to give up his or her rights. That should not be allowed. The Reed Sessions amendment corrects that. The projections in the Reed Sessions amendment were also developed in close consultation with the White House.

Our bill further provides that if a motion to dismiss is filed and the judge dismisses it, the judge can assess penalties against a creditor who filed the motion if the motion wasn't substantially justified. So we want to make sure that creditors who would abuse some of their power in court would not—if it was not substantially justified, if their position was not substantially justified, then action should be taken against them, and that is entirely fair as well. So we have a fair system with tough penalties for creditor abuses.

Now, the amendment of Senator from New York will return to the system we have today. Under current law, creditors can't file motions when a chapter 7 case is abusive or improper. And every observer acknowledges that the current system doesn't work at all in terms of catching abuse; hence, a major part of this bill is to correct this situation.

We went to great length in our committee report on this bankruptcy bill to discuss this point in very much detail. So this amendment should be defeated because it prevents the provisions prohibiting bad faith bankruptcy from being enforced. That is like saying to deadbeats it is not OK to file for bankruptcy in bad faith, but we are not going to do anything about it if you do.

And, of course, that is exactly the wrong signal we want to send. We want to make sure that people who go into bankruptcy are people who have a legitimate reason for being there and that they aren't taking advantage of bankruptcy to somehow help themselves, and in bad faith is part of that process.

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Iowa has 5 minutes remaining, and the Senator from New York used all the time allowed.

Mr. GRASSLEY. I yield the remainder of my time.

Mr. SCHUMER. Mr. President, may I ask unanimous consent for 1 minute to respond?

Mr. GRASSLEY. Then I will reserve my time, if I may.

The PRESIDING OFFICER. The Senator from Iowa reserves his time.

Does the Senator object to the unanimous-consent request?

Mr. GRASSLEY. I do not object.

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

Mr. SCHUMER. I thank my colleague. I wish to answer.

The bill's provisions purporting to prevent and ameliorate coercive creditor litigation tactics will not be able to undo the damage done by giving creditors the right to bring 707(b) "totality of the circumstances" and "bad faith" motions against low- and moderate-income debtors.

Section 102 of the bill says a court may award a debtor costs and attorney's fees if a court rules against the creditor's 707(b) motion and that motion was not "substantially justified." This provision will not deter coercive creditor litigation tactics. It doesn't cover coercive threats to bring 707(b) motions, which are often sufficient to force a debtor to give up his or her bankruptcy rights.

Finally, this sanctions provision contains an exception which precludes any award against a creditor that holds a claim of under $1,000, no matter how wealthy the creditor is.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, the issue that the Senator from New York just brought up of threats being used is exactly what the Reed-Sessions amendment deals with. I suggest this was also very much a point that was raised by people at the White House that we have been discussing—the whole issue of bankruptcy over a long period of time.

This was also worked out because this was a major concern. They did not want this abuse. They did not want the issue of threats. We agree with them, as we had to work it out with Senators SESSIONS and REED because the bill, as they saw it, was not adequate enough in this area.

As people vote on this amendment, I hope they will consider that we have been trying to respond in a very legitimate and strong way against the use of threats.

Mr. SCHUMER. Will the Senator yield for a question?

Mr. GRASSLEY. The answer is yes.

Mr. SCHUMER. I thank the Senator for his careful deliberation and his yielding.

It is my understanding that section 203 of the bill deemed it a violation of the automatic stay for a creditor to engage in any communication other than a recitation of the creditor's rights, and this would deal with threat. This provision would be stricken from the bill by the Reed-Sessions amendment. So the Reed-Sessions amendment didn't deal with the problem, but it actually took out the basic protection that a low-income debtor would have against threat.

Is that not correct?

Mr. GRASSLEY. If you threaten somebody during reaffirmation, the Sessions-Reed amendment is set aside.

I yield the remainder of my time.

I ask unanimous consent that the Senator from Louisiana be granted 5 minutes to speak as if in morning business.

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

Ms. LANDRIEU. I thank the Senator.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

INTERIOR BILL NEGOTIATIONS

Ms. LANDRIEU. Thank you, Mr. President.

I know the underlying amendment we have just debated is quite important, and the bankruptcy bill we are debating is one of the things we have to reconcile in order to wrap up our business and do the work for the American people. But I come to the floor just for a few moments this afternoon to speak on another subject because I would like to do my part to help us bring this session to a positive close.

I was one of the Senators who placed a hold on some of the business before the Senate. I felt compelled to do so because of some actions the administration was taking in the negotiations process on the Interior bill. I believe I had to try to stop, or reverse, or change it. With other things that have taken place, I believe we have been somewhat successful. I want to speak about that for a moment.

As you are aware, Mr. President, about 2 years ago a great coalition of people came together from different perspectives in this country—different parties, different areas of this Nation—to begin to speak about the great need in America and the great desire on the part of the American people, from Louisiana, California, New York, and all places in between, to try to find a permanent way to fund very important environmental projects—the purchase of land, the expansion of parks, the creation of green space, the preservation of green space, the restoration of wetlands, the commitment to historic preservation, the expansion of our urban parks, the ability of all families, not just families who can afford to fly in jets or take long automobile vacations, but for families who live in the U.S., to be able to enjoy the beauty of nature; for us as a Nation as we move into this next century to take this opportunity to try to find a permanent way to fund some of these programs so they won't be subject to the whims and wishes of Washington, something that is fiscally conservative in terms of our balanced budget.

We tried to look for funding that would be appropriate to dedicate in this way. We found a source of funding. That is where the funding is—offshore oil and gas revenues that were the subject of an earlier debate today. As the prices go up, it helps some parts of our Nation; it is a challenge for other parts. But it brings more tax revenues into the Federal coffers.

For 50 years, we have been drilling off the shores of Louisiana, Texas, Mississippi, and the gulf coast. We have brought over $120 billion to the Federal Treasury by depleting one important resource for our Nation. That money has gone to the general fund. It has been spent on a variety of projects—not reinvested but just spent in operating budgets.

Many of us think a more fiscally conservative approach, and a more sound and responsible approach, would be to take a portion of those revenues produced by basically the gulf coast States and reinvest a portion, if you will, or share a portion of those revenues, with States and counties and parishes, as in Louisiana and communities around the Nation, to help in all the ways I have just expressed in all of our land acquisition, land improvements, expansion of our parks, and wildlife conservation programs.

Two years ago, a great coalition came together. On one side, we had the National Chamber of Commerce; on the other side, we had a variety of environmental groups; we had elected officials, both at the Federal level and State level. As I said, it was a bipartisan coalition that came together to back a bill, which was introduced on the House side and in the Senate, known as CARA, the Conservation and Reinvestment Act, to do just that.

This bill has picked up tremendous support in the last 2 years. It is pending before our Senate Energy Committee with Senator MURKOWSKI and me as the lead sponsors, with many Members of this body. The great news is that just last week in the House, under the great leadership of DON