

Some of them will even receive the money and pay the current debts regularly. They call up the banks and credit card companies and other people and ask for modifications of the payment schedule, a reduction in interest rates, and that sort of thing. They are very successful. They help families get mental health counseling if that is needed. They help families get treatment for gambling problems or drinking problems or drug problems. They help families—not like these mills, these bankruptcy mills, where people respond to an ad, a lawyer says they need so much money, and they say: I don't have this much money. The lawyer says to them—I am not exaggerating here—Use your credit card. Put all your bills on the credit card. Bring me your paycheck and pay me my fee. Don't pay anything else. Then we will file bankruptcy, and we will wipe out all those debts. So they get that.

They have a little clerk or a secretary or a paralegal who fills out the bankruptcy form. He doesn't see him again until they come to court. He shows up. They present their petition, and eventually the debts are wiped out. And they don't know the names hardly of the people with whom they are dealing. They have no concern or empathy to really deal with the problems in that family. And we also know, from statistics, that the largest cause of marital breakup in America is financial problems. We need to do better about that.

So I offered an amendment that has been accepted, and everybody seems to be pleased with it—except some of the lawyers—and that is to say that every person, before filing bankruptcy ought to talk with a credit counseling agency to see if what they offer might be better than going through bankruptcy—no obligation, just talk to them.

I think a lot of people are going to find that they have other choices than just going to bankruptcy court. Some people need bankruptcy. We are not trying to stop bankruptcy. Some people need it to start over again—but not everybody. A lot of people can work their way through it with the help of a good credit counseling agency. I think this is a tremendous step forward. I am very excited about it, and I believe it will offer a lot of help to people struggling with their budgets today.

Now we have had a most curious development. We have had Senators for the last 2 years come down on this floor and go forward with the most vigorous attacks on credit card companies. Do you know what it is they say

they do wrong? They say they write people letters and offer them credit cards. They say this is some sort of an abuse, some sort of preying on the poor, to offer people credit cards.

I am telling you, we have laws that this Congress has passed—banking laws and other rules—that say you can't deny credit to poor people unless you have a serious, objective reason to do so. Why in the world would we want to pass a law that would keep MasterCard, Visa, or American Express from writing somebody and saying: If you take my credit card, your interest rate will be such and such, and you can have 6 months at 3 percent interest—or whatever they offer—and if you want to change from the one you have, we have a better deal?

What is wrong with that? We often have competition. Interest rates, in my opinion, for credit cards are too high. I am too frugal to have much money run up on my credit card if I can avoid it. I don't like paying 18 or 20 percent interest. What is wrong with offering people an opportunity to choose a different credit card? If these companies were refusing poor people and would not send them notices of the opportunities to sign up, I suppose we would be beating them up and saying they are unfair to poor people or they are redlining them and cutting them off. I wanted to say that. To me, that is sort of bizarre.

Second, this is a bankruptcy court reform bill. We are here to deal with the process of what happens when a person files for bankruptcy. We are not here to reform banking laws and credit card laws that are within the jurisdiction of the Banking Committee. That committee considers that. It is really not a bankruptcy court problem, fundamentally.

But what have we done in order to get support for this bill and answer questions? We made a number of consumer-friendly amendments in this bill to satisfy those who have complained. Of course, as soon as you give them something, they are not happy, and they say you are defending the evil credit card companies; that is all you are doing, they say.

I am trying to create a rational way for people who can't pay their debts to go to court and wipe out their debts, but not rip off people whom they can pay because they have the money to pay. So we have a minimal credit warning, a toll-free number so debtors can find out information about their records. That will be required of credit card companies.

There are a lot of good things here that are not in current law. So to not pass this bill will eliminate the steps we have made to put more limits and controls on credit card companies. Without a doubt, that is true. They might like to have a whole rewrite of credit card law in the bankruptcy bill, but that would be inappropriate. I think we have made steps in the right direction and we should continue in that direction.

As Senator GRASSLEY noted, there are terrific benefits for farmers under chapter 12. Chapter 12 provisions give additional benefits to farmers who file bankruptcy, and it expires this year. By not passing this bill, we are going to throw away the added protections that farmers have. How is that helping poor people and consumers? How does it help those who are having trouble with credit cards to vote down a bill that provides more demands on credit cards?

These are just a few ways, Mr. President, that this legislation improves current bankruptcy law. If time permitted, there are many more improvements that I would like to share with the members of this body.

In conclusion, I would just like to say that this bill includes many protections for women and children. It provides a long-overdue homestead fix, credit counseling, help for the family farmer and many other worthy provisions. A vote for this bill is a vote for much-needed change in the bankruptcy law in this country. As such, I strongly urge my colleagues to vote in favor of this bill.

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RECESS UNTIL 9:30 A.M.  
TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9:30 a.m.

There being no objection, the Senate, at 6:37 p.m., recessed until Wednesday, November 1, 2000, at 9:30 a.m.

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#### NOMINATIONS

Executive nominations received by the Senate October 31, 2000:

##### INTER-AMERICAN FOUNDATION

GEORGE MUNOZ, OF ILLINOIS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE INTER-AMERICAN FOUNDATION FOR A TERM EXPIRING SEPTEMBER 20, 2004, VICE MARK L. SCHNEIDER, TERM EXPIRED.

##### NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

C. E. ABRAMSON, OF MONTANA, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 2005. (REAPPOINTMENT)