

were a pre-literate society. They had no written language in use when the United States recruited them during the Vietnam War. The best symbol of why H.R. 371 is necessary is the Hmong "story cloth," the Pandau cloth, that is their embroidered cloth record of important historical events and oral traditions.

I approve of the Senate language which simply states that the Attorney General "may consider any documentation provided by organizations maintaining records with respect to Hmong veterans or their families." I am also gratified that it was made clear in the other body that the dropping of the Lao Veterans of America does not reflect adversely on that organization.

I join Chairman SMITH in commending Lao Veterans of America for its tireless efforts for the Hmong. I too also commend our colleague, the gentleman from Minnesota, Mr. VENTO, for his sponsorship of this legislation and urge my colleagues to pass it.

The Hmong were critical to the American war strategy in S.E. Asia—especially the U.S. air strategy. Mr. Speaker this legislation provides for the expedited naturalization of Hmong veterans of the U.S. Secret Army currently residing in the United States (as legal aliens) who served with U.S. clandestine and special forces during the Vietnam War by allowing them to take the citizenship test with a translator since the Hmong are a tribal people with no written language, thus relying solely on the "story cloths". The bill is capped at 45,000, in terms of the total of number of Hmong veterans, their widows and orphans who currently reside in the United States who would fall under the legislation. This cap is supported by the Hmong veterans in the United States and is considered to be a generous cap. I support this legislation to provide relief to the Hmong heroes.

Mr. CONYERS. Mr. Speaker, The Hmong Veterans' Naturalization Act of 1999, was introduced by Representative VENTO. It provides long overdue assistance for the naturalization requirements of U.S. citizenship to a valiant group of people who fought for our country many years ago. Between 130,000 and 150,000 Laotian Hmong have entered the United States as refugees since 1975. Many have found it difficult to naturalize because of cultural obstacles to learning how to read English. This is due in part to the fact that the culture of the Hmong did not include a written form of their language until recent decades.

H.R. 371 would exempt the Hmong naturalization applicants from the English language requirements if they have served with special guerrilla units or irregular forces operating from bases in Laos in support of the United States during the Vietnam War (or were spouses or widows of such persons on the day on which such persons applied for admission as refugees).

This legislation passed the House by voice vote on May 2 and I have no problem with the Senate amendments concerning the certification requirement which were technical in nature.

Mr. VENTO. Mr. Speaker, I rise in support of the Senate amended H.R. 371, The Hmong Veterans Naturalization Act.

I would like to thank the distinguished gentleman from Texas, Representative, LAMAR

SMITH for his leadership throughout this process and his support on the House floor today. In addition, I would like to acknowledge the efforts of Senator PATRICK LEAHY, Senator RUSS FEINGOLD, Senator PAUL WELLSTON, and Senator HERB KOHL. Their support and determination in working out the final language of the bill helped secure passage of H.R. 371 last week in the Senate. Moreover, I would like to mention the support of the Lao Veterans of America, the largest Lao-Hmong organization in the nation, which has been actively working on this legislation for over 10 years.

Today, we finally honor the Lao-Hmong patriots for their sacrifice and service to the United States during the Vietnam War. It has been twenty-five years since the fall of Saigon and the last American troops pulled out of Southeast Asia. Events that have been relived these past months, harsh memories of Vietnam that are unpleasant to all Americans. While the Vietnam War is over for America, the plight of our friends and allies within this region and Laos must be remembered.

Lao-Hmong soldier, as young as ten years old, were recruited, fought and died along side 58,000 U.S. soldiers, sailors, and airmen in Vietnam. As a result of their bravery and loyalty to the U.S., the Lao-Hmong were tragically over run by the Communist forces and lost their homeland and status in Laos after the Vietnam War. Between 10,000 and 20,000 Lao-Hmong were killed in combat-related incidents and over 100,000 had to flee to refugee camps and other nations to survive.

In the Minnesota area today, approximately 60,000 Lao-Hmong know the Minnesota region as their new home. Many of the older Lao-Hmong patriots who made it to the U.S. are separated from their family members and have had a difficult time adjusting to many aspects of life and culture in the U.S., including passing aspects of the required citizenship test. Learning to read in English has been the greatest obstacle for the Lao-Hmong because written characters in the Hmong language have only been introduced in recent years. In addition, their long participation and service to U.S. forces in the Southeast Asian military conflict significantly disrupted any chance Lao-Hmong patriots may have had to learn a written language.

The Hmong Veterans Naturalization Act would help the process of family reunification and finally ease the adjustment of the Lao-Hmong into our U.S. society. Specifically H.R. 371 would waive the English language requirement for Lao-Hmong who served in special Guerrilla Units in Laos during the Vietnam War. This legislation would effect individuals who today reside legally in the United States. It would not open new immigration channels nor would the bill give the Lao-Hmong veteran's status to make them eligible for veteran benefits. Moreover, the bill establishes strict criteria for approval and sets a cap of 45,000 to who may benefit from this legislation.

This is an historic opportunity to recognize and in some small way honor the loyalty and address a key problem of the older Lao-Hmong family members who are continuing to have a difficult time adjusting to life here in the USA. Fortunately, there is something positive we can do to help the process of family reunification and finally ease the adjustment of

Hmong into U.S. society. It is time to move forward with action and grant citizenship to the Lao-Hmong patriots—who have after all passed a more important test than a language test. They risked their lives for American values and to save U.S. service personnel.

The Lao-Hmong people stood honorably by the United States at a critical time in our Nation's history. Today, we should stand with the Lao-Hmong in their struggle to become U.S. citizens and to live a good life in the United States. The Lao-Hmong already passed the hardest test of their lives in service to the United States. Now, their dedication and service deserves proper recognition.

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 371.

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

There was no objection.

PRIVATE MORTGAGE INSURANCE TECHNICAL CORRECTIONS AND CLARIFICATION ACT

Mrs. ROUKEMA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3637) to amend the Homeowners Protection Act of 1998 to make certain technical corrections.

The Clerk read as follows:

H.R. 3637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Private Mortgage Insurance Technical Corrections and Clarification Act".

SEC. 2. CHANGES IN AMORTIZATION SCHEDULE.

(a) TREATMENT OF ADJUSTABLE RATE MORTGAGES.—The Homeowners Protection Act of 1998 (12 U.S.C. 4901 et seq.) is amended—

(1) in section 2—

(A) in paragraph (2)(B)(i), by striking "amortization schedules" and inserting "the amortization schedule then in effect";

(B) in paragraph (16)(B), by striking "amortization schedules" and inserting "the amortization schedule then in effect";

(C) by redesignating paragraphs (6) through (16) (as amended by the preceding provisions of this paragraph) as paragraphs (8) through (18), respectively; and

(D) by inserting after paragraph (5) the following new paragraph:

"(6) AMORTIZATION SCHEDULE THEN IN EFFECT.—The term 'amortization schedule then in effect' means, with respect to an adjustable rate mortgage, a schedule established at the time at which the residential mortgage transaction is consummated or, if such schedule has been changed or recalculated, is the most recent schedule under the terms of the note or mortgage, which shows—

“(A) the amount of principal and interest that is due at regular intervals to retire the principal balance and accrued interest over the remaining amortization period of the loan; and

“(B) the unpaid balance of the loan after each such scheduled payment is made.”; and
(2) in section 3(f)(1)(B)(ii), by striking “amortization schedules” and inserting “the amortization schedule then in effect”.

(b) **TREATMENT OF BALLOON MORTGAGES.**—Paragraph (1) of section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(1)) is amended by adding at the end the following new sentence: “A residential mortgage that (A) does not fully amortize over the term of the obligation, and (B) contains a conditional right to refinance or modify the unamortized principal at the maturity date of the term, shall be considered to be an adjustable rate mortgage for purposes of this Act.”.

(c) **TREATMENT OF LOAN MODIFICATIONS.**—

(1) **IN GENERAL.**—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(A) by redesignating subsections (d) through (f) as subsections (e) through (g), respectively; and

(B) by inserting after subsection (c) the following new subsection:

“(d) **TREATMENT OF LOAN MODIFICATIONS.**—If a mortgagor and mortgagee (or holder of the mortgage) agree to a modification of the terms or conditions of a loan pursuant to a residential mortgage transaction, the cancellation date, termination date, or final termination shall be recalculated to reflect the modified terms and conditions of such loan.”.

(2) **CONFORMING AMENDMENTS.**—Section 4(a) of the Homeowners Protection Act of 1998 (12 U.S.C. 4903(a)) is amended—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking “section 3(f)(1)” and inserting “section 3(g)(1)”;

(ii) in subparagraph (A)(ii)(IV), by striking “section 3(f)” and inserting “section 3(g)”;

(iii) in subparagraph (B)(iii), by striking “section 3(f)” and inserting “section 3(g)”;

(B) in paragraph (2), by striking “section 3(f)(1)” and inserting “section 3(g)(1)”.

SEC. 3. DELETION OF AMBIGUOUS REFERENCES TO RESIDENTIAL MORTGAGES.

(a) **TERMINATION OF PRIVATE MORTGAGE INSURANCE.**—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(1) in subsection (c), by inserting “on residential mortgage transactions” after “imposed”; and

(2) in subsection (g) (as so redesignated by section 2(c)(1)(A) of this Act)—

(A) in paragraph (1), in the matter preceding subparagraph (A), by striking “mortgage or”;

(B) in paragraph (2), by striking “mortgage or”;

(C) in paragraph (3), by striking “mortgage or” and inserting “residential mortgage or residential”.

(b) **DISCLOSURE REQUIREMENTS.**—Section 4 of the Homeowners Protection Act of 1998 (12 U.S.C. 4903(a)) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “mortgage or” the first place it appears; and

(ii) by striking “mortgage or” the second place it appears and inserting “residential”; and

(B) in paragraph (2), by striking “mortgage or” and inserting “residential”;

(2) in subsection (c), by striking “paragraphs (1)(B) and (3) of subsection (a)” and inserting “subsection (a)(3)”; and

(3) in subsection (d), by inserting before the period at the end the following: “, which disclosures shall relate to the mortgagor’s rights under this Act”.

(c) **DISCLOSURE REQUIREMENTS FOR LENDER-PAID MORTGAGE INSURANCE.**—Section 6 of the Homeowners Protection Act of 1998 (12 U.S.C. 4905) is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking “a residential mortgage or”; and

(B) in paragraph (2), by inserting “transaction” after “residential mortgage”; and

(2) in subsection (d), by inserting “transaction” after “residential mortgage”.

SEC. 4. CANCELLATION RIGHTS AFTER CANCELLATION DATE.

Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting after “cancellation date” the following: “or any later date that the mortgagor fulfills all of the requirements under paragraphs (1) through (4)”;

(B) in paragraph (2), by striking “and” at the end;

(C) by redesignating paragraph (3) as paragraph (4); and

(D) by inserting after paragraph (2) the following new paragraph:

“(3) is current on the payments required by the terms of the residential mortgage transaction; and”; and

(2) in subsection (e)(1)(B) (as so redesignated by section 2(c)(1)(A) of this Act), by striking “subsection ‘(a)(3)’ and inserting “subsection (a)(4)”.

SEC. 5. CLARIFICATION OF CANCELLATION AND TERMINATION ISSUES AND LENDER-PAID MORTGAGE INSURANCE DISCLOSURE REQUIREMENTS.

(a) **GOOD PAYMENT HISTORY.**—Section 2(4) of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(4)) is amended—

(1) in subparagraph (A)—

(A) by inserting “the later of (i)” before “the date”; and

(ii) by inserting “, or (ii) the date that the mortgagor submits a request for cancellation under section 3(a)(1)” before the semicolon; and

(B) in subparagraph (B)—

(i) by inserting “the later of (i)” before “the date”; and

(ii) by inserting “, or (ii) the date that the mortgagor submits a request for cancellation under section 3(a)(1)” before the period at the end.

(b) **AUTOMATIC TERMINATION.**—Paragraph (2) of section 3(b) of the Homeowners Protection Act of 1998 (12 U.S.C. 4902(b)(2)) is amended to read as follows:

“(2) if the mortgagor is not current on the termination date, on the first day of the first month beginning after the date that the mortgagor becomes current on the payments required by the terms of the residential mortgage transaction.”

(c) **PREMIUM PAYMENTS.**—Section 3 of the Homeowners Protection Act of 1998 (12 U.S.C. 4902) is amended by adding at the end the following new subsection:

“(h) **ACCRUED OBLIGATION FOR PREMIUM PAYMENTS.**—The cancellation or termination under this section of the private mortgage insurance of a mortgagor shall not affect the rights of any mortgagee, servicer, or mortgage insurer to enforce any obligation of

such mortgagor for premium payments accrued prior to the date on which such cancellation or termination occurred.”.

SEC. 6. DEFINITIONS.

(a) **REFINANCED.**—Section 6(c)(1)(B)(ii) of the Homeowners Protection Act of 1998 (12 U.S.C. 4905(c)(1)(B)(ii)) is amended by inserting after “refinanced” the following: “(under the meaning given such term in the regulations issued by the Board of Governors of the Federal Reserve System to carry out the Truth in Lending Act (15 U.S.C. 1601 et seq.))”.

(b) **MIDPOINT OF THE AMORTIZATION PERIOD.**—Section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901) is amended by inserting after paragraph (6) (as added by section 2(a)(1)(D) of this Act) the following new paragraph:

“(7) **MIDPOINT OF THE AMORTIZATION PERIOD.**—The term “midpoint of the amortization period” means, with respect to a residential mortgage transaction, the point in time that is halfway through the period that begins upon the first day of the amortization period established at the time a residential mortgage transaction is consummated and ends upon the completion of the entire period over which the mortgage is scheduled to be amortized.”.

(c) **ORIGINAL VALUE.**—Section 2(12) of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(10)) (as so redesignated by section 2(a)(1)(C) of this Act) is amended—

(1) by inserting “transaction” after “a residential mortgage”; and

(2) by adding at the end the following new sentence: “In the case of a residential mortgage transaction for refinancing the principal residence of the mortgagor, such term means only the appraised value relied upon by the mortgagee to approve the refinance transaction.”.

(d) **PRINCIPAL RESIDENCE.**—Section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901) is amended—

(1) in paragraph (14) (as so redesignated by section 2(a)(1)(C) of this Act) by striking “primary” and inserting “principal”; and

(2) in paragraph (15) (as so redesignated by section 2(a)(1)(C) of this Act) by striking “primary” and inserting “principal”;

The **SPEAKER pro tempore.** Pursuant to the rule, the gentlewoman from New Jersey (Mrs. **ROUKEMA**) and the gentleman from New York (Mr. **LA-FALCE**) each will control 20 minutes.

The Chair recognizes the gentlewoman from New Jersey (Mrs. **ROUKEMA**).

GENERAL LEAVE

Mrs. **ROUKEMA.** Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3637.

The **SPEAKER pro tempore.** Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. **ROUKEMA.** Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 3637, the Private Mortgage Insurance Technical Corrections and Clarification Act.

This Act is a very important bill because it will eliminate the confusion that has resulted from implementation of the Homeowners Protection Act of 1998.

In this bill, we will clarify the cancellation and termination issues to ensure that homeowners will be able to cancel private mortgage insurance as Congress intended in the original bill of 1998.

I want to thank the gentleman from Ohio (Mr. LEACH), chairman of the Committee on Banking, who is a cosponsor of this bill, and certainly the ranking member, the gentleman from New York (Mr. LAFALCE), for their contributions and their support as cosponsors.

I also wish to thank the gentleman from Minnesota (Mr. VENTO), the ranking member of the Subcommittee on Financial Institutions, who is a cosponsor of this bill and with whom I have worked closely on this and many other issues.

Mr. Speaker, I also want to especially thank the gentleman from Utah (Mr. HANSEN) for his support as an original cosponsor of this bill and for his strong leadership in this area.

The bipartisan support of this bill, along with the support of both industry as well as consumer groups, reflects the importance and the need for the corrections and clarifications of H.R. 3637.

Mr. Speaker, the Homeowners Protection Act of 1998 included important provisions regarding consumers' ability to cancel PMI. Most of the reforms incorporated in that law have worked very well. However, the law has created some uncertainty relating to the cancellation and termination of PMI for adjustable mortgage rates, or ARMs as they are known, balloon mortgages, and loans whose terms or rates are modified over the life of the loan.

To address these ambiguities and the problems that have arisen, I, along with the distinguished group of cosponsors that I have just mentioned, introduced this bill on February 10 of this year. It ensures that the terms of the cancellation of PMI on these types of variable rate mortgage products will be unambiguous.

The bill describes in greater detail the original intent of the 1998 law that the amortization schedule upon which the cancellation and termination dates are determined should be prepared in accordance with the actual note.

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The effect is to conform the requirements of cancellation and termination to the uniform methodology used in the industry to calculate ARM amortization schedules.

The bill also ensures that "defined terms" such as "adjustable rate mortgage" and "balloon mortgages" are used consistently and appropriately. The bill also defines several terms, such as "refinanced," "midpoint of the amortization period," and "original value." These and other terms are used in the law but were not defined and,

therefore, could be subject to different interpretations. I also want to note that the bill solves some of the operational difficulties that have surfaced since the 1998 law related to measuring a borrower's payment history and determining his right to cancel. Additionally, the bill clarifies the rights of lenders to enforce collection of PMI premiums that were owed by the borrower prior to the time that the mortgage insurance was canceled.

In summary, H.R. 3637 specifically addresses the problems that have occurred since implementation of the Homeowners Protection Act to make sure that no one continues to pay for PMI because of ambiguities in the current law.

I would also like to note that the provisions of the bill were included in title IX of H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000. We passed that bill in April of this year with a resounding vote, 417-8; but at this point in time, there seems to be no Senate action contemplated. I do want to recognize the leadership that the gentleman from New York (Mr. LAZIO) gave as chairman of the Subcommittee on Housing at that time and for his continuing support for PMI issues in particular.

Mr. Speaker, we all remain strong in our support of not only H.R. 1776 and want to see that enacted, but in the meantime we must deal with the issues in this suspension.

Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, I rise as a primary cosponsor in support of H.R. 3637, the Private Mortgage Insurance Technical Corrections and Clarification Act. I specifically commend the gentlewoman from New Jersey for her excellent leadership and work on this technical corrections bill.

Two years ago, we enacted, on a bipartisan basis, the Homeowners Protection Act of 1998. That legislation set out reasonable provisions giving homeowners who utilize private mortgage insurance, frequently called PMI, the right to cancel their PMI insurance and stop paying monthly PMI premiums once they have paid their mortgage loan down to levels where private mortgage insurance is no longer needed. The concept is relatively simple. PMI is only required on loans where the loan-to-value, or LTV, exceeds 80 percent. Therefore, once a borrower pays down a mortgage loan to the point where the LTV is less than 80 percent, there is no need for the borrower to continue to pay for PMI. The bill from last Congress sets out terms and conditions under which borrowers have the legal right to cancel PMI. As a result, the borrower now has the right to cancel PMI and stop making payments once the loan balance has

fallen below certain LTV ratios, generally either 80 percent or 78 percent. This will save consumers in this position hundreds or even thousands of dollars.

However, as is often the case with efforts to conference different House and Senate versions of the same bill very late in a session, the final bill could have been drafted better from a technical point of view. The PMI bill that was signed into law did include some ambiguities, some inconsistencies, some omissions. The bill we are considering today cleans up these technical problems. At the same time, I want to make it very clear that is all we are doing. We are not changing policy or adding new provisions but only conforming language to preserve or, in most instances really, clarify the bill's original intent. I believe it is important to pass this legislation this year for the benefit of consumers, for the millions of Americans who will take out loans in the next few years. Without such action, there are ambiguities which could be invoked unfairly to the detriment of borrowers.

For example, section 3 of the PMI act gives consumers the right to cancel PMI insurance and stop making payments once their loan falls below 80 percent of value. However, as drafted, the act technically permits cancellation only on the date that 80 percent threshold is first reached but not later. Thus, unless the borrower submits a request for cancellation on or before that date and meets certain other requirements on that date, the borrower could technically lose that cancellation right forever. We cure that potential difficulty, because that clearly was not the intent of the bill. Therefore, the bill before us today explicitly confers cancellation rights on the date when the loan first reaches 80 percent LTV or any later date that the borrower meets the conditions required for cancellation.

The bill also includes language to allow borrowers without a good payment history on the cancellation date itself to cancel at a later date once they obtain a good payment history. This is what we intended, but technically the act was not clear on that. Our bill today also clarifies other ambiguities that could subvert the intent of the original act to the detriment of consumers. For example, the act requires PMI termination once a mortgage reaches a "midpoint," an undefined term. The act's clear intent is the halfway point between the first date of the loan and the last day of the period over which the loan is scheduled to be amortized. However, with adjustable rate or balloon loans, without this definition the midpoint could unfairly continue to be moved back simply by a resetting of the amortization schedules. And so this bill clarifies that for loans for the purpose of refinancing when establishing LTV ratios, the value will be

determined at the time of the refinancing, not at the original time of home purchase. This avoids unfairly penalizing the borrower when the home has risen in value.

Finally, the legislation before us today includes a number of provisions that address ambiguities and correct other problems. Most notably, our bill clarifies that in the case of adjustable rate mortgages, balloon mortgages, or loan modifications, LTV calculations are made based on the most recent amortization schedule, not based on an outdated schedule. This was the original intent of the legislation. And while the original act did not provide that clarity, today's bill provides that clarity.

Finally, the bill before us today corrects drafting relating to terms like "refinanced," "primary residence," "residential mortgages," et cetera. The bill clarifies common sense interpretations of the act, for example, that cancellation or termination does not eliminate the borrower's obligation to make PMI payments legally incurred prior to the date at which the borrower is entitled to cancel PMI.

In short, this is a good, common sense bill, and I would urge its adoption.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Minnesota (Mr. VENTO), ranking member of the Subcommittee on Financial Institutions and Consumer Credit, who really did the bulk of the work on this issue.

Mr. VENTO. I thank the gentleman for yielding me this time.

Mr. Speaker, I concur in the ranking member's remarks and the subcommittee chairman's remarks concerning this bill. In return, I want to just thank her for her leadership on this issue. It is a very important matter.

Frankly, private mortgages insurance is a major basis to provide for lower interest rates and affordable housing for many, many homeowners that otherwise would not be able to acquire the loan they need to purchase a home. And so keeping this particular product in place is enormously important. But also we need to be vigilant to make certain that the individual homeowner that has such a loan with private mortgage insurance is in fact being treated fairly in terms of this insurance and given the right to cancellation and to exercise the option to drop such insurance once the loan-to-value ratio of down payment and equity has been exceeded. That is exactly what the basic law did that was enacted. In fact, it was brought to our attention by, as has been pointed out, the gentleman from Utah (Mr. HANSEN), who has had an active interest in this as a consumer and as a Representative from Utah. What we have before us today, of course, is the technical corrections.

I know that the Members of Congress would be surprised to learn that we do not write perfect laws, that from time to time we have to go back and make some modifications to clarify intent and to eliminate ambiguity. That is really what has happened in this case with Congress, coming back to this law which we passed a couple of years ago to try and clear up some of the misunderstandings. This is really Congress at its best or this House at its best, trying to deal with those ambiguities or dealing with some of the issues. This has been done in such a way as to provide for a common sense policy path that will in fact ensure that the rights to exercise and cancel this insurance, and I might comment to my colleagues that these payments could be anywhere from \$50 to \$100 difference a month in terms of what the homeowner actually pays in terms of mortgage insurance. This is no small matter for those that might be canceling such insurance to have the benefit of making this savings. This permits them to repair their credit, it permits them at midpoint to avoid this type of insurance when it is not necessary, and we all know that translates into homeownership; it translates into more Americans being able to take advantage of the American dream of homeownership.

Really, I think that our committee has prided itself in terms of obtaining and being part of the goal that had been enunciated by this administration and for others for many years and, that is, obtaining one of the highest rates of homeownership in our history. Today, of course, we are in the high-60 range in terms of homeownership. Some States because of lower costs are doing much better, such as my State of Minnesota. Others are challenged because of the high cost of housing and homeownership in those States. But, nevertheless, this bill will help maintain and provide the stability, provide the predictability, and provide the cheaper mortgage insurance and these important tools which are making it possible to obtain the dream of homeownership in this country.

I commend this bill to my colleagues.

Mr. Speaker, I rise in support of H.R. 3637, the PMI Technical Corrections and Clarification Act. As one of the architects of the recent law that affords people the right to stop paying for costly private mortgage insurance when they no longer need it, I am pleased that we are finally moving this technical corrections bill that will benefit consumers and the industry.

I joined my colleagues in cosponsoring this needed Private Mortgage Insurance Technical Corrections and Clarification Act so that we can clarify some meanings and make corrections to terms, rights for consumers and responsibilities for mortgage lenders under the Homeowners' Protection Act of 1998. We worked together then, as we did today, with interested consumer and mortgage industry groups to come up with a bill that worked to the benefit of all parties.

Unfortunately, when we passed the Homeowner's Protection Act, we were unable to prevail on one issue, and that was to actually have a regulator to work out some of the details of the statute and the underlying policy. That has left us with the need to clarify some smaller points in the statute, as is being proposed in this bill before the House of Representatives today. This point is highlighted by provisions such as those in Section 6, where we are coming back to define what the term "refinanced" means. That clearly is a definition that the Federal Reserve Board or the Department of Housing and Urban Development could have handled without further Congressional action. There are more meaningful and key clarifications contained in H.R. 3637.

For example, the bill, H.R. 3637, will clarify that PMI cancellation rights exist not only on the cancellation date, but on any later date as well, so long as the borrower meets all the other cancellation requirements (including being current on loan payments). This was clearly our intent and is a needed fix resolved in this measure. H.R. 3637 also will make clear that a good payment history should be calculated on the later of the cancellation date or the date the borrower requests cancellation. In this way, the borrower cannot be frozen in a category of not having a good payment history at the first cancellation date, and therefore never eligible for cancellation—even if he or she had repaired and improved their payment history.

The bill eases lenders' burdens by assuring a timely, yet sensible termination time of the first day of the following month after a borrower become current. This change eliminates the need for a lender to check and cancel PMI every day of the month following a consumer's potential eligibility. It also clarifies that cancellation/termination rights are based on most recent amortization schedule for Adjustable Rate Mortgages and other products where the amortization schedule may change over the course of a loan's life.

Two other important technical corrections include assuring that the goal post cannot continually be shifted by changing a currently undefined "midpoint." H.R. 3637 will clarify that the midpoint is the halfway point between the first date of the loan and the last day of the period over which the loan is scheduled to be amortized. Finally, our bill also makes clear that the appraised value at the time of the refinancing, and not the value at original purchase, should be used to determine the loan to value ratio and cancellation/termination rights.

Mr. Speaker, I want to express my thanks to my Democratic and Republican colleagues who have all worked together to bring this technical corrections bill before the House today and I urge other Members to support this necessary legislation.

Mrs. ROUKEMA. Mr. Speaker, I yield myself such time as I may consume.

We have worked closely with the gentleman from New York (Mr. LAFALCE) and the gentleman from Minnesota (Mr. VENTO) on a fine bipartisan basis. I deeply appreciate their contribution and their work. But I also want to acknowledge again with more specificity the leadership of the gentleman from

Utah (Mr. HANSEN), who was the first to identify and act upon the issue. I think it is very important that he brought it to the forefront and to our attention and the need for the changes here.

Fundamentally, I do want to underscore, in conclusion, that not only do we have bipartisan support here; but we have real action about real money on a monthly basis for Americans to recognize and take part in the American dream, which has always been fundamental to our American democracy, namely, homeownership, a home of their own. I am pleased to have accepted the strong support on a bipartisan basis.

Mr. BENTSEN. Mr. Speaker, as a member of the House Banking Committee, I rise in strong support of H.R. 3637, legislation that will make technical corrections and clarifications to the Homeowners Protection Act. This law ensures that homeowners have the right to cancel their Private Mortgage Insurance (PMI) on their home mortgages once the homeowner attains a certain level of equity in the home (usually 22%, but in some cases 20%). Provisions included in this legislation were also included in H.R. 1776 which was approved by the House, with my support, on April 3.

This legislation clarifies that PMI cancellation rights for adjustable rate mortgages (ARMs) are based on the amortization schedule that is currently in affect. This will ensure that consumers get full benefit of any adjustments that have been made based upon recent calculations. In addition, this legislation ensures that balloon mortgages are also treated as ARMs so that consumers will receive the full benefit of any interest changes that are favorable to them.

This bill ensures that consumers with a "good payment history" have the right to cancel their PMI. In the past, there has been some confusion about what this term means. This legislation would make technical corrections so there is less ambiguity about this term. This measure includes a proviso that clarifies that these PMI cancellation rights only apply to mortgages originated after the 1998 law's enactment date. Finally, this bill ensures that consumers can cancel their PMI after the cancellation date as long as they have paid all of their PMI charges. The original law did not provide their consumer protection provision. As a result, consumers had only one opportunity to cancel their PMI.

I strongly urge my colleague to support this corrective legislation that will protect consumers and improve the Homeowners Protection Act.

□ 1400

Mr. LAFALCE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. ROUKEMA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KUYKENDALL). The question is on the motion offered by the gentlewoman from New Jersey (Mrs. ROUKEMA) that

the House suspend the rules and pass the bill, H.R. 3637.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has concluded for the time being on motions to suspend the rules. Pursuant to clause 8, rule XX, the Chair will now put the question on each of the first three motions on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 297, by the yeas and nays;
H. Res. 443, by the yeas and nays; and
H.R. 3544, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

LEWIS & CLARK RURAL WATER SYSTEM ACT OF 2000

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 297, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. DOOLITTLE) that the House suspend the rules and pass the bill, H.R. 297, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 400, nays 13, not voting 21, as follows:

[Roll No. 217]

YEAS—400

Abercrombie	Blagojevich	Clay	Diaz-Balart	Jones (NC)	Peterson (PA)
Aderholt	Bliley	Clayton	Dickey	Jones (OH)	Petri
Allen	Blumenauer	Clement	Dicks	Kanjorski	Phelps
Andrews	Blunt	Clyburn	Dingell	Kaptur	Pickering
Armye	Boehert	Coburn	Dixon	Kasich	Pickett
Baca	Boehner	Collins	Doggett	Kelly	Pitts
Bachus	Bonilla	Combest	Dooley	Kennedy	Pombo
Baird	Bonior	Condit	Doolittle	Kildee	Pomeroy
Baker	Bono	Conyers	Doyle	Kilpatrick	Porter
Baldacci	Borski	Cook	Dreier	Kind (WI)	Portman
Baldwin	Boswell	Cooksey	Duncan	King (NY)	Price (NC)
Ballenger	Boucher	Costello	Dunn	Kingston	Pryce (OH)
Barcia	Boyd	Coyne	Edwards	Klecza	Quinn
Barr	Brady (PA)	Cramer	Ehlers	Klink	Radanovich
Barrett (NE)	Brown (FL)	Crane	Ehrlich	Knollenberg	Rahall
Barrett (WI)	Bryant	Crowley	Emerson	Kolbe	Ramstad
Bartlett	Burr	Cummings	Engel	Kucinich	Rangel
Barton	Burton	Cunningham	English	Kuykendall	Regula
Bass	Buyer	Danner	Eshoo	LaFalce	Reyes
Bateman	Callahan	Davis (FL)	Etheridge	LaHood	Reynolds
Becerra	Calvert	Davis (IL)	Evans	Lampson	Riley
Bentsen	Camp	Davis (VA)	Everett	Lantos	Rivers
Bereuter	Canady	Deal	Ewing	Largent	Roemer
Berkley	Cannon	DeFazio	Farr	Latham	Rogan
Berman	Capps	DeGette	Fattah	LaTourette	Rogers
Berry	Cardin	DeLahunt	Filner	Lazio	Rohrabacher
Biggert	Carson	DeLauro	Fletcher	Leach	Ros-Lehtinen
Billbray	Castle	DeLay	Foley	Lee	Rothman
Bilirakis	Chabot	DeMint	Ford	Levin	Roukema
Bishop	Chambliss	Deutsch	Fossella	Lewis (CA)	Roybal-Allard
			Fowler	Lewis (GA)	Rush
			Frank (MA)	Lewis (KY)	Ryan (WI)
			Franks (NJ)	Linder	Ryun (KS)
			Frelinghuysen	Lipinski	Sabo
			Frost	LoBiondo	Sanchez
			Gallegly	Lofgren	Sanders
			Ganske	Lowe	Sandlin
			Gejdenson	Lucas (KY)	Sawyer
			Gekas	Lucas (OK)	Saxton
			Gephardt	Luther	Scarborough
			Gibbons	Maloney (CT)	Schaffer
			Gilchrest	Maloney (NY)	Schakowsky
			Gillmor	Manullo	Scott
			Gilman	Markey	Serrano
			Gonzalez	Mascara	Sessions
			Goode	Matsui	Shaw
			Goodlatte	McCarthy (MO)	Sherman
			Goodling	McCrery	Sherwood
			Gordon	McDermott	Shimkus
			Goss	McGovern	Shows
			Graham	McHugh	Shuster
			Granger	McInnis	Simpson
			Green (TX)	McIntyre	Sisisky
			Green (WI)	McKeon	Skeen
			Greenwood	McKinney	Skelton
			Gutierrez	McNulty	Slaughter
			Hall (OH)	Meehan	Smith (MI)
			Hall (TX)	Meek (FL)	Smith (NJ)
			Hansen	Meeks (NY)	Smith (TX)
			Hastings (FL)	Menendez	Smith (WA)
			Hastings (WA)	Metcalfe	Snyder
			Hayes	Mica	Souder
			Hayworth	Millender-	Spence
			Hefley	McDonald	Spratt
			Herger	Miller (FL)	Stabenow
			Hill (IN)	Miller, Gary	Stark
			Hill (MT)	Miller, George	Stearns
			Hilleary	Minge	Stenholm
			Hilliard	Mink	Strickland
			Hinchee	Moakley	Stump
			Hinojosa	Mollohan	Sununu
			Hobson	Moore	Sweeney
			Hoefel	Moran (KS)	Talent
			Hoekstra	Moran (VA)	Tancredo
			Holden	Morella	Tanner
			Holt	Murtha	Tauscher
			Hooley	Myrick	Tauzin
			Horn	Nadler	Taylor (MS)
			Houghton	Neal	Taylor (NC)
			Hoyer	Ney	Terry
			Hulshof	Northup	Thomas
			Hunter	Norwood	Thompson (CA)
			Hutchinson	Nussle	Thompson (MS)
			Hyde	Oberstar	Thornberry
			Inslee	Obey	Thune
			Isakson	Oliver	Thurman
			Istook	Ortiz	Tiahrt
			Jackson (IL)	Ose	Tierney
			Jackson-Lee	Owens	Toomey
			(TX)	Oxley	Towns
			Jefferson	Packard	Traficant
			Jenkins	Pallone	Turner
			John	Pascrell	Udall (CO)
			Johnson (CT)	Pastor	Udall (NM)
			Johnson, E. B.	Payne	Upton
			Johnson, Sam	Pelosi	Velázquez