

March 8, 2001

HOUSING BONDS AND CREDITS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. NEAL of Massachusetts. Mr. Speaker, Representative AMO HOUGHTON and I are today introducing legislation to make three important changes to two of the most popular and efficient housing programs before Congress, the single family Mortgage Revenue Bond (MRB) program and the Low Income Housing Tax Credit program.

First, this bill repeals the ten-year rule, a provision added to the MRB program in 1988 that prevents the states from fully using mortgage bonds by limiting the extent to which new mortgages can be made on outstanding bonds on which prepayments have been made by the original beneficiaries. States estimate that, between 1998 and 2002, the ten-year rule means the loss of over \$8.5 billion in mortgage authority, denying over 100,000 qualified lower and moderate income home buyers affordable MRB mortgages.

Second, the bill replaces the present limit on the price of homes these mortgages can finance with one that works better given the fact that there is no reliable comprehensive data that exists to determine average area home prices. The current price limits were issued in 1994 based on 1993 data. They are, obviously, obsolete and well below current home price levels in most parts of the country. We propose a simpler formula limiting the purchase price to three and a half times the qualifying income under the program. This will work to preserve the goals of current law while providing a realistic limit on the program for almost all areas of the nation.

Finally, the bill makes housing credit apartment production more viable in rural areas by allowing statewide medium incomes as the basis for the income limits in that program. While this provision may need some technical adjustment, it is clear that the current rules do not provide sufficient incentives to build apartments in very low income rural areas.

Mr. HOUGHTON and I believe these changes, when combined with the increase in the caps on these programs enacted last year, will ensure a strong, effective housing program that will meet the needs of our constituents now, and well into the future. We hope these changes will be adopted in the near future.

CONGRATULATING THE 2000 PRESIDENTIAL AWARD FOR EXCELLENCE IN MATHEMATICS AND SCIENCE TEACHING WINNER, JOLYNN MELLIS FROM COLLEGE PARK ELEMENTARY SCHOOL IN LADSON, SC

HON. HENRY E. BROWN, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. BROWN of South Carolina. Mr. Speaker, today Mrs. JoLynn Mellis, a teacher from College Park Elementary School in Ladson,

EXTENSIONS OF REMARKS

South Carolina, was awarded the 2000 Presidential Award for Excellence in Mathematics and Science Teaching Award by the National Science Foundation. I rise today to congratulate Mrs. Mellis on this prestigious award. This award, the nation's highest commendation for K-12 math and science teachers, recognizes sustained and exemplary work, both inside the classroom and out. These outstanding teachers serve as role models for their colleagues.

Mrs. Mellis exemplifies what is great about America's public schools. Mrs. Mellis recognizes that our children are our future; she has taken on the crucial responsibility to ensure her students master the math and science skills they require to make that future a bright one for South Carolina and for the United States of America. She has fulfilled this responsibility in outstanding fashion. I commend Mrs. Mellis for her hard work and dedication. Thank you, Mrs. Mellis.

PRESCRIPTION DRUGS

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. DUNCAN. Mr. Speaker, today I introduced a bill that will create incentives to reduce the price of prescription drugs for American consumers.

As I travel around the Second Congressional District of Tennessee, I speak with many people. One concern I hear over and over again is the high cost of medications. Many seniors, in particular, often face a choice between things like medicine, food and heat.

However, this problem is not isolated only to the elderly. All Americans face these steep prices. For example, single mothers and poor working families also have to buy medications. As a father, I cannot imagine anything worse than not being able to afford medicine for a sick child.

As has been discussed many times, there are a lot of complex reasons that prices are so high, and it goes far beyond greedy manufacturers as some have suggested. I believe the primary culprit is a bloated federal bureaucracy that adds years and literally tens of millions of dollars to the development cost of new drugs.

Some new drugs can cost more than a billion dollars to bring to market. In exchange, these drugs have a profound impact on the health of Americans and hundreds of millions of people worldwide. Fundamentally, we need to find ways to reduce these development costs.

The second great inequity is that many countries have draconian cost controls. While these formularies may be sufficient to pay the price to physically produce a pill or medicine, they rarely take into account the phenomenal expenses that went into the development of the drug. These development costs are then shifted to a much smaller consumer base of consumers who end up paying outrageously high prices. If manufacturers and researchers were ever completely stripped of the ability to recover these costs, the flow of new drugs would slow dramatically, if not end completely.

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Nevertheless, it is wrong that Americans are so often asked to pay the price for drugs that benefit all mankind. It is particularly frustrating to consumers when they see our neighbors to the North and South paying much lower prices for exactly the same drug.

I believe that this situation needs to be examined and addressed. In the meantime, my proposal would extend a new tax incentive to domestic manufacturers who could demonstrate that they are offering drugs to American consumers at the same average price the drugs are offered to citizens in Canada and Mexico. Hopefully this tax provision will strongly encourage drug makers to reduce their prices for average American consumers.

American ingenuity is fueling the greatest health revolution in the history of mankind. We need to do everything possible to fulfill the promise of this research and alleviate suffering for everyone. However, American consumers deserve fair access to the products of our Nation's research engine, and I hope my legislation will encourage manufacturers to find innovative ways to reduce domestic prices or more equitably spread development costs among a larger base of consumers abroad.

I urge my colleagues to support this bill and improve healthcare for all American consumers.

INTRODUCTION OF VETERANS AMERICAN DREAM HOMEOWNERSHIP ASSISTANCE ACT OF 2001

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. KLECZKA. Mr. Speaker, thousands of former servicemen and servicewomen in five states are currently prohibited from receiving state-financed home mortgages. That is why Congressman HERGER and I, along with seven of our colleagues, are introducing the Veterans American Dream Homeownership Assistance Act. This legislation is similar to bills we introduced in the 104th, 105th, and 106th Congresses.

In order to help veterans own a home, Congress created a program where states could issue tax-exempt bonds in order to raise funds to finance mortgages for owner-occupied residences. Five states—Wisconsin, Alaska, Oregon, California, and Texas—implemented such a program for their veterans. Under a little-known provision in the 1984 tax bill, Congress limited the veterans eligible for this program to those who began military service before 1977.

As a result of the 1984 tax bill, veterans who entered military service after January 1, 1977 are prohibited from receiving a state-financed veterans mortgage. This means veterans who served honorably in Panama, Grenada, or the Gulf War cannot get veterans home mortgages from their state government. Are those who began serving our country after January 1, 1977 any less deserving than those who served before?

This arbitrary cutoff was created to raise additional revenue in the 1984 tax bill by limiting the issuance of tax-exempt bonds. When this