members of the armed services. Payday loans are small cash loans repaid by borrowers' postdated checks or borrowers' authorizations to make electronic debits against existing financial accounts. Typically, the principal for payday loans is in the range of $100 to $500 with full payment due in 2 weeks. Finance charges on payday loans are normally in the range of $15 to $30 per $100 borrowed, which translates into triple digit interest rates of 390 percent to 780 percent when expressed as an annual percentage rate, APR. A common practice is loan flipping, which is the renewing of loans at maturity by paying additional fees without any principal reduction. This practice often creates a cycle of debt that is hard to break. Furthermore payday lenders often locate near military bases because they know that a military servicemember's government paychecks represent a reliable source of fees and military personnel may be court marshaled or dishonorably discharged for failing to repay their debt.

I am proud that the Windward Community Federal Credit Union in Kailua, on the island of Oahu, has developed an affordable alternative to payday loans. I commend the staff of the Windward Community Federal Credit Union for their outstanding program which benefits the marines and other members that they serve. I have introduced legislation that would encourage credit unions and other financial institutions to offer this sort of low-cost, short-term credit product. S. 1347, the Low-Cost Alternatives to Payday Loans Act, would promote low-cost alternatives to payday loans by authorizing the Secretary of the Treasury to award demonstration project grants. I will continue to work with my colleagues on the Banking, Housing, and Urban Affairs Committee to enact this important legislation.

I also have included efforts to increase access to credit union and bank accounts in an attempt to combat refund anticipation loans, RALs. While the earned income tax credit, EITC, helps working families meet their food, clothing, housing, transportation, and education needs, EITC refunds are unnecessarily diminished by excessive use of RALs. Interest rates on RALs can range from 97 percent to more than 2,000 percent. Considering the low repayment risk of this type of loan, the interest rates and fees charged on this type of product are not justified. Often, those who take out RALs are lower income families for whom these costs are a particular burden.

I have introduced the Taxpayer Abuse Prevention Act, which would restrict predatory practices associated with RALs and expand access to mainstream financial services. The bill would expand the eligibility of electronic transfer accounts, ETA, which are low-cost accounts at banks and credit unions intended for recipients of certain Federal benefit payments, to include EITC benefits. These accounts will allow taxpayers to receive direct deposit refunds into an account without the need for a refund anticipation loan. Additionally, my bill would mandate that low- and moderate-income taxpayers be provided opportunities to open low-cost accounts at federally insured banks or credit unions via appropriate tax forms. Providing taxpayers with the option of opening a bank or credit union account through the use of tax forms provides an alternative to RALs and immediate access to financial opportunities found at banks and credit unions.

In addition, I have worked with my friend, the Senator from New Mexico, Mr. BINGAMAN, on the Taxpayer Protection and Assistance Act. The legislation includes a provision that authorizes a grant program to link tax preparation services with the opening of a bank or credit union account. This will help encourage the estimated four million unbanked EITC recipients to establish a relationship with a mainstream financial institution. In turn, they will no longer be forced to pay the excessive fees RAL providers assess. Once the previously unbanked have established a credit union or bank account, they will be able to benefit from the wide range of financial services that mainstream financial institutions provide.

I will continue to work to expand access to mainstream financial institutions so that more individuals can benefit from lower cost opportunities found at credit unions and banks. I thank the representatives from the Hawaii Credit Union League for all of their work in providing financial services and increasing the financial literacy knowledge of their members. I also will continue to work to enact legislation that promotes the utilization of the services of credit unions and banks so that even more people can improve their lives by having access to low-cost accounts, cheaper remittances, less expensive loans, and insured savings accounts.

LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. Each Congress, Senator KENNEDY and I introduce hate crimes legislation that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to the floor to highlight a separate hate crime that has occurred in our country.

On June 15, 2005, Dwan Prince was savagely beaten by three men as Prince stood outside of his apartment building in New York, NY. The apparent motivation for the attack was Prince's sexual orientation. According to police, the three attackers shouted anti-gay slurs throughout the attack on Prince.

I believe that the Government's first duty is to defend its citizens, to defend them against the harms that are born out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

LETTER ON THIRD ARMORED CAVALRY REGIMENT

Mr. SANTORUM. Mr. President, I rise today to share with my colleagues a letter written by the mayor of Tall-at Afar, Ninewa, Iraq, concerning the 3rd Armored Cavalry Regiment of the U.S. Army. This unit of brave soldiers is completing its second deployment to Iraq. As the unit prepares to come home, they have recently received this letter from the mayor of that city:

In the Name of God the Compassionate and Merciful To the Courageous Men and Women of the 3rd Armored Cavalry Regiment, who have changed the city of Tall-at Afar from a ghost town, in which terrorists spread death and destruction, to a secure city flourishing with life.

To the lion-hearts who liberated our city from the grasp of terrorists who were beheading men, women and children in the streets for many months. To those who spread smiles on the faces of our children, and gave us restored hope, through their personal sacrifice and brave fighting, and gave new life to the city after hopelessness darkened our days, and stole our confidence in our ability to reestablish our city.

Our city was the main base of operations for Abu Mousab Al Zarqawi. The city was completely held hostage in the hands of his henchmen. Our schools, governmental services, businesses and offices were closed.

Our streets were silent, and no one dared to walk them. Our people were barricaded in their homes out of fear; death awaited them around every corner. Terrorists occupied and controlled the only hospital in the city. Their savagery reached such a level that they stuffed the corpses of children with explosives and tossed them into the streets in order to kill grieving parents attempting to retrieve the bodies of their young.

This was the situation of our city until God prepared and delivered unto them the courageous soldiers of the 3rd Armored Cavalry Regiment, who liberated this city, ridding it of Zarqawi's followers after harsh fighting, killing many terrorists, and forcing the remaining butchers to flee the city like rats to the surrounding areas, where the bravery of other 3rd ACR soldiers in Sinjar, Rabiah, Zumar and Avgani finally destroyed them.

I have met many soldiers of the 3rd Armored Cavalry Regiment; they are not only courageous men and women, but avenging angels sent by The God Himself to fight the evil of terrorism.

The leaders of this Regiment; COL McMaster, COL Armstrong, LTC Hickey, LTC Gibson, and LTC Reilly embody courage, strength, vision and wisdom. Officers