Having financial institutions sell the loans to the government at inflated prices so the government can turn around and sell the loans to well-heeled investors at lower prices strikes me as a very good deal for everyone but U.S. taxpayers. Surely we can do better.

One alternative is a ''net worth certificate'' program along the lines of what Congress enacted in the 1980s for the savings and loan industry. It was a big success and could work in the current climate. The FDIC resolved a $100 billion insolvency in the savings banks for a total cost of less than $2 billion.

The net worth certificate program was designed to shore up the capital of weak banks to give them more time to resolve their problems. The program involved no subsidy and no cash outlay.

The FDIC purchased net worth certificates (subordinated debentures, a commonly used form of capital in banks) in troubled banks that the agency determined could be viable if they were given more time. Banks entering the program had to agree to strict supervision from the FDIC, including oversight of compensation of top executives and removal of poor management

The FDIC paid for the net worth certificates by issuing FDIC senior notes to the banks; there was no cash outlay. The interest rate on the net worth certificates and the FDIC notes was identical, so there was no subsidy.

If such a program were enacted today, the capital position of banks with real estate holdings would be bolstered, giving those banks the ability to sell and restructure assets and get on with their rehabilitation. No taxpayer money would be spent, and the asset sale transactions would remain in the private sector where they belong.

If we were to (1) implement a program to ease the fears of depositors and other general creditors of banks; (2) keep tight restrictions on short sellers of financial stocks; (3) suspend fair-value accounting (which has contributed mightily to our problems by marking assets to unrealistic fire-sale prices); and (4) authorize a net worth certificate program, we could settle the financial markets without significant expense to taxpayers.

Say Congress spends $700 billion of taxpayer money on the loan purchase proposal. What do we do next? If, however, we implement the program suggested above, we will have $700 billion of dry powder we can put to work in targeted tax incentives if needed to get the economy moving again.

The banks do not need taxpayers to carry their loans. They need proper accounting and regulatory policies that will give them time to work through their problems.

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LET'S WORK TOGETHER TO ADDRESS THE NATION'S CURRENT FINANCIAL CHALLENGES

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Madam Speaker, as one of those who voted against President Bush's bailout proposal, I want to express my continued interest in working together to address the Nation's current financial challenges. I do not oppose reasonable steps to intervene in the economy so long as all the burden is not placed on the taxpayers.

I recommend that the House promptly approve a resolution calling on the Administration to exercise authority it already possesses to ensure that our financial markets continue to function properly.

The FDIC should utilize its emergency powers to immediately raise the limits on federally-insured accounts at all banks. The Securities and Exchange Commission should review and consider suspension of current accounting rules on the valuation of mortgage-backed securities. And the FDIC should consider relying on the net worth certificate approach that it utilized during the savings and loan debacle of the 1980s.

These are not just my ideas, rather, they are ideas recommended to the Congress by William Isaac, President Reagan's former Chairman of the Federal Deposit and Insurance Corporation. That approach, and others that were not considered last week, should be considered now to ensure that our financial markets continue to operate.

CALLING UPON CHAIRMAN COX TO GET RID OF MARK-TO-MARKET ACCOUNTING

(Mr. BROUN of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROUN of Georgia. Madam Speaker, this is a historic vote today. I'm sure that everyone who voted did so very thoughtfully, most of us very prayerfully. But, Madam Speaker, Chairman Cox, Chairman of the Securities and Exchange Commission, today could fix a lot of the problems here by, by a stroke of a pen, getting rid of mark-to-market accounting across the board. I call upon Mr. Cox to do so today. The markets will respond markedly, and I hope that he will listen and do so.

HANK PAULSON GOT HIS REJECTION NOTICE FROM CONGRESS

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. Madam Speaker, there are many of us from day one who questioned the Paulson premise that dumping $700 billion into bad debt on Wall Street would somehow help revive the American economy, help Main Street, help small businesses, help the people I'm here to represent. I believe today gives us an opportunity to step back and begin again to construct a package that does not put the taxpayers at risk for $700 billion.

William Isaac headed up the FDIC during the savings and loan crisis. He took a $100 billion problem and he solved it for $2 billion; he says we can do the same thing here, pennies on the dollar. And then, that would leave a lot of borrowing capacity to help begin to inject money into public works projects, infrastructure in this country, other things that benefit average Americans, put us back to work, and make us a more competitive economy.

We need to go back to the drawing board with a democratic proposal. Hank Paulson just got his rejection notice here from Congress.

SPECIAL ORDERS

The SPEAKER pro tempore (Ms. CLARKE). Under the Speaker's announced policy of January 18, 2007, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

DON'T PANIC AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GOHMERT) is recognized for 5 minutes.

Mr. GOHMERT. Madam Speaker, this was a historic day. There was a bill in which we had Members who meant well, who had come to this floor and said, look, I understand we all have these principles, and this violates some of our principles, but we need to set those aside in order to avoid risk here. Well, first of all, that is a faulty premise. I just couldn't think of anything but the Declaration of Independence, when the people who founded this place came forward and said the principles of not having the king, not having the Government run everything are too important. And they signed their name where everybody could see, pledging their lives, their fortunes, their sacred honor, saying, ''On these principles we will stand or fall.''

And I think today the House, by its vote, said we're standing on the same principles. But not only that, these are the principles on which this Nation has become the greatest Nation in the world and the most prosperous. We can't abandon those principles.

So to have a bill that would come before Congress that basically gave the Secretary of the Treasury incredible powers—he was going to be able to bail out any bank in the world with American taxpayer dollars, the only exception was a central bank of a foreign government, but other banks that weren't central banks of other governments could be bailed out. And then, looking at judicial review, as that's my background, it was extraordinary. Nobody was going to be able to object legally and have a chance of prevailing under the standards that were set forth.

So the American people need to hear this message: Don't panic. You saw a Congress bipartisanly come in here and stand on principle and want you to know, don't panic, we are going to address this. We're going to come back, it