to, especially on unnecessary payments. But, unfortunately, between 250,000 to 400,000 families nationwide are now doing exactly that. They are paying up to $100 each month and thousands of dollars over the life of their mortgages for unnecessary private mortgage insurance.

There is nothing inherently wrong with private mortgage insurance, or PMI. It can be a valuable and essential tool used by many families who want to buy a home but are unable to finance a full 20 percent down payment. Fully 54 percent of mortgages offered last year did require PMI.

That means the lender requires the borrowers to buy and pay for insurance to protect the lender in case of a borrower’s default. As a result, lenders have then been able to issue mortgages to families with smaller down payments, who otherwise could not afford homes, that is of benefit to the consumer. So far, so good.

The problem with PMI arises once you have established approximately 20 percent equity in your home. This is the figure generally accepted by the mortgage industry as a benchmark of the risk they take in financing your home. At that point, PMI should no longer be necessary, since there is minimal risk to the lender. After all, the lender holds title to the home if you should default, and can always sell the property.

But many homeowners are never notified that they can discontinue their private mortgage insurance, and just keep on paying and paying. It adds up to thousands of dollars. Continuing to pay insurance to protect the lender after a borrower no longer represents a serious risk is an unjustified windfall to insurance companies, and an unfair one on homeowners. That practice must stop, and our action today will insulate that it does stop.

Mr. Speaker, I give special credit to the gentleman from Utah (Mr. HANSEN) for bringing this issue to the attention of our Committee on Banking and Financial Services and for bringing it to the attention of the full House of Representatives.

The bill Congressman HANSEN introduced initially would have required disclosure to homebuyers, both at the mortgage signing and in annual statements, of the precise conditions that might enable them to cancel payments of private mortgage insurance. But after Committee Members had time to reflect upon it, we believed that that would be helpful but not helpful enough. Some argued we should move beyond disclosure and also create a right to terminate, at least after certain conditions were met.

Many thought that even that was insufficient and we should go further still. This was my position, that a broad disclosure and creation of a right to cancel is not enough. Unnecessary insurance payments should be terminated as a matter of law. Certainly, no sensible borrower would choose to pay for insurance to protect a lender against the borrower’s own default unless there was a real, legal obligation.

Therefore, rather than create a right to reject and cancel insurance, which any reasonable person would always exercise, we argued we should legislate instead the actual termination of the insurance once certain conditions were met. That is an essential element of the bill we have before us today.

The bill protects the consumer’s right to initiate cancellation of the private mortgage insur-

ance once 20 percent of the mortgage is satisfied, and requires servicers to cancel a consumer’s mortgage insurance once 22 percent of the mortgage is satisfied.

Nonetheless, I am convinced we could have and should have gone even further. For instance, the bill does not afford the same automatic cancellation to so-called high-risk consumers, whose PMI will be canceled at the half-life of the mortgage. The bill does direct the housing enterprises, FNMA and Freddie Mac, to establish industry guidelines defining what constitutes a risky borrower. As I assume we will soon find, that the GSEs use their authority prudently. But I want to be clear that this provision was not included to enable lenders or investors to circumvent the intent of this legislation or to discriminate against certain types of borrowers. We will be watching implementation of this provision very closely.

With that in mind, I have asked that the bill require the GAO to evaluate how the high-risk exception is being applied, and report the findings to the Congress after enactment.

With regard to state preemption, again, I much preferred the House version. At least in this case, the bill we have before us does protect state PMI cancellation and consumer laws in effect prior to January 2, 1998, and provides those states, eight of them, two years to revise and amend their laws: California, Minnesota, New York, Colorado, Connecticut, Maryland, Massachusetts and Missouri.

I would have strongly preferred that the bill simply respect the rights of all states to enact stronger cancellation and disclosure laws, or had allowed the eight states with laws on the books to amend their laws without limitation. But the Senate would not agree to this approach. Nonetheless, I am pleased that we are now protecting stronger state consumer laws in states like New York, where they already do exist.

All in all, this is a strong consumer bill. It could have been stronger in some regards, and we might make it even stronger in future years. But it represents real and significant progress for consumers. I urge my colleagues now to join me in supporting S. 318.

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

The SPEAKER pro tempore (Mr. HAYWORTH). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the Senate bill, S. 318, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the Senate bill, S. 318, as amended, passed. A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 318; the Senate bill just passed.

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

There was no objection.

ENFORCEMENT OF CHILD CUSTODY AND VISITATION ORDERS

Mr. COBLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4164) to amend title 28, United States Code, with respect to the enforcement of child custody and visitation orders.

The Clerk read as follows:

H.R. 4164
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHILD CUSTODY AND VISITATION DETERMINATIONS.

Section 1738A of title 28, United States Code is amended as follows:

(1) Subsection (a) is amended by striking ‘‘subsections (f) of this section, any child custody determination and inserting ‘subsections (f) and (g) of this section, any custody determination or visitation determination’’.

(2) Subsection (b)(2) is amended by striking ‘‘a parent’’ and inserting ‘‘, but not limited to, a parent or grandparent or, in cases involving a contested adoption, a person acting as a parent’’.

(3) Subsection (b)(3) is amended—

(A) by striking ‘‘or visitation’’;

(B) by striking ‘‘and’’ before ‘‘initial orders’’;

and

(C) by inserting before the semicolon at the end the following: ‘‘, and includes decrees, judgments, orders of adoption, and orders dismissing or denying petitions for adoption’’.

(4) Subsection (b)(4) is amended to read as follows:

‘‘(4)(A) except as provided in subparagraph (B), ‘‘home State’’ means—

(I) the State in which the child lived from birth, or from soon after birth, and periods of temporary absence of any such persons are counted as part of such 6-month or other periodic limitations;

(II) in cases involving a proceeding for adoption, ‘‘home State’’ means the State in which—

(i) immediately preceding commencement of the proceeding, not including periods of temporary absence, the child is in the custody of the prospective adoptive parent or parents;

(ii) the child and the prospective adoptive parent or parents are physically present and the prospective adoptive parent or parents have lived for at least six consecutive months, a prospective adoptive parent, or an agency with legal custody during a proceeding for adoption, and

(iii) there is substantial evidence available concerning the child’s present or future care;

(B) in cases involving a proceeding for adoption, ‘‘home State’’ means the State in which—

(i) immediately preceding commencement of the proceeding, not including periods of temporary absence, the child is in the custody of the prospective adoptive parent or parents;

(ii) the child and the prospective adoptive parent or parents are physically present and the prospective adoptive parent or parents have lived for at least six consecutive months, a prospective adoptive parent, or an agency with legal custody during a proceeding for adoption, and

(iii) there is substantial evidence available concerning the child’s present or future care.’’

(2) Subsection (b)(5) is amended by inserting ‘‘or visitation determination’’ after ‘‘custody determination’’ each place it appears.

(3) Subsection (b)(6) is amended by striking ‘‘and inserting ‘‘, and by adding after paragraph (8) the following: ‘‘(9) ‘visitation determination’ means a determination of access;’’.

(4) Subsection (b)(7) is amended by adding a sentence to the end of paragraph (8) (a) by striking ‘‘, and, by adding after paragraph (8) the following: ‘‘(9) ‘visitation determination’ means a determination of access;’’.

(5) Subsection (b)(8) is amended by inserting ‘‘or visitation determination’’ after ‘‘custody determination’’ each place it appears.

(6) Subsection (b) is amended by striking ‘‘and inserting ‘‘, and by adding after paragraph (8) the following:

‘‘(9) ‘visitation determination’ means a determination of access;’’.

(7) Subsection (c) is amended by striking ‘‘child custody determination’’ in the matter
The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina? There was no objection.

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

The chairman of the subcommittee has explained this well. I want to stress in particular the importance of giving recognition to the role of grandparents, especially in today's world. Grandparents often find themselves in a parental role. In fact, we are seeing a good deal of grandparent involvement in the raising of grandchildren, and the law has simply not caught up with that.

I think the point of giving recognition to the strong emotional ties between grandparents and grandchildren, recognizing that grandparents, these days, are as likely to have the best interests of the children at heart as any other, those are all very important and I am delighted to support the legislation which adopts them.

The other part of the bill, which deals with allowing the Federal courts some preemptive power, I say there is some constitutional controversy, but what persuades me this is worth supporting is it sets forth a substantive standard of the best interest of the child, and we have too many cases of competing kinds of interests advanced.

So for those two principles, to the extent that we can federally, arguing that the best interest of the child should be the deciding point in custody cases, and recognizing the need to say that there is some constitutional controversy, but what persuades me this is worth supporting it sets forth a substantive standard of the best interest of the child, and we have too many cases of competing kinds of interests advanced.

The SPEAKER pro tempore. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

I wish to thank the gentleman from North Carolina (Mr. COBLE) of the subcommittee, and the gentleman from Illinois (Mr. Hyde) of the full committee, as well as the ranking members, the gentleman from Michigan (Mr. Conyers) and the gentleman from Massachusetts (Mr. Frank) for their help in bringing this legislation to the floor.

American grandparents would believe that after a hard fought, very difficult, painful and expensive process of winning the right to visit their grandchildren in State court that they have won that right permanently, or at least until some negative circumstance occurs. Many have been shocked and chagrined to find out that is not the case. Very often, when the child moves to another State, the rights of the grandparents evaporate.

This legislation, which is based upon legislation I authored last year, will solve that problem. It will say that if grandparents have rights to visit their grandchild in New Jersey or North Carolina (Mr. COBLE) and the gentleman from Massachusetts (Mr. FRANK of Massachusetts). Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I yield myself such time as I may consume.
We would like to think there is no such thing as divorce. We would like to think of the normal or at least, let me correct myself, the family of old, the extended family, where grandparents and parents and children live together. But we do live in a different life and in different life-style, and I believe it is extremely important to reinforce that when a grandparent receives visitation in one State that every other State must respect and enforce that court order.

Nationwide, the percent of families with children headed by a single parent increased from 22 percent in 1985 to 26 percent in 1995. More than 75 percent of older Americans are grandparents. This legislation gives peace of mind and comfort, but it also gives the opportunity for our children to be connected with their history.

I, too, would like to pay tribute to my children's grandparents, Mr. and Mrs. Lee. Mr. Lee now deceased; and Mr. and Mrs. Jackson, Mr. Jackson now deceased. This is an excellent piece of legislation that helps bond our families and uphold the respect those grandparents and senior citizens who spend so much of their life contributing to the growth and nurturing of our children.

Mr. Speaker, thank you for allowing me time to speak on this important role. As Chair of the Congressional Children's Caucus and as a parent, I care deeply about this bill. H.R. 4164 is a law which is to the benefit of all family members. By enacting this legislation, we are requiring that when a grandparent receives visitation in one State that every other State must respect and enforce that court order.

This legislation allows grandparents to access their grandchildren, and it allows grandchildren the important experience of being with their grandparents and parents access to their grandchildren, and it allows for the sharing of family history and love and care about them, their grandchildren.

In my home State of Texas the percentage of children living in single parent homes has increased by 33 percent. Children growing up in single-parent households often do not have the same economic or human resources available as those growing up in 2 parent families. This law allows loving and caring grandparents access to their grandchildren, and it allows for the sharing of family history and love and care about them, their grandchildren.

Mr. Speaker, I yield back the balance of my time.