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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable MARK L. PRYOR, a Senator from the State of Arkansas.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

O Thou Giver of every good and perfect gift, satisfy the hungers of our hearts, minds, and souls. Make us to lie down in green pastures and restore our souls. Lead us in the paths of righteousness that we may live with integrity.

Guide our Senators. Grant them the courage to give themselves to the discipline of introspection that enables them to hear Your voice. Awaken them to the fact that truth is more than theory but commands a commitment. Help them to discipline themselves to follow the truth wherever it leads. Motivate them by the magnitude of the responsibilities You have entrusted to them.

We pray in Your great Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable MARK L. PRYOR led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 3, 2008.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MARK L. PRYOR, a Senator from the State of Arkansas, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. PRYOR thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following my remarks and those of the Republican leader, if he chooses to make any remarks, the Senate will adopt the motion to proceed to H.R. 3221 and Senator DODD or his designee will be recognized to offer a substitute amendment on his behalf and that of Senator SHELBY. Following opening statements by Senators DODD and SHELBY, Senator DURBIN will be recognized to offer an amendment related to bankruptcy.

MEASURES PLACED ON THE CALENDAR—S. 2807, S. 2808, S. 2809, S. 2810, AND S. 2811

Mr. REID. Mr. President, I understand there are five bills at the desk due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will read the titles of the bills for a second time.

The legislative clerk read as follows:

A bill (S. 2807) to protect the liberty and property of all Americans.

A bill (S. 2808) to require that citizens within a National Heritage Area are informed of the designation and that government officials must receive permission to enter private property.

A bill (S. 2809) to ensure that there are no adverse effects of a National Heritage Area designation to local communities and home owners.

A bill (S. 2810) to require an annual report detailing the amount of property the federal government owns and the cost of government land ownership to taxpayers.

A bill (S. 2811) to require citizens' approval of federal government land grabs.

Mr. REID. Mr. President, I object to further proceedings regarding these bills en bloc.

The ACTING PRESIDENT pro tempore. Objection being heard, the bills will be placed on the calendar.

HOUSING DEBATE

Mr. REID. Mr. President, the Senate is evenly divided: 51 Democrats, 49 Republicans. Is the bill that is going to be the subject matter of the housing debate perfect? It is not perfect. But with the Senate as evenly divided as it is, we have to work on a compromise basis. We are not going to get everything we want. The Republicans are not going to get everything they want.

I was interested to see people in the press today telling us how they could have done a much better job on this work Senators DODD and SHELBY have done. I am satisfied with what we have. Is it everything I want? Of course not. If I were a dictator, I would come up with a different bill. But I am not. The Senate is such that everyone's rights are protected. When you have a body that is so evenly divided, with the procedures we have in the Senate, there has to be compromise.

I admire and congratulate Senators DODD and SHELBY for working this out to the point where we are. I have complimented them on a number of occasions. The last time I did it was last night, indicating what good work they have done.

But, also, to get this bill where it is now, we needed cooperation from other people: for example, those who run the Finance Committee—Senator BAUCUS and Senator GRASSLEY. There are some tax measures in this housing bill, and they had to sign off on that. They did that. Their staffs worked hand in hand with the Banking Committee staff, and we have their product.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

I look forward to a good debate on this legislation. There will be amendments offered to take provisions out of the bill. There will be amendments offered to put provisions in the bill. That is the way it should be. I would hope that people would be willing to have relatively limited time. We wish to move forward on this bill as quickly as we can.

At this stage, I have had a number of conversations with the Republican leader as to what we hope can be accomplished in this bill. I think at this time it is far too early to talk about timelines and when, in fact, we are going to get it done. We do know there is an emergency out there and we need to do it as quickly as we can. I applaud the bipartisan work, as I have indicated. I think we need to continue this effort of bipartisanship. I think it is critical to do this, to complete this action on this important legislation, and in an expedited manner.

I have not had the chance privately to ask the Republican leader—and I normally do not do this—but I will violate my own rules today and ask the Republican leader if he could agree to a unanimous consent to provide for housing-related amendments only.

The ACTING PRESIDENT pro tempore. The Republican leader.

Mr. MCCONNELL. Mr. President, let me say my expectation is that the amendments that will be offered to the bill will be housing-related, but I am not in a position at the beginning of the bill to enter into such a consent agreement. I think there is a widespread feeling on both sides of the aisle that we need to get an accomplishment here, that we need to do it on a bipartisan basis. But I am not in a position other than to say to my good friend that is my expectation. I am not in a position to agree to such a consent here at the outset of the bill.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. REID. Mr. President, we have an extremely important hearing that is going to start at 10 o'clock or thereabouts, being conducted by the two managers of this bill. The assistant leader, Senator DURBIN, has agreed to manage this bill until these two good men can complete enough of their work at the hearing to come back and manage the bill. Senator DURBIN is experienced, and he will handle things extremely well, as well as anyone could do that. I appreciate his stepping in. He had his own schedule, and he set that aside to work on this bill. I appreciate that very much.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

CONGRATULATING SENATORS SHELBY AND DODD

Mr. MCCONNELL. Mr. President, let me begin this morning by congratulating my good friends Senator SHELBY and Senator DODD for their great work in getting us to the point we are today. Of course, Senator GRASSLEY and Senator BAUCUS were deeply involved in that with regard to the tax portion of the bipartisan bill we have before us. I think this is a good start to the debate.

I also say to my good friend, the majority leader, I think this is a good example of how we can work together and accomplish something on an important issue for the country. We know now we will have amendments on both sides because that is the way the Senate operates. It is my hope we can get to the end of the trail here in the very near future and have a bipartisan bill we can all feel proud of.

I want to begin the debate by again thanking Senator SHELBY and Senator DODD for getting us to this point. We look forward to moving forward as rapidly as possible.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

NEW DIRECTION FOR ENERGY INDEPENDENCE, NATIONAL SECURITY, AND CONSUMER PROTECTION ACT AND THE RENEWABLE ENERGY AND ENERGY CONSERVATION TAX ACT OF 2007

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate adopts the motion to proceed to H.R. 3221, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3221) moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut.

AMENDMENT NO. 4387

(Purpose: To provide a complete substitute)

Mr. DODD. Mr. President, I have an amendment at the desk.

I call up that amendment.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself and Mr. SHELBY, proposes an amendment numbered 4387.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. DODD. Mr. President, let me, first of all, begin by thanking the majority leader, Senator REID, and the Republican leader, Senator MCCONNELL. We would not be where we are at this moment without their leadership. So any discussion of where we are on this matter begins with them and their staffs for helping us organize the effort over the last number of hours, beginning earlier this week, as we returned from the 2-week Easter break, to try to fashion together a proposal, at least on matters with which there was common agreement.

As the leader has pointed out, there are many matters here with which there is significant disagreement. They are not part of the pending substitute. Senator SHELBY and I and our respective staffs, along with many others—certainly the Finance Committee, because there are portions of this that are exclusively the jurisdiction of the Finance Committee—have worked over the last 2 days to find those issues upon which there was common agreement, or at least levels of spending on which there was common agreement, to move forward on as the centerpiece, with the full understanding our colleagues will offer various other ideas either to increase amounts of money or to add additional provisions to this bill.

What is important here is we are finally working on this issue. As I pointed out earlier this week, we have close to 8,000 foreclosures a day occurring in this country, not to mention, of course, the residual effects spreading across the economy of our Nation—the contagion effect affecting students loans, car loans, people who are current in their mortgage but are watching the value of their house decline because their neighbor's house is in foreclosure, watching home sales drop. This is in the midst of an economy that is stumbling along, to put it mildly, with a fiscal situation in dire straits. The dollar has been weakened. Inflation is rising. Unemployment rates are increasing. Consumer confidence is at a low point, the lowest it has been in years.

So it has been critical, in my view, aside from the specifics which you will hear about over the coming days, that we do everything possible to remind the American people that in this body Democrats and Republicans can come together to try to take intelligent steps to move against the flow of the economy heading in the wrong direction.

This proposal we bring to you as a substitute this morning on behalf of myself and Senator SHELBY, along with the leadership, is that first major step. Is it the end game? Absolutely not. Are there ideas I would love to have had included in this bill? Absolutely. Are there matters here the Senator from Alabama would like to have included or excluded? Absolutely. But we realized we were not going to be able to do that in this discussion over the last 2

days, that we needed at least to come up with a core group of issues around which there was general agreement, and then from that move forward. That is the good news.

A month ago, we had a cloture motion on going to a housing debate. It was defeated. You could not even get to a debate on this housing crisis. That now is behind us. There are matters that occurred over the last several weeks that I think probably had a lot of influence on what has caused us to come here this morning. The Bear Stearns, JPMorgan situation, which we will be hearing about later this morning in the Banking Committee, was certainly one. I suspect the other major event was the fact that we went home for a couple weeks.

There is nothing like going home and to get a message. Members went back home—Democrats and Republicans—and they heard from their constituents. They watched what happened on Wall Street in New York when all of a sudden there was an arrangement, which I think was the right one, probably, with some minor differences, that saved a major collapse in our financial institutions.

But they asked the very legitimate question: If it was good enough for people to get together to solve a problem on Wall Street, what about the problem on Main Street? What are you doing here to see to it that I can stay in my home, that our neighborhood is not going to collapse—that our taxes and properties and neighborhoods are not going to further deteriorate? So I suspect more than anything else going home made a big difference, and we are here this morning to then talk about what we can do.

Two days ago, the majority leader and the Republican leader asked Senator SHELBY and myself to put together a consensus package to move this process forward, and I am pleased to say we have complied with the wishes of the two leaders in crafting a compromise proposal that we believe merits the full support of this body.

Again, I thank the majority leader and the Republican leader for their leadership and support in this effort.

We worked very intensely through Tuesday night until yesterday evening to put together this package that is before us. This effort built on the considerable time that we have spent in the Banking Committee over the past 15 months, I might add, in hearings, meetings, and briefings, on the causes of and remedies to the current economic crisis. Senator SHELBY and I said yesterday that at times of crisis such as this, inaction is not an option. With more than 7,000 Americans going into foreclosure every single day, true leaders cannot simply turn passively away. Our agreement takes important action to address symptoms of this crisis in a constructive and sensible manner.

I would be remiss if I did not also mention Senator BAUCUS and Senator GRASSLEY, who did very good and important work in the Finance Committee over this same period of time, the fruits of which are also reflected in the package that is now before us in the substitute. This package includes a number of important provisions:

Foreclosure mitigation fund—$4 billion for towns and cities to acquire foreclosed and abandoned properties, renovate them, and put them in the hands of qualified home buyers or turn them into rental housing as the local markets dictate. That is important because when you have a foreclosed property in the neighborhood, every other property in that neighborhood declines in value immediately. So trying to do something about foreclosed properties to put them back on the market and get them back with people living in them, either by purchase or rental, which will also benefit the neighbors in that community, not to mention property taxes, services, and the like—it is a major provision, one which I am glad is included.

Foreclosure prevention counseling—$100 million of additional funding in fiscal year 2008 to bring borrowers and lenders to the table to work out terms that will prevent foreclosures. This brings the budget for foreclosure prevention counseling to $280 million for this fiscal year. That is up from $42 million last year. Now, would we have liked to have done more? Absolutely, we would have liked to have done more. Senator SCHUMER and Senator MURRAY wanted $200 million. My colleague from Alabama will tell you there was not a lot of appetite for this proposal here, to put it mildly, so we compromised between $200 million and virtually zero and got it to $100 million. I am told by the nonprofits that there are adequate funds here now in the calendar year to assist in the counseling effort, which can make a huge difference.

FHA modernization. The bill also includes the FHA modernization legislation which passed this body 93 to 1 last fall, with some improvements. For example, we increased the FHA loan limits from the current $362,000 to as high as $550,000. This will make FHA more available and usable to people who live in higher cost States. It would also strengthen the solvency of the FHA fund. FHA can help an awful lot of people seeking safe, solid, affordable, fixed-rate mortgages. We think it is a very important component to our comprehensive strategy.

Better disclosure. Senator JACK REED has included a provision in the legislation that improves disclosure. It updates penalties for lenders who fail to make disclosures. These kinds of disclosures might have helped prevent some abusive lending if they had been in place in years past. I would point out that I think another Senator also had disclosure provisions in this bill, and this is a compromise between Senator REID and a Republican Senator who was also interested in disclosure language.

Tax provisions. Senator BAUCUS and Senator GRASSLEY worked out a package of tax provisions as well. I will mention them briefly and let them describe the provisions more fully themselves. They include a home buyer tax credit to incentivize the purchase of foreclosed properties, the Isakson-Stabenow-Cardin proposal. No. 2 is a property tax deduction to help people offset rising mortgage payments. We will provide a modest tax cut to middle-income families of $100 to $250 who don't already itemize their deductions. Senator BAYH and Senator BAUCUS offered that idea. Mortgage revenue bonds to help communities raise resources to invest in affordable mortgages and rental housing—it goes right to the heart of the problem we are talking about. Net operating loss carryback will help businesses ride out the current downturn.

This package is a good start. I wish to thank as well Senator KERRY, Senator AKAKA, and Senator NORM COLEMAN for talking about veterans and making sure those serving our country in Afghanistan, Iraq, and elsewhere are not going to have their properties foreclosed in the midst of all of this.

There are other provisions as well that I am not going into here, but needless to say, again, these are items upon which we could agree, both Democrats and Republicans, to serve as the core of the coming debate. Our action today does not preclude, as I have said, further legislative action by the Senate. In fact, I am committed to going forward and doing more. In fact, I will hold a hearing next week on the home preservation idea that a number of Democrats and Republicans are attracted to. Senator SHELBY, to his credit—I appreciate his willingness to be a part of that debate and discussion during the coming days. There was a reluctance, and I would have loved to have included that in this package. There is resistance to that idea at this juncture, but I am still determined to do everything I can in the coming days to have that included as well, to see to it that we really get a floor and a bottom on this issue as quickly as we can.

My colleague from Alabama is here. We are both going to be going over to chair a hearing, so I want to give him some time to discuss this.

Let me thank Senator REID and Senator DURBIN for their efforts. They will be offering ideas as well to improve and strengthen this legislation. Some of these ideas we will welcome, others we will oppose.

Senator SHELBY and I will consult with each other in that process to determine how to go forward, but we want to stick with this core idea if we can. Other ideas that come to the table we will certainly consider and may, in fact, be added to the package, but I think we want to try to keep this core package whole and together if we can, rather than having it unravel.

So with that, I thank the majority leader, the Republican leader, and I

thank my colleague from Alabama. He and I work closely together. Last year, we did 35 hearings and 17 bills in the Banking Committee, half of which became the law of the land, and some others are still pending here. Our committee is a good committee with good working members who care about these issues, and we are determined to make a difference.

With that, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized.

Mr. SHELBY. Mr. President, this morning I am pleased to join my friend and colleague, the chairman of the Senate Banking Committee, Senator DODD, in supporting the pending amendment.

When a crisis such as the one we are now facing arises, I believe the American people expect us to provide effective and timely solutions. Chairman DODD and I have worked together to develop a package of targeted measures intended to help stabilize and strengthen the housing and the financial markets. We chose not to pursue partisan goals here. Instead, we are focusing our efforts on achieving the best possible results in a bipartisan fashion. I commend the chairman for his willingness to work with me in this manner.

The amendment before us provides immediate help to the marketplace by reforming the Federal Housing Administration, allowing it to provide greater liquidity and thereby enhancing the options available to America's homeowners. It also provides additional funding for foreclosure prevention counseling, which will hopefully help many homeowners stay current on their mortgages and be able to remain in their homes.

In order to prevent this situation from repeating itself, the amendment increases the disclosures—this is very important—disclosures made to consumers when they obtain mortgages and close their loans. I believe that giving consumers; that is, buyers, more information and greater ability to understand the choices they are making will help them avoid the pitfalls and bad decisions many underinformed consumers made in the recent past.

To better protect our soldiers, sailors, and airmen, the amendment extends additional consumer protections and provides those returning from combat a chance to get back on their feet before they face foreclosure. That is the least we can do.

In an effort to provide communities with the ability to clean up the damage caused by the foreclosures that have already occurred, we have included funding to allow States and communities to buy and repair foreclosed residences. Attached to this funding is a requirement that any profits from the sale of properties must be used to buy and repair additional properties, similar to a revolving fund. I believe that reuse of this funding in this manner will maximize the impact of these dollars and minimize the possibility that funds will be wasted or profits inappropriately pocketed, as has been the case in the past.

The amendment before us also contains a number of tax-related provisions prepared in a bipartisan fashion by the chairman and ranking member of the Finance Committee, Senator BAUCUS and Senator GRASSLEY.

I believe this is a focused and targeted piece of legislation that will address in an appropriate manner a number of the difficulties we are now facing in the housing market. There is no doubt that we are experiencing serious economic stress in communities across the Nation. As I said in the beginning of my remarks, the American people expect us here in the Senate to provide effective and timely solutions. But I would caution my colleagues here that while we are in agreement on the measures contained in this bill, there is a line that I believe we should not cross. That line is represented by a taxpayer-funded bailout of investors or homeowners who freely and willingly entered into mortgages that they knew or should have known they could not afford. Nor should we be using taxpayer dollars to bail out financial institutions that also contributed to this problem. Chairman DODD and I will shortly be attending a Banking Committee hearing in the Senate where we will be examining that very question in relation to the Bear Stearns situation.

While there are a large and growing number of homes entering foreclosure, I believe we must remember that the vast majority of homeowners are living within their means and are making their mortgage payments. While some would argue that we have a responsibility to aid those who find themselves underwater on their mortgages or unable to afford their increasing payments, I would argue, on the contrary, that we also have a responsibility to those who have made prudent financial decisions and those who may be looking to enter the housing market for the first time. There is a large group of Americans who see falling home prices not only as an opportunity to buy for the first time but also as an opportunity to move up. We must not forget them in our zeal to do something here.

Recently, I received a letter from an individual stationed in Japan. I think he very effectively makes the case for the other side of the housing market, and I would like to share this with my Senate colleagues. I will read it into the RECORD:

Dear Sir: While I'm not a resident of your State of Alabama, I would like to share my opinion with you on a very important issue. My wife and I are very concerned with the direction government policy seems to be taking on the debate over the ''housing crisis.'' I am an employee of the Department of Defense and I am serving overseas in Japan. Before we came here, we lived in Washington, DC, an area with a very high cost of living. From the very first paycheck I received we have been saving every month for an eventual down payment on a home. We could not afford to purchase a home in DC or anywhere near DC and were unwilling to take on an alternative mortgage with 100 percent financing. As such, we rented.

When my tour is up in Japan we will probably be going back to Washington and we hope to buy a home. We have worked hard, saved hard, and will be putting down a 20 percent down payment on the home with a 30 year fixed mortgage. An important factor in our being able to purchase a home is how much the market has softened. House prices are dropping because the market was incredibly inflated.

Yes, people are losing their homes to foreclosure, but more often than not they shouldn't have been in those homes in the first place. I have very little sympathy for someone who took out two risky mortgages to cover 100 percent of the cost of a home that they could not afford.

And the letter goes on:

In fact, I would consider it an absolute slap in the face to see my tax dollars being spent on people to allow them to stay in the home they can't afford when I have been saving for years to get into the home that I hope I can afford.

The letter goes on:

I recognize that much of the debate centers around predatory lending practices, and people being duped into a mortgage they didn't fully understand. I feel for those people. I really do. But there must come a point when people take responsibility for their actions. If you didn't read your mortgage before you signed, you made a big mistake, and now are going to pay for it. It is not the Federal Government's job to save people from the natural consequences of their actions.

The letter reads on:

As you look for a solution to the current situation please consider the position many of us are in. We work hard, we save, and we buy a home we can afford. Do you really want to punish us by using our tax dollars in a bailout for those who got in over their heads? Do you want to reward poor fiscal discipline and encourage people once again to bite off more than they can chew knowing that Uncle Sam is going to come to the rescue? I believe that people like me are very much in the majority in this Nation. But the media attention isn't going to focus on us. It doesn't make for good TV. They are going to focus on the family that is losing their home because of ''corporate greed.'' No mention will be made of the family that simply wanted more than they can afford and now has to pay the price.

Please be an advocate not only for fiscal discipline and responsibility in the government, but in each and every American as an individual.

I think that is a good letter. I believe these are wise words, and I believe they are words that I hope we can keep in mind to encourage my colleagues as we work through this legislation.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Illinois is recognized.

AMENDMENT NO. 4388

(Purpose: To address the treatment of primary mortgages in bankruptcy, and for other purposes)

Mr. DURBIN. Mr. President, pursuant to the unanimous consent agreement, I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for himself and Mr. REID, proposes an amendment numbered 4388.

Mr. DURBIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. DURBIN. Mr. President, I am going to make a brief opening statement because I know the Senator from Oklahoma, Mr. INHOFE, would like to take the floor and has to go to a committee meeting. I am going to stay here to manage this bill while Senators DODD and SHELBY are off to a Banking Committee hearing with the head of the Federal Reserve, Mr. Bernanke.

The rules of the Senate are written so that virtually any Senator can stop the train. It is a strange way to do business around here, but it is the way we have done it historically. The so-called filibuster is where a Senator can take to the floor and say: Stop. I don't want this to go forward. Literally, that interrupts the proceedings of the Senate until that Senator yields the floor or is persuaded by an agreement to cooperate with the progress that is needed.

This bill is critically important for America. It is relating to our housing crisis—and it is a crisis. We proposed, on the Democratic side, a housing stimulus bill that had five or six component parts and that I thought was a good, fair, and important piece of legislation. It included a provision that may have been one of the major provisions of that bill I had authored related to the Bankruptcy Code. It turns out this was the most controversial part of the Democratic housing stimulus package. It drew more fire than anything else. There were other provisions even the President objected to, but it seemed like most of the opposition was directed at my amendment, which I will describe.

There came a time this week, though, where we were going to return to the bill with the controversy associated with it—this Democratic stimulus package—where an opportunity presented itself. Senator SHELBY from Alabama, the ranking Republican on the Banking Committee, approached Senator DODD, the chairman, and suggested we try to work this out. In fact, that effort was undertaken with the blessing and approval of both HARRY REID, the majority leader, and Senator MCCONNELL, the Republican leader. A lot of hard work went into the compromise. The staff, as usual, had to burn the midnight oil to get this bill ready—not just the Banking Committee but also the Finance Committee. The end result is the substitute amendment that is pending before the Senate at this moment.

I will tell you, as I walked through this substitute amendment, this compromise, this effort, I found there was a glaring omission—my amendment was gone. The bankruptcy amendment I offered on the original bill had been stripped from it. I wasn't surprised. There was a genuine effort and undertaking to find common ground between Republicans and Democrats. Clearly, there was opposition to my proposal. I had an option at that point, as a Senator—and every Senator has this option—to stop the train, to hold things up, and say that is the end of the story. I have seen it done, where some Senators have made a career by being obstinate, saying nothing will happen until I get my way. Sometimes they prevail but not always. The net result is an elongated Senate process and a lot of wasted time.

Those who follow the Senate proceedings on C–SPAN may be familiar with the so-called quorum call, which basically means nothing happens but for a clerk who, every 5 or 10 minutes, reads a name to remind people we still have a pulse in the Senate. But that is a delay, it is a lack of effort, and it is a waste of time. So I made the decision not to use my right as a Senator to stop this bill. I thought that would have been selfish, self-centered and, honestly, didn't serve the purpose we are all trying to serve. All I asked in return was to be able to offer this amendment. All I ask my colleagues, in return, is to give me a vote. I don't know if I can prevail. It has substantial opposition. I wish to give my point of view, state my case for the amendment, and I welcome those who are opposed to do the same.

In fact, I am prepared to do something that is rarely done on the floor of the Senate today. I am prepared to stand here and debate my amendment. I welcome those who oppose it, and I would debate it on the merits of what I have to offer. You don't see that much anymore in this great deliberative body. People give their speeches and leave. I will stick around and I will be prepared to debate the merits of it and then I will accept the decision of the Senate as to whether this amendment should be included in the package.

All I ask is that, in good faith, those who oppose the amendment give us a timely debate and a vote. Let's not drag this out forever. There are Members on both sides of the aisle who would like to offer their amendments. I wish to say, at the outset, I will not be unreasonable in the debate time I ask for. I hope we can reach an agreement where we can actually have a complete debate and vote on this amendment by 12:15 today. I am prepared to do that. As I said, whatever the decision of the Senate, I accept it. Let's move forward.

When I ran for the Senate—I left the House of Representatives—I did it because I respected this institution. I knew so many fine people who served here, and I looked forward to the possibility that on the floor of the Senate we could engage and debate on the issues of our time, and those following debate in the gallery or through C–SPAN would hear both sides of the debate and form their own opinions and feel like we were doing our job. Let's do that on this amendment.

On the bankruptcy amendment I have offered with Senator REID, let's have that kind of debate.

I am going to yield now to the Senator from Oklahoma at this point and ask unanimous consent to reclaim the floor after he completes his remarks.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I ask the Senator, would he state publicly the time he thinks he might need?

Mr. INHOFE. Yes. It is my understanding we had up to 30 minutes. It is not my intention to take that much time, but there might be someone else on our side who will want some of the time, in which case I will yield to them. So it could take that long.

Mr. DURBIN. Then, I ask unanimous consent that when 30 minutes has expired, or if the Senator has not used all that, I be allowed to reclaim the floor and describe the amendment I have laid at the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Oklahoma is recognized.

VICTORY IN IRAQ AND THE MIDDLE EAST

Mr. INHOFE. Mr. President, I thank the Senator from Illinois for his cooperation. As I said, if we have any other Members of our side who wish to come down and talk about this, there was that length of time set aside. So I reserve that time for anybody else who wants to speak. If anybody is listening and they wish to use some of this 30 minutes, they are welcome to do it.

I returned 2 days ago from Iraq. It is my 18th trip in the area, in the theater. Sometimes it was Afghanistan and other areas, but it was in that zone there. I wished to take this opportunity to kind of show where we are today, how we got here, and where we are going to go. Some good things are happening over there. A lot of people don't believe it, and some people don't want to believe it.

The first thing I wish to do is try to give an indication as to where we started and how this whole thing started. We keep hearing quotes from people—and misquotes—such as General Cody. He is very certain the Army—even though it is stressed—the soldiers themselves are in a position to continue as they have been. But there is a problem. I think the world needs to know how we got into this problem in the first place.

It began in the 1990s during the Clinton administration. I have a chart. When I make this statement, people tend not to believe it is true. At that time, we downgraded the military, during those 8 years in the 1990s, by approximately $412 billion. If you look at

where we were during the beginning of the Clinton administration, that would be this black line on the chart. If you merely put into this chart the inflation rate and kept the funding of the military at a constant level, it would be this black line. However, the red line down here was the Clinton budget. The budget came in—if you added up all 8 years—at $412 billion below what the static budget would have been with inflation added.

I say that, and it sounds a little bit like something people are hearing for the first time. Yet it should not be the first time. I know there wasn't one month that went by in the 1990s that I didn't come down to the Senate floor and say this euphoric attitude that the Cold War is over and we don't need a military anymore is something that is going to come back to haunt us. Well, it has come back to haunt us. This is the problem we have. It is very much like during the Carter administration in the 1970s, when President Ronald Reagan inherited a hollow force when he took office. It was.

When you are decreasing the funding of the military over 8 years, you are dropping behind in your modernization program, and it means your force strength will be dropped, and it was a downgrading of about 40 percent.

One of the things that concerned me at that time was there is this feeling among the American people that we have the best of everything; that when our kids go into combat, they are armed and equipped with the very best equipment that is out there. Unfortunately, that is not true. It should be true. I think the American people would demand—if they knew we were having these problems—that we would give our kids the very best of everything.

I have always been very appreciative of GEN John Jumper, who, in 1998, might been the Vice Chief of the Air Force. He stood up and said Russia was making a strike vehicle—he was referring to the SU–25 and SU–30 vehicles—and selling them all over the world to countries such as China, or potential adversaries, which are better than our best strike vehicles, the F–15 and the F–16. In some areas, they were better. He talked about the stealth capabilities of what the Russians were making as opposed to what we had. At that time, there was one sale of around 240 of these vehicles to the Chinese. So they had equipment that was better than ours.

Another example is the NLOS cannon. This is the best thing we have. The Paladin is World War II technology. With the Paladin, after every shot of this cannon, you have to swab the breach. You saw pictures of this in prior wars. But this isn't acceptable because there are five countries making a better one than we are making, including South Africa.

So what we have been attempting to do, after this period of time was over, was to start upgrading, modernizing, and increasing the force strength and capability of our American military. Nonetheless, it is very significant that people realize that when this administration took over, and 9/11 came about, this was the condition of our military. It should not have been that way. The terrorist movement was active through the 1990s and during the Clinton administration.

In February of 1993, there was a car bomb planted in the underground parking garage below the World Trade Center. We knew that, and that was prior to 9/11. In June of 1996, Khobar Towers, we remember, were bombed by Hezbollah, with intelligence pointing to support by al-Qaida. The embassies in Kenya and Tanzania, in 1998, were blown up, and that was done by the terrorists. We all remember what happened in Yemen, when a small craft went into the USS *Cole* and killed a number of Americans. That was another terrorist attack.

So this terrorism was going on all during the time we were downsizing our military. The next thing we find out is we are in a position where we have a down-sized military, and 9/11 comes along and 3,000 Americans are killed by terrorists, and we found out other terrorist attacks were planned at that time. That is when this all started.

I have to say—because right now I am missing a hearing, which I will go to when my remarks are finished—in talking about this stressed situation of our Army, people need to understand how we got into this situation. After my 18th trip over there, and every time in talking to the young people over there, yes, they are stressed and their families are stressed and, yes, they have had more deployments, and they should be 12 months instead of 15 months but they understand this has to be done. We cannot compromise our victory. So we went in after 9/11 for three reasons.

First, we went in to liberate Iraq from a tyrannical leader. I remember so well in 1991, after the first Iraq war, I had an occasion to be on the first freedom flight. It was 1991. There were nine of us, Democrats and Republicans. We were the first ones, in fact, to go to Kuwait City, but the Iraqis did not even know at that time the war was over. They were burning oilfields. The day would turn into night because of the smoke. That was the environment we were in at that time.

We had a person of nobility in Kuwait who had a palace by the Persian Gulf who was with us. He had a 7-year-old daughter. They went with us. Alexander Haig, Tony Cuello was one of the party who went over. At that time, he was, I believe, the Democratic whip of the House of Representatives. So it was a mixture of people. This man of nobility and his daughter wanted to see what their house looked like, if it was torn up during the first gulf war. When we got there, we found out that Saddam Hussein had used it for a headquarters. I took the little girl up to her bedroom—she wanted to see her little animals—only to find they had used her bedroom for a torture chamber, and there were body parts just scattered around in different areas. When we saw this, we realized what an animal this man we were dealing with was.

After 1991, we went back several different times, only to find that Saddam Hussein went after everybody who he suspected had been opposed to him during that first war, and he took care of them in different ways. He tortured thousands of people to death. You have to have gone over there, as I did, and looked into the graves and seen people who had been buried alive. His sons would raid weddings that were taking place. They would rape the bride, and then they would bury her alive. People who were going to be tortured to death by Saddam Hussein were begging to be dropped into the vats of acid head first so they would die quicker, or into the grinders, or the limbs that were cut off.

We really cannot draw a distinction between al-Qaida and Saddam Hussein in terms of the fact they are terrorists and they have no regard for human life. We just recently found an al-Qaida torture manual. The very things Saddam Hussein was doing in torturing people, they are doing now. Take a look at this chart. They are using flames on the throat; cutting the feet open so if they live, they will never be able to walk again; hanging by the arms while they had electrodes going in; drills used on their hands; and, of course, chopping off their limbs. This is a manual teaching them how to do it. We watched this and saw this was happening. I would think any reasonable person would say that alone would have been enough to go in to stop that reign of tyranny that was taking place at that time. But there are other reasons too.

The second reason is there were training camps located in Iraq in places such as Sargot, Ramadi, Samarra, and one of them was in Salmon Pac. Salmon Pac is a community in Iraq where they have a fuselage of a 707 on the ground, and they were teaching people how to hijack airplanes. We will never know whether the perpetrators of 9/11 were trained in Salmon Pac. We don't know that. We never will know. Nonetheless, those are four training camps in Iraq. They are all closed now. They are not training anymore. That alone is certainly itself enough reason to have gone in there.

The third reason is to help the Iraqi people create a free and democratic country. People say: Why do we care about the Iraqis? We have problems at home. Why are we spending all this money? Why do we care about what kind of democracy they have? And they thought it was impossible to start one, anyway. One reason is, if they do not do it, it is going to be a problem area for terrorists in the Middle East until they are fighting on our soil. The troops who are over there know this.

I just got back. I talked with many troops. In fact, now we have the Oklahoma 45th over there, and we visited with most of them. They understand why they are there.

What would happen? There were a lot of surrender resolutions, a lot of cut-and-run resolutions that got a lot of attention in this body. I can remember when moveon.org had the big ad campaign portraying David Petraeus, one of our great American heroes, as ''General Betray Us.'' It was unconscionable. There were resolutions to disavow what he said. There were 25 Members of this Senate body who opposed those resolutions.

When the terrorists see this, they are hoping and praying that we, the Americans, are going to leave Iraq. On August 28, 2007, Ahmadinejad made a statement. He was referring to these resolutions that are going to draw our people out of Iraq. He said:

Soon we will see a huge power vacuum in the region. Of course, we are prepared to fill that gap. . . .

We are talking about Ahmadinejad. That is why the Iraqis are getting so cooperative with us. They don't want that vacuum filled.

I was talking the other day with BG Jimmy Cash. He is retired. He is the former command director inside the Cheyenne Mountain complex in the late 1980s. He said: I watched Iran and Iraq shoot missiles every day, all day long for months. They killed hundreds of thousands of their own people. They were fighting for control of the Middle East.

Which reminds me, when all these people are talking about weapons of mass destruction, we knew they had weapons of mass destruction then. We knew they were killing hundreds of thousands of their own people in the north, the Kurds, and they were using weapons of mass destruction to send chemical warheads up there that have the effect of burning people to death from the inside out, the most painful thing—women, babies, everybody, thousands and thousands of them.

Anyway, if he were to fill that vacuum, we do not know how long it will take for America to be a target on our soil.

If we look at what is working, one of the things I noticed on the many trips I have taken over there—about a year ago, a little more than 13 months ago, the surge began. That was General Petraeus. What did he say? GEN David Petraeus said we have to go in there with a surge capability in certain areas. He was concerned about some of the areas around the triangle. As we went in there and positioned ourselves, we found that he was right in his analysis as to where we needed to have more troops stationed—in Fallujah and Ramadi. Remember, just about 2 years ago, they declared that Ramadi would become the terrorist capital of the world. Now Ramadi is under total security, not by the United States but by the Iraqi security forces. So we have watched what has happened since that time.

One of the reasons the surge has worked so successfully is that we have had the religious leaders realizing that if we leave, Iran will come in and fill the vacuum, and they cannot have that happen. So the religious leaders, the imams, the clerics started giving positive messages about the United States of America.

A year ago, we had our defense intelligence attending the weekly meetings of the mosques. I think they meet every Friday. At that time, 85 percent of the messages that were given in the mosques by the clerics and the imams were anti-American messages. As of April of last year, almost a year ago, there had been virtually none. They are all now positive messages. What does that mean? It means that the Iraqi citizens have now—just like, Mr. President, anyplace in your State of Arkansas or elsewhere in our communities, we have Neighborhood Watch programs. Now they have them. They have their own citizens going in with bait cans, drawing circles around the undetonated IEDs so our troops will not be killed. We watched in Anbar all the incidents. They have been down from 40 a day to 10 a day. We have seen economic growth, the markets open and crowded. The large project in the Sunni Triangle is now back on track. They are going to have the capability to help their people now.

The Iraqi Army is starting to perform really well. This surprises a lot of people because they don't think the Iraqi security forces have the capability of being the type of soldiers they are today. We saw this the other day. In fact, I was over there the other day in Bucca in Basra when they went in and took care of the problems so we didn't have to do it. This is what we are seeing.

If you have any question that it is true, all you have to do is look at some of the people who never really wanted to be friends of the Bush administration who were opposed to the liberation of Iraq. One such person was Katie Couric. This shocked everybody when she was interviewed. That was in September 2007 by Bob Schieffer. This was live on TV. She had made a trip, after she had been criticizing the war, criticizing the Bush administration, criticizing the whole liberation effort. She went over and came back and said:

Well, I was surprised, you know, after I went to Eastern Baghdad. I was taken to the Allawi market—

I have been there also—

which was near Haifa Street which was the scene of that very bloody gun battle back in January, and you know this market seemed to be thriving and there were a lot of people out and about. A lot of family-owned businesses and vegetables stalls and so you do see signs of life that seem to be normal . . . the situation is improving.

That is not me talking, that is Katie Couric, whom we least expected that from.

We see these things happening. I always make a point when I visit with people in the markets, if I see someone carrying a little baby, I will go in there intentionally without any kind of armament, with an interpreter. The interpreter will tell us just what they are saying. And people with young kids love the Americans.

I have to say this too. We are going to see, and have seen already, a lot of accusations that we in the United States, in our Department of Defense, CIA, and the rest of agencies, are guilty of all kinds of torture. It is true that back in Abu Ghraib, when it first happened, there were some people there who did the wrong thing. I think there were 11 of them altogether. They were doing some things that were perhaps not the kinds of things we would endorse. That was taken care of by the U.S. Army. They took care of it. But that came out, and people started talking about what the Americans were doing. Yet look what is in their manual, the types of inhumane torture.

I went to Bucca. Bucca is where we have the most detainees in Iraq. I was wanting to find out for sure by going around and interviewing detainees. I interviewed, I would say, about 40 or 50 of them. I picked them out myself. I took an interpreter. Each one said: We never were tortured when we were captured. We have been detained. We will be going back to where we came from. They have become real supporters of the United States. They were treated right. They were treated humanely. They are teaching them to read. They are teaching them to study their Koran. They are teaching them carpentry and other trades because one of the biggest problems they have—it is easy to recruit people when there is total unemployment. The unemployment rate is so high. They have to feed their families some way. Now we have trained them, and they are able to go back and get jobs and take care of their families without having to do it through the military.

I just say to you, Mr. President, since this whole situation began—and I happened to be in Fallujah during each of the two elections that took place, and I watched the Iraqi security forces go down to vote when they knew they were risking their lives. They voted the day before so they could offer security. I watched those people risking their lives—remember the purple finger—knowing their lives were at risk when they voted. This is the democracy they have been looking for. Democracy has been working. I came back this last time thinking the surge has been progressing so well; if we just keep it up, really good things are happening over there.

Considering we started with a downgrading of some $412 million in our military, then 9/11 came and we were forced into a war as a result of that, we have done so well.

Mr. President, I was a part of the draft many years ago, and I was a believer for quite a number of years,

until the first gulf war, that we should have mandatory service because I know what a great thing it did for my life. But when you go over today and you see an all-volunteer force and see what they are capable of doing and what they have done, you come back so proud that they started out down here with very little to work with, and they have been able to sustain it.

Are they overworked right now? Are they deployed too often and too long—15 months? Yes, they are. It looks as though we are going to be able to drop that down to 12 months. But the troops themselves say: Whatever it takes, we are going to do this. They know the alternative. The alternative is the war will be waged on American soil. We don't want that to happen.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The assistant majority leader.

Mr. DURBIN. Mr. President, I yield 10 minutes to the Senator from Pennsylvania before we claim the floor to describe my amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Pennsylvania.

Mr. CASEY. Mr. President, I ask unanimous consent to speak as in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CASEY. Mr. President, I ask unanimous consent to have printed in the RECORD the two documents I have in front of me, one of which is a description of the life of one of our fallen soldiers, as well as a news article from the Citizens' Voice newspaper dated December 23, 2005.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

First Lieutenant Michael J. Cleary, of Dallas, born April 4, 1981 was killed in action by hostile forces on December 20, near Samarra, Iraq. Lt. Cleary had just completed a demolitions mission when an ambush occurred. Mike was Platoon Leader of the Explosive Ordinance Disposal Team in E Company, 1st of the 15th Infantry Regiment, 3rd Brigade, 3rd Infantry Division.

Mike graduated from Dallas Senior High in June 1999. While at Dallas, he was a four-year letterman in both soccer and tennis, and captain of both teams his senior year. He was named to all star teams in both sports. He was selected to attend the National Youth Leadership Forum on law in his junior year and was involved in many school activities including National Honor Society. He received the Dr. Pepper Soccer MVP Scholarship and the History Scholarship at graduation and was offered academic scholarships at Ursinus College, Gettysburg, Dickinson, and Lafayette. He chose Hamilton College in Clinton, NY.

While at Hamilton, Mike participated in varsity soccer and lettered in varsity tennis. He joined Sigma Phi Fraternity and became the chapter president. He gave up intercollegiate sports and participated in all fraternity intramural sports, winning the Hamilton Golf Intramural Championship. He wanted to enlist in Special Forces immediately after the attacks of September 11, but chose to follow the advice of his mother and stayed in school until completing his studies. He graduated in May 2003 with honors from the Economics Program.

In his senior year, he applied to, was tested for, and was accepted into the Marine Flight Officer Program. He was notified that his class would be deferred to January and enlisted in the U.S. Army. He went to Basic Training three weeks after college graduation, earned his Airborne Wings and Sapper Tab, and graduated from the SAS Antiterrorist Course. He was a player-coach of the Ft. Leonard Wood soccer team, which won the Post Commander's Cup. His last soccer competition was as player-coach of 1st/15th Infantry Soccer Team that played a Thanksgiving Day game with the Republic of Georgia Army Team.

Mike's military decorations include the Combat Action Badge, Bronze Star Purple Heart, Army Commendation Medal, Air Force Commendation Medal, Army Achievement Medal, Good Conduct Medal, and three campaign medals. He was awarded the Overseas Military Service and Active Duty Army Ribbons, as well as Meritorious and Valorous Unit Citations.

Mike is survived by his parents, Marianne and Jack Cleary, Dallas; sisters, Erin Flanagan, her husband James and their three children, Bedford, N.H.; Shannon Cleary, Maui, HI; Kelly Cleary and Fred Tangeman, DeLand, FL; brother, Patrick Cleary, Dallas; his loving fiancée, Erin Kavanagh, Dallas, and his maternal grandfather Joseph Nemeth of Waverly, N.Y.

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[From citizensvoice.com, Dec. 23, 2005]

A FAMILY MOURNS A FALLEN SOLDIER

(By Robert Kalinowski)

DALLAS.—It was at her bridal shower Sunday when Erin Kavanagh had one of her last conversations with fiancé, 1st Lt. Michael Cleary.

''Mike called during the shower and said, 'Have fun doing whatever girls do at bridal showers. I love you,''' Kavanagh recalled, her voice soft and crackling with a cup of water she was sipping in hand.

A grand wedding was set for mid-February. Cleary was ''packing up'' in Iraq, scheduled to complete his yearlong tour in 10 days. The couple was to move into an apartment near his Georgia Army base Jan. 4, she said.

''I kind of thought we were free and clear,'' Kavanagh said Thursday with Cleary's dad, Jack, by her side just two days after Cleary was killed in action.

The two spoke at length about the heroic 24-year-old Army officer from the office of Jack Cleary's Dallas-based business, Cleary Forest Products.

Cleary and another soldier from his unit, Spc. Richard Junior D. Naputi, 24, of Guam, died Tuesday in Taji, Iraq, when an improvised explosive device detonated near their Humvee during combat operations, the Department of Defense reported Thursday. They were assigned to the 1st Battalion 15th Infantry Regiment, 3rd Brigade, 3rd Infantry Division, Fort Benning, Ga.

Kavanagh sporadically cried while slowly flipping though a thick stack of pictures of Cleary.

There were photos of him fishing and hunting. Some were of him with family and some with fellow soldiers in Iraq. She cracked a small laugh at one of him chopping down a Christmas tree last year.

The 25-year-old then paused when she came across one of the couple and their parents, immediately recalling the date it was taken: May 19, 2005.

That was the day her lifelong friend and then-boyfriend asked her to be his wife.

It was the last full day they spent together. The next day, Cleary shipped off to finish his tour after a two-week leave at home, she said.

Behind Kavanagh was a laptop computer, on which she had just checked her e-mail. The subject line of one of Cleary's final messages to her, sent Dec. 17, read: ''So good to hear your voice today, Love.''

After Kavanagh's bridal shower—attended by 50 people at Apple Tree Terrace, Newberry Estates, Dallas, where the wedding reception was to be—she traveled to Virginia, where she was living.

She was packing her belongings for the move to an apartment at Cleary's military base in Georgia, where they planned to live until Cleary's enlistment was complete in December 2006.

It was there on Tuesday night when she learned the devastating news her soon-to-be husband had been killed.

Her mother, brother and close friend drove the 250 miles to tell her face-to-face, she said.

Kavanagh struggled but couldn't describe her initial reaction Thursday before a family member walked into the office, approached her crying and offered condolences. The two sustained a lengthy embrace as they whispered to each other and sobbed.

Several minutes later, Kavanagh discussed how she's coping with the tragedy.

''I've just been with family. I'll have to take it one day at a time,'' she said.

''And, I have a new family, right Jack?'' she innocently asked Cleary's father, who said yes without delay.

Cleary tried to, and usually did, call every other day, Kavanagh and Jack Cleary said.

He last called each of them Monday, they said.

Toward the end, he focused on talking about a Dodge Ram pickup truck he bought and was waiting for him and where he and Kavanagh should go on their honeymoon, they said.

The honeymoon location was still being finalized.

''Erin said she didn't care (where they were going), but he said, 'Dad, I think that means she really does,''' Jack Cleary recalled.

Cleary and Kavanagh began dating on Nov. 25, 2004, which was Kavanagh's 24th birthday, while Cleary was home before deploying to Iraq.

The two knew each other since they were children and graduated together from Dallas High School in 1999. After high school, Cleary decided to follow in his dad's footsteps to Hamilton College in New York state.

Pursuing an economics degree, Cleary was in his junior year when he first considered the military. He was troubled by the Sept. 11, 2001, attacks, his dad said.

''He came home for Thanksgiving in November and told us he all but signed the final papers to join the Army special forces,'' said Jack Cleary, a decorated Army veteran of the Vietnam War.

His parents convinced him to finish college first. While doing so, he applied for the Marine Corps officer flight school. When told his entry would be delayed, he ''said 'I'm not waiting''' and decided to enlist in the regular Army.

After completing basic training, Cleary was quickly promoted several ranks and entered the Army's Officer Candidate School. He was commissioned first lieutenant in December 2003 and trained extensively for his eventual deployment to Iraq, where he was a platoon leader and champion for his soldiers, his dad said.

''He loved the guys he was with. They were doing their job,'' Jack Cleary said.

The military has offered Cleary's family a full honors burial in Arlington National Cemetery.

Jack Cleary said the family is honored by the request, but will likely decline.

''Our feeling is home,'' he said with a pause. ''We want Mike home.''

HONORING OUR ARMED FORCES

FIRST LIEUTENANT MICHAEL CLEARY

Mr. CASEY. Mr. President, I rise this morning to speak about a young man from my home region of northeastern Pennsylvania who lost his life in the war in Iraq, 1LT Michael J. Cleary of Dallas, PA. He was born April 4, 1981, and we are thinking of him today for so many reasons, not the least of which is a birthday tomorrow. I want to provide somewhat of a biographical sketch, and then talk a little bit about his life.

Michael Cleary was a graduate of Dallas High School in Luzerne County, PA, in June of 1999. He was captain of two teams there, both soccer and tennis. He was an active member of so many organizations, including a proud member of the National Honor Society. He had opportunities at several colleges, but he chose Hamilton College in the State of New York. While at Hamilton, he participated in varsity soccer and received letters in varsity tennis. He was the chapter president of the Sigma Phi fraternity. And despite all of his college and academic interests, he also had a feeling in his heart for his country, and he wanted to serve. He wanted to enlist in special forces immediately after the attacks of September 11 but chose to follow the advice of his mother—which for all of us is the right thing to do—and she urged him to stay in school and to complete his studies.

He did that, and he graduated in May of 2003 with honors from the economics program. Ultimately, his dream was fulfilled when he joined the military. Unfortunately, he lost his life in December of 2005. His military decorations include the following: the Combat Action Badge, the Bronze Star, the Purple Heart, the Army Commendation Medal, the Air Force Commendation Medal, the Army Achievement Medal, the Good Conduct Medal, and three campaign medals.

It is hard to describe in a short amount of time, even in a writeup in the newspaper, as local papers did at that time, but probably the best way to encapsulate what Michael Cleary's life has meant to this country is to remember the words of Abraham Lincoln when he talked about the sacrifice of our soldiers. When he spoke about the battle of Gettysburg, he spoke of those who gave the last full measure of devotion to their country. We now can say that about so many of our young men and women who fought in Iraq, and one of them was Michael Cleary. He indeed gave the last full measure of devotion to the country he loved.

He didn't have to do it. He had a great career ahead of him because of his academic achievements and because of his leadership qualities. He could have pursued another path, but he chose to give back. He chose to sacrifice for his country, knowing full well that he could be asked by God to give the last full measure of devotion, and he did.

We are thinking of his family today for so many reasons, not the least of which is that First Lieutenant Cleary was the fourth generation of that family to serve his country. His father, Jack Cleary, was a decorated Army veteran from the Vietnam war, and then two generations before that. So this is a family who has sacrificed in generation after generation, and we are thinking of them today. Tomorrow, they should have been able to celebrate Michael's birthday, which would have been his 27th birthday, but they cannot. They are strong people. They understand the sacrifice he made, and we are thinking about them this morning and tomorrow and on so many other days.

I think sometimes it is very difficult for us to fully comprehend—those of us who have not had a close family member lost in combat—what this means to a family, what it means to a community such as northeastern Pennsylvania, in Luzerne County, even years later now. It is difficult because in so many parts of our State, as is true of the whole country, when we lose one soldier, especially in a small town, in a smaller community, the impact is devastating. And not only the initial impact of that, but months and years later.

I think it is important we don't just look back and remember and pay tribute to the day they died and to the sacrifice they made, as important as that is, but we should be remembering, as well, their life, their life of achievement and triumph, and their life of service because when these families look back on these young people, they are not just going to remember their service in the military. Family members know our fighting men and women weren't born into divisions and platoons. They weren't born with a uniform on; they were born into families—families of mothers and fathers and brothers and sisters and aunts and uncles and cousins and friends and so many others we all know are part of all of our families. So I think it is important to remember these young men and women, to the extent that we can, on their birthday or some other significant moment in their life.

Finally, let me say this: The news article I cited from December of 2005 talked about the plans Michael Cleary had to be married to Erin Kavanagh. I will not review the whole article, but suffice it to say that it is a powerful story of what one soldier's hopes and dreams were—to serve his country but to come home and then start a new life and to be married. So we are remembering her as well today and remembering they graduated together from Dallas High School in that year of 1999.

We are grateful this day in so many ways, but it is difficult to fully explain how grateful we are for his life of service and sacrifice, his life of courage and commitment, and his life which was focused on the future, his own future but also the future of our country. So tomorrow, as his family celebrates his birthday, we are remembering Michael J. Cleary at this time, and we wish for him and for his family all of God's blessings.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The assistant majority leader.

Mr. DURBIN. Mr. President, pending before the Senate is an amendment to the housing bill, which I offered earlier and on which I have asked the Republican side to consider a unanimous consent request so that we can debate and vote on it still this morning. I hope they will consider that in a timely manner. I am prepared to offer an equal amount of time to both sides of the aisle on the substance of this amendment and then accept a vote at 12:15.

We have proffered this unanimous consent request, and I hope, in the interest of time and fairness, that the Republican minority will accede to this request, or if they wish to modify it, let us know as quickly as possible.

Here is what this amendment is all about. We have 2 million people about to lose their homes. These are people who bought a home with a subprime mortgage. A subprime mortgage usually meant some exotic brew of terms for a mortgage which didn't exist traditionally or historically. It might be an adjusted rate mortgage where you pay a low interest rate on the front end and then, after 1 year, 3 years, or 5 years that interest rate would go up. There were even mortgages offered that were interest only, so that people were paying low monthly payments of interest but not retiring the debt on the house. The principal debt remained the same. The theory was that as long as the value of real estate was going up in America, you couldn't go wrong. No matter what deal you signed up for to get into a house, if the house was going to appreciate in value, don't worry about it.

There were also people who took that mortgage on their home and consolidated a lot of other debts they had on cars and other things, home improvements, and put it all in that mortgage so that they had a mortgage debt that was actually greater than the current value of the home.

These so-called subprime mortgages were being written right and left. In the old days, going back to when I first bought a home, there used to be pretty close scrutiny of your credit record. They used to require 10 percent of the value of the home as a downpayment, or 5 percent. You had to pay points; in other words, thousands of dollars at the closing. It was pretty tough in those days.

Well, the whole climate of home lending changed with the subprime mortgages. More and more people moved into homes. The values of homes were mushrooming, and it looked as though we were just riding the crest of a wave. Well, guess what happened. The wave crested and started to fall. And when it fell with the subprime mortgages, a lot of people were hurt. The

so-called adjustment of the mortgage took place and an affordable monthly payment became unaffordable. All of a sudden, the low interest rate blossomed into a much larger interest rate. Or perhaps a family stumbled—somebody lost a job, a divorce, a serious illness in the family—and with that stumble, they missed a few payments.

Well, now, add this up into a nation of 300 million people, and we end up with 2 million folks who face the prospect of losing their homes. Now, a lot of people say, well, isn't it a darned shame. But why did they sign up for those crazy things to start with? They should have used better judgment. They should accept their medicine at this point and maybe they will be a little smarter the next time around.

If it were that easy, we could write it off as the moral hazard of making a bad decision, of irresponsible borrowing. But it turns out to be more significant. Two million people losing their home in a nation of 300 million doesn't sound like much, but 2 million people losing their home will affect the value of homes around them.

What is the value of my home in Springfield, IL? Well, if you ask an appraiser or realtor, they will say: I don't know, but I will tell you what I will do. I will look at other homes in the neighborhood that have gone for sale—comparable sales, comparable values. So they look up and down the block and around the block, in the neighborhood, and look at what homes are selling for, comparing them to my home, and they come up with a valuation on my home.

Well, if down the block and around the corner a home was foreclosed upon—in other words, the people were forced out of the home, there was a forced sale of the home, and it was sold for less than fair market value—that value will be calculated into the appraisal of my home. The experts tell us that 2 million people losing their homes in America will drag down the value of 44 million homes. It is a ripple effect.

As the value of homes declines, more people face the reality that the mortgage principal, the amount they owe on the mortgage, is greater than the value of their home. The shorthand term they use is, you are ''underwater.'' Your mortgage value, your mortgage principal is greater than the value of your home, so you can't borrow against the value of your home anymore. You are already in debt over the value of your home. That is the third ripple.

Then there is the fourth, the mentality of buyers across America. This is the one that troubles me the most. For over 70 percent of people in America, if you ask them are they going to buy a home, and they say no, when you say: Can't you get a mortgage, they say: Yes, we can get a mortgage. Why won't you buy a home? They say: I don't think it is a good investment.

Seventy percent of people in America today say buying a home, real estate, is not a good investment. Why? They are afraid the $500,000 home today will be worth $450,000 next year—not a smart deal.

As long as this mentality is out there, the housing industry is flat. That doesn't hurt just your realtors and your developers, it hurts homebuilders, skilled craftsmen, people who supply homes—from those who are gardeners and do the landscaping, to furniture—you name it. All of these related industries are slowing down into this recession which Mr. Bernanke finally conceded yesterday may be on the horizon. That is why addressing this home crisis is important—not just for 2 million people who had the mortgages, but if we do not deal with those 2 million people losing their homes, it is going to have a dampening effect on our entire economy. It is going to hurt all of us.

A recession is a period of time in which businesses fail, jobs are lost, consumer confidence is low, the economy slows down. It happens in a free market economy. But you do not want it to go on too long because it can have a long-term negative impact.

What we are trying to do today is to pass a bill to breathe some life back into the housing industry and housing market in America. The bill is good, and it has a lot of good provisions. I am happy to support it. I think there are things in this bill which will be of value to us as a nation. I think virtually every one of them has some impact, some positive impact. But there is not a single one of them that will have the positive impact of the amendment I offer. Here is what the amendment says.

Currently—now—if you find you cannot pay your bills and you still have a job, you can go into chapter 13 in bankruptcy. You go to the bankruptcy court and say: I am in a mess. I am in over my head. I have more debt than I can take care of. Will the bankruptcy court work with my creditors so I can have an arrangement to pay off my debts? I would have to change the terms of some of the debts, but at the end of the day I will get out of this mess.

The bankruptcy court takes a look at it and decides whether it is going to work. You may be dreaming. You may not even have a chance. Your creditors may not want to cooperate. So this chapter 13 is just an effort to try to help people get out of this mess.

We think about 600,000 people facing mortgage foreclosure will take this option and go to bankruptcy court. If they go into the bankruptcy court and try to work out their debts and keep their homes, they have a problem. Under current bankruptcy law, you cannot modify the terms of the mortgage on your home. In other words, at the end of the day, you are still stuck with that same subprime mortgage that may have toppled you in the first place. The reason I offer this amendment and the reason I want to change that one provision is because it is fundamentally unfair.

If I walk into a bankruptcy court and I own a farm and I say I cannot make my farm payments, my mortgage on my farm, the bankruptcy court has the legal authority to change the mortgage terms on my farm or on my ranch or on my vacation condo—I don't own one—or on the big boat I just bought and on which I can't make the payments. The bankruptcy court can change every single one of those, but it cannot change or modify the mortgage on your home. Why? Of all of the things in the world they can change, why not that?

It turns out that by tradition it has never happened. So I bring the amendment and propose the court be given that authority.

The group that is opposed to this, screaming bloody murder, is none other than the mortgage bankers, the same people who brought us the subprime mortgage mess. They do not want to see the terms of their subprime mortgages changed in court. And they say: If you change them, interest rates will go up.

What I did, working with that industry, is say: I will apply this to a narrow group of people, the most limited group I can find that still has some impact on this issue, and I will narrow the discretion of the bankruptcy court. So listen to where this amendment takes us.

First, you have to qualify to go into court. We changed the law sometime a few years ago. To qualify to go into bankruptcy court you have to have a certain income; you have to go through certain processes and disclosures—even credit counseling. All that is required before you can walk into the court.

Second, this only applies to your home. I don't want a person walking in saying: I bought 100 acres down in southern California and I need help—no way. Just your home.

Third, it only applies to existing mortgages as of the date of the enactment of this bill. A mortgage you enter into after the day this bill is enacted would not apply.

Fourth, the court can only reduce the principal on the mortgage—the amount that you owe—no lower than the fair market value of the home. You protect the lender. If you go through foreclosure and have an auction, it can sell for a lot less than fair market value. So fair market value is the bottom line.

Fifth, the interest rate the bankruptcy court can impose can be no lower than the prime rate plus a premium for risk.

Sixth, the term of the mortgage can be no more than 30 years.

And then, seventh—and we did this saying to the banking industry: What more can you ask? If in the next 5 years you sell that home and it has appreciated in value, any increase in value over the fair market value as of the date of the bankruptcy goes to the lender, not to the owner. What more can we do to protect these bankers—fair market value on one end, any appreciation in value on the other end. And they still oppose it.

I hope my colleagues in the Senate will take a look at this. The credit unions support this because they don't get into the crazy loan business that some of these mortgages did. A group that includes the AARP, groups all across America, consumer groups, they understand this is only reasonable. The New York Times has editorialized in favor of it. I think this is an approach which will help a number of people. It is narrow and focused. It is limited in its scope, and it is really directed toward giving people another chance to stay in their homes. They still have to pay the mortgage. They don't get off the hook, but they can stay in their homes.

Stabilizing the housing market, stabilizing your neighborhood and my neighborhood, breathing some life back into this housing industry, that is the way to turn this recession around. This amendment I offer on the Bankruptcy Code will help more people than all of the provisions combined in the rest of this housing act. This reaches a lot of people. Hundreds of thousands could qualify. I urge my colleagues on both sides of the aisle to please consider this amendment.

Mr. President, at this point I see two of my colleagues on the Senate floor, Senator SMITH of Oregon and Senator KERRY of Massachusetts, and I would like to yield to them for whatever periods they would like to speak and then reclaim the floor on my amendment.

Mr. President, let me make a unanimous consent request that when the two Senators have completed their remarks I be recognized again on my amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I thank the distinguished assistant leader for his comments and his leadership in this area. As he may recall, we were together at a meeting at the White House a month and a half, 2 months ago now with the President, with Secretary Paulson, Vice President CHENEY, and a small group of Senators there to talk about the stimulus package. As I know he may recall, I raised at that time the housing crisis, saying to the President that the entire cause of everything that was bringing us there to discuss the stimulus was in fact the subprime crisis and that no stimulus package should be passed that didn't in effect stem the tide of foreclosures and address the uncertainties in the marketplace and the lack of confidence. So I know he joins me in expressing regret that not withstanding the nodding heads and comments of affirmation, absolutely nothing happened. Nothing happened.

Sadly, it is not until the Federal Government puts up $400 billion to bail out Bear Stearns and other investment banks that you really get some kind of response from the Federal Government. I am not complaining that they should not have done what they did with respect to Bear Stearns and other investment banks because the implications of their failure could have had a profound impact, spilling down into our economy. But when the pain is trickling up to a Bear Stearns, and finally the administration notices—that very same pain has been felt for over a year now by people being foreclosed on in the economy—it really is an underscoring of the degree to which an administration is out of touch with the real concerns and realities in the life of the American people.

We need to show that commitment, here and now, in passing this foreclosure act to deal with the problem nationally. We need to do it now. It is long overdue. As many as 8,000 foreclosures are occurring daily. Some of these loans we know were absolutely predatory; almost, I believe, criminal. People knowingly went out, knowingly made loans to people they knew were not capable, ultimately, of meeting the adjusted rate mortgages, but because of the benefit to them and the immediate take in terms of the points they would make and the commissions and returns on those transactions, they went ahead and did it. Frankly, some of those came from the very same people who have just been bailed out by the Federal Government.

I commend our majority leader for his efforts to bring this to the Senate floor now and his efforts, together with Senator DODD, to try to work through this particular legislation. Let me share with my colleagues, last weekend—things have gotten so bad in Boston that Mayor Tom Merino recently opened a war room where city officials are working together on a day-by-day basis to fight the wave of foreclosures that we have seen in recent days.

A few months ago I was in the city of Brockton in Massachusetts and met with the mayor. He said: You have to take a moment and come upstairs and meet with me with these folks who are here, and impromptu we went upstairs and there was a group of people from the community who came together in desperation to try to figure out how they were going to deal with the foreclosures in Brockton. This mayor had already processed some 400 foreclosures in Brockton, and he was staring at an additional 800 or so that were going to come at them.

What happens to a community already struggling to get their economy back on track when they face that kind of wave of foreclosures is, street by street, house by house, as they get boarded up and people leave the homes, the rest of the property values start to go down—the local gas station, the local 7–Eleven, the pharmacy—everybody begins to feel the impact.

But most important, from the mayor's point of view and from the Government's point of view, they begin to see a decline in revenues. The only place mayors can go in any kind of wholesale fashion to deal with a decline of revenues is to cut fire, police, and schools.

There are plenty of communities in America where we have already seen those kinds of reductions, all of which run completely counter to how we build a community and to what we are trying to do in order to restore economic strength in the country.

Just this last weekend I attended, with Mayor Menino, at a high school in Roxbury, in Massachusetts, in Boston, a homeowner foreclosure prevention workshop. I was literally stunned at the numbers of people who had come into this high school on a Sunday afternoon, bringing all their financial records because they had been unable to get hold of a real human being to talk to in order to try to work out a reasonable agreement for what they could pay and be able to stay in their homes.

Rather than face one of those endless phone calls where you press 2 to talk to somebody who will tell you to press 4 who will give you an automated response to press 7 or whatever it is—we have the lenders there. We brought the various lenders there and people were able to go through a screening process and then go back to a room, sit down with the lenders, tell them their predicament, and actually negotiate a refinancing.

I met people that afternoon who were smiling, who said to me: Thank you for getting us together. Now I can stay in my home.

That is all it takes, that kind of effort. I talked to one woman who, together with her husband, is paying $5,000 a month for their home, for their mortgage. They have two mortgages now. They are both working, both of them are working.

But I asked her what her rate was. What are you paying for a rate? She said: Well, I am paying 7.25 percent on one, and I am paying 9.25 percent on the other. Nobody, with the current discount rates in America, is paying those kinds of rates. It is absurd.

I also had the woman next to that particular one who was waiting in line, who, when she heard the 7.25 and 9.25 said: That is nothing. I am paying 13.25 percent on mine. So if we were to renegotiate, according to a fair standard of what the rate is, with what the national interest rates are today, and fixed rates that are available to people, a lot of those folks could stay in their homes, and they can afford to service their mortgage.

What we need do is stop the greed and unbelievable sort of arrogance of some of these companies, some of those people who asked literally to be able to renegotiate: We were told no. I will tell you in a moment about a woman I met in Lawrence, MA, where this predicament is also going on.

The fact is that nationwide, by last year, we all knew that 2.5 million mortgages were already in default. That was 40 percent more than 2 years earlier. And despite a 40-percent increase, there was no response from this administration. Communities across

the country are being hit hard. Last year the mortgage foreclosures in Massachusetts alone were up 128 percent, and the foreclosure rates of five Massachusetts metro areas were in the top 100 in this country.

How did we get here? Well, we got here because lenders lowered their standards for lending but did not appropriately plan for the increased risk they incurred when they lowered the standards. They flooded the market with mortgage loans, ignoring the risks to borrowers and to their own bottom line.

As usual, most of these people turn around and expect us to bail them out; in most cases to bail them out first. For some time, some of us here in Congress have been screaming about predatory lending practices. I happen to think it is usury to allow 30 percent rates. A whole bunch of Americans do not know they are actually paying 30 percent rates after a group of penalties on their credit cards.

There are even more Americans, millions of them, who are paying 18 percent. I urge any American to go back and look at what their rate is at the bottom in the fine print on their credit card or ATM statements and they will be shocked by the levels of interest they are paying.

I think these are excessive. These are wrong. Many people I know, all those of us who went to law school, learned about ''buyer beware,'' ''caveat emptor.'' That is one of the first things you learn in law school.

But the fact is, we put standards in place through the years as to what is an unfair practice. We have unfair trade practice laws in many States, and they are simply not being applied. But legislators in this case have backed up and turned a blind eye to what are unfair practices in the marketplace. Now, were there abuses on the other side of the ledger? The answer is: Yes, there were. Some homeowners inflated their income. Some misrepresented themselves to get a bigger home than they could afford, and obviously we are not talking about bailing out people from those kinds of situations. But there is blame enough to go around.

I will tell you what has not been enough to go around, and that is a rapid and appropriate response from the Federal Government in order to deal with this problem. Lenders are now getting help. But homeowners are still struggling. The fact is there are a lot of homeowners out there who have the ability to pay for a mortgage. They cannot carry the increased rates and they cannot necessarily carry the inflated levels that some of them have been put into because of these predatory practices.

Let me give you an example. This week I went to Lawrence, MA and met with homeowners who are facing foreclosure. Approximately 700 homes were foreclosed in Lawrence last year alone. I am told that number is going to rise for this year.

I talked with a woman by the name of Rosa Hernandez, who has four children, works two jobs, one as a nursing assistant at the local nursing home, in order to support her family and to be able to earn enough to own her home. She did everything she could in order to make her house a home. She fixed the roof, she bought a new boiler, she updated the electrical system of her new house, and she did it with this increase in value that the company came and loaned her. After she was hospitalized twice last year she could no longer afford to work two jobs. At the same time her subprime mortgage interest rates went up from 4.5 percent 5 years ago to 7.5 percent. She told me, through a translator, that when she could not make the payments, she went to her lender. Her lender refused to make loan modifications that would allow her to stay in her home. Her lender told her they were going to devalue her home down to about $99,000. I think she had a total of $220,000 in the home. They are going to devalue it to $99,000 and put it on the market and sell it. She said: I can afford to pay $99,000. Let me stay in it for that. They refused to let her stay in, even though she could service that payment with the job she has with a family of four, stay in her home. They are prepared to kick her out and then put it on the market and sell it to someone else for the same price. That is disgraceful. That is disgusting. And that is the kind of unregulated practice that is taking place out there because people have walked away from any sense of common decency and responsibility.

The fact is that thousands of families such as hers have been through the same kind of predicament where they are forced to start all over again. Each time a house is foreclosed on, a family's economic dream lies in tatters. But it is not only the family that faces the foreclosure that suffers; the entire community suffers. I have talked to police officers who tell me about the increased work they have now to try to patrol by houses that they know are abandoned and boarded up. The property values of entire streets and communities start to drop, which affects the entire ability of that community to be able to function. As I described earlier, crime rates go up, neighborhoods get torn apart, schools are disrupted because when the family gets kicked out, kids are yanked out of the classroom and you end up with a complete disruption to the school system.

According to the census, by late 2007 a higher percentage of houses in the Northeast sat vacant than at any time in the last 50 years, probably since the Great Depression.

So today we are debating the Foreclosure Act of 2008. This has the opportunity to be able to deal with this crisis. It reflects a bipartisan compromise. It is a good first step toward addressing this crisis. It includes a provision, and I thank Senator SMITH from Oregon for his long participation with me in this effort as a member of the Finance Committee. We both passed an amendment in the Finance Committee to the stimulus package. We had hoped this would have been included in the stimulus package a few months ago so this good could have begun to take hold so that families who have been foreclosed on in the last few months would not have been. Regrettably it did not happen. But we are here now.

I am appreciative of him and his efforts to help include that in the bill to provide an additional $10 billion. We originally sought $15 billion of tax-exempt private activity bonds that finance our housing agencies. What the housing agencies would do with this money is take the proceeds from the bonds and use them directly to refinance subprime loans, provide mortgages for first-time home buyers, for multifamily rental housing.

In the case of Massachusetts, that would mean about $211 million of targeted mortgage relief to the homeowners of our State. Similarly, every State in the country would benefit from this provision. I thank Chairman BAUCUS and Senator DODD for their efforts to include this provision in the final bill because of what it can do to help struggling families.

In 2006, State and local governments financed 120,000 new homes with mortgage revenue bonds. With the additional $10 billion in funds, States and localities can equal that amount and finance approximately 80,000 more home loans. According to the National Association of Home Builders, every mortgage revenue bond new home loan produces almost two full-time jobs, $75,000 in additional wages and salaries, $41,000 in new Federal, State, and local revenues. Each new home then results in an average of about $3,700 that gets spent by the new occupants on appliances, furnishings, property alterations, all of which provide a real shot in the arm to our economy.

The reason this mortgage revenue bond proposal is so important is that to many lower income families, they are having difficulty refinancing their existing mortgages. This additional funding makes it easier for families facing foreclosure. It will make it easier for first-time home buyers to buy a home, which means that the glut in the marketplace today of all of those homes that have already been foreclosed will finally find a group of people because of these bonds who will be able to take those houses off the market and become part of the community.

The goal is simple. We want to provide assistance to those who need it most. The extra $10 billion for this program is a proven way to help Rosa Hernandez or others be able to stay in their homes. I might add also, before I close and cede the floor to my colleague, there is in this bill also $4 billion for the community development block grant, which a number of us have advocated strongly for, that will also help local communities to deal with the effects of the housing crisis.

As we all know, the community development block grant is the only real flexibility mayors get in dealing with crises in their community. So I am delighted that is here and that we can help local governments be able to deal with this crisis.

Finally, there is a provision I fought for in this legislation that I am pleased is in it, which is the proposal I put forward to address the foreclosure concerns of our returning veterans. Those who have served our country in Iraq and Afghanistan should never come home to a home that is in danger of foreclosure. But some are. You have a lot of National Guard folks who are doing their second or third deployment, and many of these people are in small businesses, or in some cases even sole proprietors. They have taken a pay cut, in many cases, to serve their country. They do not get paid as much for serving on active duty. The result is that many of them have been put into difficulty.

What we do is extend the foreclosure grace period from 90 days to 9 months, and we extend the freeze on mortgage interest rates for the first year a soldier is home. This is one of the ways we can make good on the rhetoric which is present all over the country about how we care for the veterans but, in fact, whether it is the VA budget or counseling or post-traumatic stress syndrome, or a host of other things, we have rarely put enough money there to keep pace with that rhetoric.

This helps to do it. I do thank Senator DODD for his work to include those provisions in this bill. I do not think anybody wants to see an Iraq or Afghanistan or any other area veteran join their brothers and sisters who served in Vietnam, too many of whom were in the ranks of the homeless or the dispossessed during those years. We owe them more for their plights. This helps to do that.

I close by drawing attention to the fact that a record 37.3 million households currently pay more than 30 percent of their income on housing costs, and more than 17 million Americans are paying more than half of their income to be in their homes. So as we consider additional remedies down the road, I hope we are going to deal with the fact that we can create jobs while easing the affordable lending housing crisis if we were to pass this and pay more attention.

I used to be chairman of the Housing Subcommittee on Banking before I went over to Finance.

I know for almost 10 years we were struggling to get one voucher or two for housing. It wasn't until 1999 that we got the first 50,000 vouchers in 10 years and the year after 100,000. But we have neglected housing as a matter of national policy for almost 20 years now. What some of us wish to do is create a housing trust fund that takes money from the surplus that comes through the FHA lending program, insurance program. But the money that housing produces in surplus actually goes to the general revenue. Some of us believe money produced by housing, that creates a profit in effect or a surplus for the Federal Government, ought to go back into housing rather than continually have housing be the stepchild of American policy. We hope we will ultimately be able to do that.

I urge my colleagues to vote for this legislation. I thank my colleague from Oregon for his patience and, most importantly, for his coefforts in this initiative.

I yield the floor.

The PRESIDING OFFICER (Mr. WHITEHOUSE). The Senator from Oregon.

Mr. SMITH. Mr. President, I thank Senator KERRY, my colleague from Massachusetts, for his kind words. We come to the floor today as Republicans and Democrats trying to work out a bill that will make a difference on the central plank of the current economic slowdown. It is a time, frankly, to note we are finally working in a way that will make a difference and make progress for the American people.

Tuesday evening, I went home and TiVo'd the news. I saw Senator REID and Senator MCCONNELL standing together before the cameras. Behind them were Senators DODD and SHELBY, as well as Senator BAUCUS and Senator GRASSLEY from the Finance Committee, who have worked with Senator KERRY. When I saw these Senators together in a joint press conference, I thought I also heard a collective sigh of relief from the American people that finally the Senate was proceeding in a way they expect. I, for one, was breathing a sigh of relief that there was agreement and that we are here productively engaged in finding a solution. I also thank Senator KERRY. He and I have been at this amendment now for months. I have had the privilege of working with him on many issues over a long time. I am currently on the Finance Committee, and this amendment we actually got approved in the Finance Committee in the last stimulus package. I wish it had survived that process because it would already be making a difference. But with the help of leaders on the Finance Committee and the approval of the Banking Committee, it has now been included in the underlying bill. I thank all of them for this.

As I noted back in January, we offered this legislation as an amendment. The committee approved our amendment with an overwhelming 20-to-1 bipartisan vote. Again, we were not able to keep it in the package, but it is in the package today.

Across the country, rising interest rates and slumping home values are creating the perfect financial storm for many American families. The legislation Senator KERRY and I authored is aimed at stemming this tide and providing homeowners an option to avoid foreclosure and stay in their homes. Under current law, State and local governments are permitted to issue tax-exempt bonds, called qualified mortgage bonds, to finance new mortgage loans to first-time home buyers. What our legislation does is temporarily expand the use of this program to include refinancing of existing subprime loans. It would also provide a $10 billion increase in tax-exempt bond authority which could be used to provide these refinancing loans, issue new mortgages for first-time home buyers, and, finally, invest in multifamily rental housing. Our proposal would also exempt mortgage revenue bonds from the alternative minimum tax to make them more attractive to investors and to cut home-buyer mortgage costs further.

For Oregon, the increased bond cap will translate to roughly $122 million in new bond authority to address the State's housing needs. Our neighbors in Washington State will receive roughly $210 million in new bonding authority, enough to produce more than 1,300 loans. In Arizona, where the delinquency rate has jumped from 2.9 percent in the fourth quarter of 2005 to 5.45 percent in the fourth quarter of last year, an estimated 1,400 new mortgage loans will be generated by this bill.

Michigan, which had a delinquency rate of 8.9 percent at the end of the fourth quarter of last year, will have its bond cap increased by more than $332 million, enough to generate more than 3,300 new home loans or refinancing.

Another example, Arkansas, with a delinquency rate of 6.6 percent as of last December, will receive more than $92 million in increased bonding authority which would lead to more than 1,100 new loans. Nationwide it is estimated our proposal would lead to roughly 80,000 new loans.

To anyone who questions whether addressing the housing crisis is economic stimulus, I would say each one of these new home loans is projected to produce almost two full-time jobs; $75,000 in additional wages and salaries; $41,000 in new Federal, State, and local revenues; and an average of $3,700 in new spending on appliances, furnishings, and property alterations.

Our proposal is not going to solve all that ails the housing economy, but it is an important and good start, and it will provide real relief to working families at risk of losing their homes. This relief is targeted, not a bailout to investors who were looking to cash in on the housing boom. The new housing bond authority will be subject to the program's income and purchase price requirements. In 2006, mortgage revenue bond borrowers had an average income of $45,000 and bought first-time homes with an average purchase price of $137,000.

I wish to say, again, how pleased I am the Senate is finally moving to debate on this housing package. If we are serious about stimulating the economy, we need to take a look at the root causes of this slowdown. First among

those is housing. There are a number of important items in the bill we are debating. I was disappointed, however, the AMT exemption for the low-income housing tax credit was not included in the base bill. This is something Senator CANTWELL and I have been advocating and will continue to work this week to see if we can add to the bill.

I hope we can work quickly, though, as Americans, as Republicans and Democrats, to get this bill to the President, a bill he can sign, so we can, through common sense and common ground, achieve some common good for the American people.

I yield the floor.

The PRESIDING OFFICER. The Republican leader.

Mr. MCCONNELL. I ask unanimous consent to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. MCCONNELL are printed in today's RECORD under ''Morning Business.'')

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 4388

Mr. SPECTER. Mr. President, I have sought recognition to comment on the pending Durbin amendment.

Mr. CORNYN. Mr. President, before the Senator begins, I wonder if he will yield for a unanimous consent request.

Mr. SPECTER. I will.

Mr. CORNYN. Mr. President, I ask unanimous consent that following the comments of the Senator from Pennsylvania, the Senator from Montana be recognized and then I be recognized following the Senator from Montana.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I commend the distinguished Senator from Illinois for offering this amendment and for initiating very considerable discussion on the plight now being faced by many individuals who are faced with mortgage foreclosure.

He and I have had very extensive discussions on his proposal and my legislative proposal, which has been introduced as S. 2133, which differs from the Durbin amendment in that it provides authority for the bankruptcy court to change the variable interest rate mortgages which have caused so much confusion and so much difficulty in leading to foreclosures by people who could not pay the increases which were noted by the variable interest rate mortgages.

There have been a number of situations where the mortgage rate has jumped far in excess of what the borrower had anticipated.

A homeowner in Lithonia, GA, who borrowed on a variable interest rate mortgage, found the interest payments rising from $1,079 to $1,444, which the borrower could not afford.

A first-time home buyer in De Soto, TX, found their variable interest rate mortgage moving from $1,400 to $1,900.

It is a pattern across the country where people have faced foreclosures.

The difficulty which I see with the Durbin amendment is it will impact on the ability of borrowers to secure mortgages in the future because lenders will be unwilling to loan money where there is the prospect that Congress will intervene and grant authority to bankruptcy courts similar to that suggested by Senator DURBIN today.

The core of the consideration was articulated by Justice Stevens in a case captioned Nobleman v. American Savings, in 1993, where Justice Stevens said:

> At first blush it seems somewhat strange that the Bankruptcy code should provide less protection to an individual's interest in retaining possession of his or her home than of other assets. The anomaly is, however, explained by the legislative history indicating that favorable treatment of residential mortgages was intended to encourage the flow of capital into the home lending market.

So you have the anomalous situation, as articulated by Justice Stevens, that on the principal home the bankruptcy court does not have such authority. That is for a very sound public policy reason: that if the bankruptcy court did have that authority, then lenders would be unwilling to lend money for first-home mortgages. So if you have a second home or if you have a yacht or if you have other assets, the bankruptcy court does have that authority, but for good reason it does not have the authority on first homes.

There have been a number of studies on the subject concluding that the impact of the Durbin amendment would be deleterious to the ability of people to get mortgages because of the reluctance of lenders to put up the money.

Professor Joseph Mason of Drexel University testified before the Senate Judiciary Committee that ''it is straightforward to conclude'' that cramdowns will increase the cost of mortgage credit.

In its analysis of economic stimulus options, the Congressional Budget Office noted that one of the costs of cramdown proposals ''could be higher mortgage interest rates.''

Federal Chairman Bernanke testified before Congress that modification of mortgages ''would probably lead to concern about the value of existing mortgages and probably higher interest rates for mortgages in the future.''

In studying the impact of cramdowns for farm real estate in Chapter 12 bankruptcy, the U.S. Department of Agriculture estimated that cramdowns raise the interest rates on farm real estate loans by between 25 and 100 basis points.

Even the report cited by supporters of Senator DURBIN's bill concluded interest rates will increase. In their paper, ''The Effect of Bankruptcy Strip-Down on Mortgage Interest Rates,'' Georgetown law professor Adam Levitin and Joshua Goodman acknowledge that allowing bankruptcy courts to cram down mortgages will increase interest rates.

The effect of my bill, which is a great deal more modest, will not, I submit, have that effect. The essence of the bill which I have proposed will apply only to mortgages given, borrowings, prior to the date of the introduction of my bill and will sunset in 7 years.

I think it is important the legislation now pending in the Senate deal with the so-called little guy, the guy who lives on Main Street. We have already seen very substantial relief for Wall Street in the Bear Stearns bailout. I am opposed to bailouts. If the entrepreneurs on Wall Street are making investments with the prospect or the expectation or the hope of big profits, and they find their judgment is bad and those profits are not realized and instead there are losses, it seems to me they ought not to be coming to the taxpayers for a bailout. Where they are looking for big-time speculative profits, and they are wrong, they ought to sustain those losses instead of having the losses sustained by the taxpayers.

It is understandable that the Federal Reserve took an exceptional view of the Bear Stearns situation in order to avoid a potential ripple effect and devastating consequences on the economy. It was not a gigantic bailout, in any event, when Bear Stearns stock was selling for $150 or thereabouts a year ago, and the initial bailout was for $2 and the prospect of increasing that to $10.

But I believe the current legislation pending before the Senate is unduly balanced for the big guy as opposed to the little guy or the person who operates on Wall Street as opposed to the person who lives on Main Street. That is why I support the focus of attention which Senator DURBIN has brought with his bill—although for the reasons I have stated I disagree, and my bill takes a much more modest approach—Senator DURBIN and I worked long and hard to try to reach some accommodation and some compromise, and we could not do it because our approaches are so basically different.

We finally had a vote on our bill in the Judiciary Committee today. Our legislation was introduced last fall and could have been acted on by the Senate a long time ago. We could have brought this matter to the floor and stimulated other amendments and other discussion. The delay of months has resulted in many foreclosures. In the Judiciary Committee today, on a 10-to-9 party-line vote, my bill was defeated, and the Durbin bill was passed for action on the floor. But events on the floor have finally overtaken the committee action. The committee did act today.

Mr. DURBIN. Mr. President, will the Senator yield for a question?

Mr. SPECTER. I do.

Mr. DURBIN. Mr. President, if I could very briefly, because I know others are here to speak, I would like to distinguish, if I can, three or four approaches where we differ between us.

The first element that is important—and I wish to make sure it is clear for the record—my amendment gives to the bankruptcy court the authority to modify the mortgage. But under your amendment, or your approach, the ultimate decision on whether a mortgage is going to be modified still has to be approved by the lending institution; is that not correct?

Mr. SPECTER. Mr. President, I answer the distinguished Senator from Illinois through the Chair by saying that is correct. My bill does allow for the modification of the principal sum but only where the lender is in agreement. I do not do that to give the lender control of the situation. I do that to avoid having a principle established where lenders in the future will be unwilling to loan money for mortgages if they think the bankruptcy court has the authority to reduce the principal over their objection. But if the lender agrees to it—and I think it is important because the bankruptcy court would not have the authority to reduce the principal unless there is the provision I have by obtaining the lender's agreement.

But the principle that the Senator from Illinois seeks to reduce the principal sum, I think, is sound, so long as you do not destroy the ability of the lender to control it so as to not discourage future lenders. So my answer is yes.

Mr. DURBIN. Mr. President, if the Senator will yield for only two or three more questions.

I might acknowledge the fact that currently those lenders can renegotiate the terms of a mortgage without a bankruptcy court and that giving them the last word is going to diminish, I believe, the likelihood that they would agree to anything by the bankruptcy court.

I might also say that under chapter 12 bankruptcies and on farm loans a few years ago, we gave this authority to the Bankruptcy Court and the lenders said: Oh, interest rates will go up, and they didn't.

But I wish to ask this specific question. My amendment limits these modifications to mortgages that are subprime mortgages, and the Specter bill, S. 2133, says these modifications would apply to any type of loan, even prime fixed rate mortgages. Is that not correct?

Mr. SPECTER. It would apply only as long as they are variable interest rate mortgages.

Mr. DURBIN. Mr. President, I wish to also ask the Senator from Pennsylvania, through the Chair: Is it true that the Senator limits the application of his modification of mortgages by the Bankruptcy Court to families earning less than 150 percent of State median income, which would be somewhere in the range of $60,000 to $70,000 a year in most States—annual income of most States—and would not cover those, for example, in the State of California and other States where they have higher incomes and higher mortgages?

Mr. SPECTER. Mr. President, the Senator from Illinois is correct. It may be that my proposal is too modest in that respect. I am not in concrete on that specific provision because I think that could be modified to accommodate different markets without dealing with the underlying principles I am concerned with.

Mr. DURBIN. I thank the Senator for yielding.

I might say to the Chair, I have spoken to the Senator in the hopes that we can bring this to a vote. I have spoken to the minority leader, Senator MCCONNELL, and he has said there are other Members who wish to come to the floor to speak on this amendment, and I hope they will. There is no point in dragging this out indefinitely. There are many other amendments that are going to be offered and I wish to bring this to a vote.

I thank the Senator from Pennsylvania for yielding for a question.

Mr. SPECTER. Mr. President, I thank the Senator from Illinois for the questions. I think the questions clarify the positions. It is almost like debating an issue in the world's greatest deliberative body. Too often speeches are made with no one present except the Presiding Officer and perhaps someone who is listening on C–SPAN 2, besides my sisters. But we need more of this kind of a discussion in the Senate to illuminate and provide a little life and a little spontaneity besides Senators who rise and read from a text, and frequently reading badly from a text.

I agree with the Senator from Illinois that we ought to move ahead on this bill and vote as soon as possible, and I join him in urging people who have amendments to come to the floor. It is my intention to offer another—my amendment, S. 2133, and to have a vote on that after we conclude with the amendment by the Senator from Illinois.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I agree with the Senator from Pennsylvania. The last 10, 15 minutes has been one of the more edifying, constructive, and helpful explanations on various approaches. He made the statement that perhaps there should be more of that on the Senate floor, a point with which I strongly agree. I thank both Senators for that dialog.

Mr. BAUCUS. Mr. President, Charles Dickens wrote:

Home is a name, a word,
it is a strong one;
stronger than a magician ever spoke,
or a spirit ever answered to,
in the strongest conjuration.

Simply put, we are here today to help families keep their homes. We are here today to move a package of tax provisions that will help those families to keep their homes. Our package does so with tax relief for homeowners, for home buyers, and for home builders. We are offering this Finance Committee tax package as part of the pending consensus amendment assembled by the two leaders and by Senators DODD and SHELBY.

Today, many American families find their home is threatened. A weak housing market has spread weakness throughout the larger economy. More than 5 million households now owe more than their house is worth. That is about 1 out of every 10 home mortgages. As prices fall, that number is expected to grow.

Our tax package seeks to stabilize the housing market by providing temporary, targeted, and timely tax relief to the housing market. We have developed a consensus package that is limited to four provisions and these provisions focus solely on our ailing housing sector. The Finance Committee passed the first two provisions early this year as part of the economic stimulus package.

First, our package increases the number of mortgage revenue bonds. Mortgage revenue bonds are tax-exempt bonds issued by State and local housing finance agencies. With the proceeds, these agencies can extend mortgages to home buyers at interest rates below the market rate. This will help. It will help homeowners avoid foreclosure and will increase first-time home purchases.

The subprime and affordable mortgage markets have virtually collapsed. As a result, demand for mortgages financed by housing finance agencies is increasing. State housing agencies can respond immediately to the growing risks of foreclosure. These agencies can issue more mortgage revenue bonds. That can provide States the option to refinance subprime mortgages, and additional mortgage revenue bonds can help clear out the glut of existing homes on the market through first-time home purchases.

Our proposal includes a second provision that the Finance Committee passed earlier this year. That is extending the carryback period for net operating losses, otherwise known as NOLs, from 2 years to 4 years.

Generally, cyclical businesses have profitable years followed by loss years. During a loss period, a company will carry back the net operating losses from the loss years to their prior profitable years. They will file a quick refund claim and that quick refund claim will act as a cash infusion that will allow the company to survive a loss period.

The housing industry in particular will greatly benefit from an increased NOL carryback period. The expanded period will allow builders to avoid selling land and houses at distressed prices, and it will provide less costly financing.

An increased NOL carryback period will improve business conditions for the eventual return of the housing market, and the expanded period would give the housing industry cash to meet payroll, which would certainly limit additional job losses.

Third, our proposal provides broad-based tax relief for low-income individuals and those who have already paid off their mortgages. Under our proposal, homeowners would be allowed to deduct local real estate property taxes from their Federal tax return, even if they don't itemize. According to the Joint Committee on Taxation, more than 28 million taxpayers pay property taxes but don't itemize. Our proposal would provide these 28 million taxpayers a deduction for the amount of their property taxes up to $500 for individuals and $1,000 for married filers. Most often, nonitemizers are low or middle-income people. Our proposal will also benefit those who are not likely to itemize because they have already paid off their mortgages. Senior citizens clearly would benefit. The Congressional Research Service estimates that nearly 130,000 property taxpayers could benefit in my home State of Montana alone.

Fourth, our package provides a home ownership tax credit for the purchase of homes subject to foreclosure. Behind each foreclosed property is a family kicked to the curb, and the suffering does not end there. Foreclosed and vacant homes are a blight on the neighborhood. They drag down home prices. They are targets for vandalism and burglaries. Congress should encourage people to purchase those properties. That will help to stabilize home prices and get the housing industry back on track.

Our proposal provides a one-time credit for taxpayers of $7,000. The credit will be claimed over 2 years and the home purchase would have to be made in the following 12 months. The short-term nature of this credit is critical to providing immediate stimulus. It also ensures that we do not oversubsidize the housing industry or exacerbate the current oversupply of residential homes.

This focused package of four proposals will go far. It will go far to address the housing downturn and economic weakness in our country. I am proud we have all pulled together on this with Senator GRASSLEY and others, and I hope the Senate can pass it into law expeditiously.

A lot of irresponsible actions led to the housing crisis, but now a lot of responsible homeowners, home buyers and home builders are caught up in it. Tax relief and mortgage help to folks who played by the rules in the housing market is the right thing for Congress to do. The tax provisions in this package will keep property values up, keep folks in their homes, and keep businesses afloat, and those are all keys to handling the housing crisis.

In sum, this is an effort to provide tax relief to homeowners, home buyers, and home builders. It is an attempt to help families keep their homes. It is an effort to preserve an important word stronger than any magician ever spoke or any spirit ever answered to—the word called ''home.''

I urge my colleagues to support the package.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CORNYN. Mr. President, the Senator from Georgia has asked me to yield 1 minute of my time, and I will do so without yielding the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ISAKSON. Mr. President, I thank the Senator from Texas.

While the chairman of the Finance Committee is on the floor, I express my appreciation to him, Chairman BAUCUS, on the hard work that has been done on this particular legislation, in particular, the tax credit on foreclosed homes, and to praise his staff for the late night concentrated hours Tuesday night and early Wednesday morning when this was put together. It was a remarkable effort and I wanted the chairman to know how much I appreciate it.

Mr. BAUCUS. Mr. President, if I might respond to the Senator from Georgia, I certainly appreciate those remarks. He is to be complimented for bringing the idea forward to me personally and to others. It is a major contribution to the solution we are providing here. We did have to tailor it down a little bit within the confines of the package. I thank the Senator from Georgia for being agreeable and for working with us to find a way to make this work.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CORNYN. Mr. President, I want to address the Durbin amendment because I am concerned that the Durbin amendment would hurt low and middle-income families by making home mortgage interest payments higher, make them more expensive, by discouraging credit counseling and mortgage renegotiations and inadvertently steering more American homeowners into bankruptcy.

Let me try to quantify what I mean in terms of the expense. It is estimated that the so-called cramdown provision would raise interest rates on average by about 1½ percent. In Texas the average home loan is $122,000 a year. The monthly payment for a 30-year fixed home mortgage at 6 percent is $734. If you add a percentage point and a half to that, it goes up by $122 a month. So if these estimates are correct—and I think they are the best information we have available to us now—the average increase to Texas homeowners would be almost $1,500 a year. It would be $1,465 a year. For that reason, among others, I oppose the Durbin amendment.

The bill actually risks increasing the cost of owning a home for every American, and not just for people in my State, in Texas. There has been a little history to this provision as well.

The Democratic Congress and President Jimmy Carter back in 1978 had a reason for excluding from cramdown the ability for a bankruptcy judge to actually go in and rewrite the interest rate so people could afford their home. As a matter of fact, the cramdown exception, which this amendment would eliminate, actually helps people buy homes. It is pretty clear—Senator SPECTER from Pennsylvania quoted a U.S. Supreme Court opinion relative to this, but it is pretty clear that the congressional intent to exclude home mortgages from cramdown was intended. Some have disputed that Congress was pursuing a policy of making home mortgages more available when we created the cramdown exception.

Senator DURBIN, I believe, has said that the cramdown exception for home mortgages makes no sense whatsoever. The record from the 1978 act clearly shows that Congress viewed exceptions to cramdown as a means of making mortgages more available. The Senate Judiciary Committee report explained that the purpose of the real estate exception was to: ''afford greater protection'' to real estate financing ''by creating a safe harbor that would facilitate, rather than discourage, this type of financing.''

As I alluded, the courts have recognized this policy in interpreting the act, most notable in Justice Stevens' concurrence in Nobleman v. American Savings Bank. So I would say that the Democratic Congress of 1978, President Carter, and Justice Stevens all have acknowledged that this policy of excepting home mortgages from cramdown makes sense and helps keep mortgage rates low, which I think ought to be our policy.

Inadvertently, I think this amendment would also encourage more people to seek bankruptcy as a way to deal with their financial difficulties. It has been argued that this provision would actually encourage borrowers to negotiate with their lender. The one problem with that is, as we all know, most mortgages these days are actually sold by the lender; they are packaged and then purchased as securities and sold on the open market. It is, in fact, what has happened in the subprime mortgage market, which has created this crisis. The people who actually bought those securities now find that they are worth dramatically less than they thought because of the problems these mortgage holders are having. So it is certainly not a given that they will be in a position to negotiate with the lender, who no longer even holds that mortgage.

I am concerned, though, that the amendment goes too far in those rare cases where negotiations are still possible to remove the homeowner's incentive to negotiate and, instead, steer them into bankruptcy. The Durbin amendment would, in fact, create a siren's song that would lure struggling families onto the rocks of bankruptcy. For most Americans, our homes are our largest and most-cherished investment. The chance to have their mortgage decreased by a bankruptcy court, basically to renegotiate what a negotiated interest rate is, would encourage

struggling families to seek bankruptcy protection instead of trying to negotiate and get their finances back in order in a way that will preserve their credit and will not lure them into bankruptcy.

I think it is worth noting that bankruptcy itself has lasting and serious consequences to the credit rating of the people who seek it. Bankruptcy is not in the long-term interest of every family who falls behind on their mortgage. We should encourage negotiation where possible. In fact, we know that is what happens anyway. Very few mortgage holders refuse to negotiate with the borrower when they get behind in their payments because, frankly, they don't want the property back. They want to continue the loan in effect, if possible.

So I think the Durbin amendment actually discourages negotiation and creates an effective magnet, attracting people into bankruptcy. I have already talked about why I think that is a bad idea.

Of course, this amendment also waives the bankruptcy law's counseling requirement when a home is in foreclosure, which is inconsistent with the underlying Shelby-Dodd compromise that provides $100 million to encourage credit counseling.

The goal of the bill should be to help struggling families get back on their feet, not encourage bankruptcy filings that would raise mortgage rates for everybody, ruin the credit of the borrower, and ultimately not solve the problem it is intended to solve. For that reason, I oppose the Durbin amendment and encourage my colleagues to do likewise.

Mr. DURBIN. Will the Senator yield for a question?

Mr. CORNYN. Yes.

Mr. DURBIN. Mr. President, I acknowledge that the Senator is correct that this modification of a mortgage on a primary residence would be a change in bankruptcy law. I ask the Senator from Texas, is he aware that in the 1980s we created chapter 12 bankruptcy for farms and created the opportunity for the bankruptcy court to modify mortgages on family homes and farms, and at the time the banking industry said the same thing about that change as they have about my amendment—that it would raise interest rates? Is the Senator aware of the fact that there was no significant increase in interest rates on farms as a result of the creation of chapter 12 bankruptcies?

Mr. CORNYN. I accept what the Senator says. I have no reason to dispute it. I, frankly, have no knowledge of it. I know that currently we have roughly 2 percent of the mortgages in America that are in foreclosure proceedings. While there is undoubtedly a serious problem, I don't think this is the right solution to it. I said that some estimates are that it would increase interest rates by 1.5 percent on mortgages. On a $122,000 mortgage in Texas, it would increase annual costs about $1,500. So I must oppose it.

Mr. DURBIN. Will the Senator yield for a further question?

Mr. CORNYN. I will.

Mr. DURBIN. Is the Senator aware that my amendment limits the modification of mortgages in bankruptcy to those on primary residences, existing as of the date of the enactment of this law, and that it would not apply to any future mortgages and would not have an impact on future mortgages, those that are going to be issued. So the credit industry is saying: We are afraid this is going to apply to everybody. There is a limited application of a narrow class of people who would be eligible.

Mr. CORNYN. Mr. President, I appreciate the clarification. I also note that the tendency in Washington and in Congress, and the Federal Government generally, is for things to get bigger rather than to contract. So while I appreciate the clarification, I am not consoled by the current limitation.

The PRESIDING OFFICER (Mrs. MCCASKILL). The Senator from California is recognized.

Mrs. FEINSTEIN. Madam President, I am a cosponsor of the Durbin amendment and am very happy to support it. Later, Senator MARTINEZ and I will be submitting an amendment. The Senator is in the Banking Committee now and will come to the floor shortly.

I wish to take this opportunity to speak about this amendment. It is also supported by Senators BOXER, OBAMA, SALAZAR, DOLE, DURBIN, and CLINTON. Essentially, this amendment deals with the fact that today there is a very thin patchwork of State licensing for brokers. It is insufficient. There are no national standards for the licensing of a mortgage broker in this subprime marketplace. In many States, there are really no requirements. What that has done is enabled bad actors to flourish. I wish to give you two examples of what a bad actor as a subprime mortgage broker means.

I met this family in the picture in Los Angeles this past week. This is the Simmons family. Mr. Simmons worked for Northrop Grumman for 20 years, and Mrs. Simmons has been a checker at Alpha Beta for 26 years. They are retired. They have owned this home in Los Angeles for 39 years. Mr. Simmons had a stroke. When he had this stroke, they obviously had additional medical expenses. Last year, they were in the market for a better rate than the 8 percent they were paying on the loan on their house which remained and was $550,000. They got a cold-call from an unlicensed broker, who offered them a $629,000 loan with these terms: $25,000 cash back, a 4.5-percent interest rate, and monthly payments of $2,000 after four months at $5,300 to lower the interest rate. They studied it and said, ''We can afford this.'' And so they did it. Here is what really happened. The interest rate was 11.2 percent, not 4.5 percent. There was no cash back. The monthly payments were $5,300 every month. They called about it, and they were told it just wasn't true. The paper they signed was for $5,300 every month for the length of the mortgage. Then they learned that not only was there no cash back, but this broker walked off with $20,000 in his pocket. These are retired people. They were confronted with hundreds of pages of loan documents, filled with small print. They trusted their broker.

Not too long ago, my husband and I bought a home. We trusted our broker. He went through the papers with us. Candidly, I do not believe most people read every line of what amounts to a stack about 6 inches high of papers when you buy a home.

For the Simmons family, they dipped into their life savings. They are afraid they may lose their home. This is exactly the type of situation our bill would prevent.

Let me give you another story of Steve and Valvina McFatten. They live in Fresno, and they are in this photo with their children and dog in front of their house. They have two teenage daughters. Steve is an assembly-line worker. Valvina is an office assistant. They both work.

In 2005, a bank told them they could handle a mortgage of up to $135,000. When they saw their dream home the next year—listed at $250,000—they thought it was out of reach. But a broker steered them into two mortgages for $250,000 for only $1,000 down, with an adjustable interest rate. Their combined monthly payments were $1,600. Now, the McFattens have weak credit, modest income, and two children to raise. They told their broker they could not afford this loan. The broker told them not to worry, that their monthly payments included their property taxes, their mortgage insurance, and a warranty for home repairs. Well, did that turn out? No. Here is what the real deal was: no money toward property taxes, no money toward insurance, and no warranty. It was canceled without their knowledge.

These are two examples of what is happening in California. Many Americans trying to get a piece of the American dream have actually been sold a bill of goods by unscrupulous brokers and lenders. When I was in Los Angeles, the San Bernardino district attorney, the Los Angeles district attorney, and the State attorney general had just arrested nine bad actors in the mortgage broker business. So it is going on all of the time. People are told: Don't worry, you don't need a big downpayment. You can get into a zero-interest loan. Don't worry about what you are getting into. Home values always rise. Don't worry about the adjustable interest rate; you can always refinance. Don't worry, you cannot lose.

Well, the fact is that you can lose, and you can lose big. I can say that everybody should read the fine print and take the time to understand exactly

what their mortgage documents say. The fact is that people have difficulty understanding these very legal documents. They tend to depend on their mortgage broker. So the damage is staggering.

There were more than 2 million filings last year, and another 2 million are expected this year. Senator BOXER's and my State is ground zero, with 4 of the 10 metropolitan areas with the highest foreclosure rates in the Nation. No. 2 is Stockton. No. 4 is San Bernardino. No. 5 is Sacramento. No. 7 is Bakersfield. It just so happens that these are areas with a lot of middle-class, hard-working families who tend to trust their broker. Both people in the family work. They may not all be college graduates. They may have a tough time understanding the fine print, and they depend on the person who comes to them as a professional and makes personal representations to them.

My State accounts for more than 20 percent of the Nation's foreclosure filings. It is very serious. We have now learned how easy it is for anyone to get into the mortgage business in some States and, quite frankly, it is astonishing. A simple Internet search will show how easy it is.

These are statements taken right off the Internet for a broker. Here is the source: http://www.cflicense.com. We accessed this site on the 27th of February of this year. Here is what they advertised:

No experience, education or exam is necessary.

To sell subprime mortgages in the State of California.

And here is also what we learned:

You can hire unlicensed sales agents to originate loans under your company license.

In fact, a lot of the real estate industry is opposed to mortgage licensing. They want to be able to do that. But our job is to decide, is this in the best interest of the consumer? I don't believe it is. As a matter of fact, I find it rather outrageous. I say to the real estate industry: This does you no good to have unlicensed subprime mortgage brokers who give bogus information to your clients.

So here is what this bipartisan amendment would do. First, it would establish some minimum, basic Federal license requirements. They would ensure mortgage brokers and lenders are trained in ethics, consumer protection, lending laws, and the subprime marketplace. To be licensed, you would have to have no felony convictions, have no similar license revoked, demonstrate a record of financial responsibility, successfully complete educational requirements, at least 20 hours of approved courses—it seems to me that is pretty basic—pass a comprehensive written exam, and meet an annual license review and renewal requirement. It would also require that all mortgage brokers and lenders provide fingerprints, a summary of work experience, and consent to a background check to authorities.

The bill would also establish a national database so individuals buying a home who wanted to use a subprime mortgage broker could go on the Internet and find out if that broker is, in fact, licensed.

The State would have the responsibility to carry out these minimum standards and could add any standards they wished. But State regulators would be required to develop a satisfactory licensing system within 1 year following the enactment of this legislation. If this does not occur, the Housing and Urban Development Secretary is empowered to quickly develop a national database and license-generating revenue for its implementation through fees to license applicants.

There is broad bipartisan support for this amendment. Our amendment is similar to a provision authored by Representative SPENCER BACHUS, a Republican from Alabama, the ranking member of the House Committee on Financial Services.

The national licensing concept for mortgage lenders and brokers was included in the comprehensive mortgage reform bill which passed the House in November. And last month, the President's working group on financial markets recommended a similar proposal in their report on the housing crisis.

I will conclude. The emergence in recent years of subprime and other exotic mortgage products have put many American home buyers at great financial risk, and many of these products require little or no downpayment. They allow people with bad credit to get in over their head. They do not verify their wages. Many have exaggerated wages on the loan documents. And most lenders and brokers offered these mortgages, though, in a responsible fashion. But many others used predatory tactics, such as failing to disclose the full risk in order to place unsuspecting borrowers into mortgages they could not afford.

Madam President, my heart broke when I met the Simmons family. When I think of somebody working for 20 years for a defense firm in California, his wife working for 26 years as a checker in a supermarket so they could buy and sustain a home which, as we can see, they have kept in pristine condition, having a health problem—namely, a stroke by Mr. Simmons; it is difficult for him to get around, it is difficult for him to speak—costing them extra, using the home as a basis to try to refinance to take some money out of this house to pay for medical bills.

What is happening now? A bad actor got hold of them. They did not realize what they were getting into. He promised certain things which did not come through. And now this couple faces losing their home.

Fortunately, we were able to hook them up last week with a community pro bono law firm that will now represent them and deal with their mortgage company and try to see if they can recondition some of this loan back to what they were promised.

This is going on, and it is going on all over California. The areas I just pointed out, the 4 out of the 10 highest areas are not the most affluent places in my State. They are places where families just like the Simmons have heard the rhetoric: We can put you into the American dream; we can enable you to buy a home; and here, I, the mortgage broker am willing to sit down and make you all these commitments. Then they find out the commitments are ashes.

This has to stop. There is no place for the predator in this industry. I know Citibank told me they oppose the legislation. I say to Citibank: Are you proud of this? Is this the way you want to do business?

And I say to realtors who do not want these brokers to be licensed: Is that the way you want to do business? If it is, I am against what you want.

I hope this amendment is adopted. It has been talked about, it has been dealt with in general terms in a past bill that passed the House. The President's working group said we should consider it. We now have the chance to do it.

We face 2 million additional foreclosures, and we have to do something about predatory lenders and brokers, and this amendment is a beginning.

Mr. DURBIN. Madam President, will the Senator yield for a question?

Mrs. FEINSTEIN. I certainly will.

Mr. DURBIN. Through the Chair, I am happy to be a cosponsor of the Senator's amendment. The last point she made is the one I found almost nothing short of amazing: that the largest banks that are involved in the mortgage business, and the realtors who are involved, obviously, in these transactions are resisting Senator FEINSTEIN's amendment that would provide some basic standards for the licensure of mortgage brokers. That is the point I would like to make, through the Chair, to the Senator from California. I continue to wonder why these noble professions are protecting the bottom feeders of our economy, those who are preying on people such as the Simmons.

I have stories in Illinois I can tell that will match each one of the Senator from California, where there is basic exploitation of people by those who mislead people in terrible financial circumstances, people of limited experience and education who are trying to understand the complexity of mortgages and closings and interest rates and all of the matters that have to be understood well.

I ask the Senator from California, Madam President, does she have the support of any financial institutions or any of these professions that should be in support of State licensing of these mortgage brokers?

Mrs. FEINSTEIN. Let me answer that. Not to the best of my knowledge. Let me also say—and perhaps I do, but I will find out—let me also say Citibank and even the California real

estate establishment want exemptions. Well, I am not willing to give exemptions. I say for shame if this is the way you want to practice your business. It is not acceptable.

Mr. DURBIN. I thank the Senator from California.

Mrs. FEINSTEIN. I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Madam President, too many families in Missouri and across the Nation are feeling the pain of the housing crisis. They need our help now. This Senate is coming together on a bipartisan basis to provide some relief to deal with some of the real problems we find in communities throughout our Nation.

Over the Easter break, I traveled around the State. I talked with a lot of folks who have a real and deep interest in this housing crisis. I met with families struggling under the threat of foreclosure, neighborhood groups counseling families on how to keep their homes, government officials at the local level—mayors and council members—who were trying to find ways they could assist, community leaders asking for our help. They told me about the neighborhoods devastated by foreclosures. More critically, they told me of the personal problems faced by families running into foreclosure where their adjustable rates had risen so high they could no longer afford them. And they talked to me about the devastation of family after family being threatened with losing their home.

I did not hear from speculators who overbuilt and are now caught with too much inventory. I did not hear from investors who bought a second or third vacation home, expecting that the price would go up more than they paid for it and now regret their bad decisions. And I did not hear from the greedy lenders who went out and offered terms that were too good to be true. Some of the worst ones were the no-downpayment loans. Many others offered unbelievable teaser rates and then put out paper that was absolutely unaffordable by the borrowers. They spread this toxic paper throughout the system. It is putting at risk not only our national financial system, but that toxic stuff has spread to international markets, and markets across the world are feeling the pain of our subprime crisis.

In Missouri, I heard from mothers and fathers who want to keep their home. I heard from fixed-income seniors who thought they had a deal they could live with until the rates started adjusting and the mortgages got out of their ability to pay. These folks do not want a government handout. They do not want a bailout. They do not want the Federal Government buying their mortgage or buying the homes around them. They are hard-working Americans who want to be able to meet their original commitments and keep the promises they made. They need targeted temporary help to get them refinanced and on with the rest of their lives.

That is the kind of relief I offered on behalf of several of my Republican colleagues in the Security Against Foreclosure and Education Act, or SAFE Act, of 2008. It provided help for families to refinance distressed subprime mortgages, help for neighborhoods for the purchase of foreclosed homes, help for returning war vets coming home to the threat of foreclosure, and reform of the Federal Housing Administration that we all agreed upon last year and still have not been able to pass.

These proposals, I am very happy to say, form the core of the Foreclosure Prevention Act substitute amendment that is before us today. I thank Senators DODD and SHELBY who came together and assembled this bipartisan package of relief for families and neighborhoods. They took proposals from our SAFE Act, housing proposals from our Democratic colleagues, and provisions from our friends on the Finance Committee to make this relief package.

Most importantly, this measure will help struggling families refinance their subprime mortgages by authorizing State housing finance agencies to issue $10 billion in tax-exempt bonds and use the proceeds for refinancing.

I happen to know very well how effectively our Missouri Housing Development Corporation functions, and if they have this authority and if they can sell their bonds, then they will be able to refinance where people have seen their mortgage payments escalate beyond their ability to pay. This is the kind of assistance we expect from our housing finance agencies, and we need to empower them.

Secondly, to help families know their options to avoid foreclosure and keep them in their homes, it provides an additional $100 million for loan counseling. I was proud to be able to join with my colleague from Connecticut, Senator DODD, in the Housing and Urban Development appropriations bill last year to put $180 million in counseling. Congress passed it in December. The first of these funds has gone out, and they tell me already they are having a great effect. Many say that knowledge means power. Housing counselors I met with over the recess told me how these counseling funds are helping families know how to renegotiate with their banks to get good refinancing and keep their homes.

The message all of us ought to carry back to our home States when we talk to people who are threatened by these problems is that if you see your mortgage rates going up beyond your ability to pay, if you have concerns about whether you can meet the terms of the financing, don't wait until foreclosure proceedings are initiated. Don't wait until you get hauled up on the courthouse steps to see your property sold. There are counseling agencies that we have funded and will be funded additionally across the country in every large community that will come in and work with the homeowner and with the lending agencies to try to work out terms.

Many of these will be able to get refinanced. It has to be voluntary on both sides, but as has been said earlier on this floor, lenders have a real disincentive for foreclosing. They got into the business not to own homes, they got in the business to receive payments. Very often this means there is common ground which can be agreeable to the homeowners and the lenders to stay the costs and the risks of foreclosure.

Foreclosure not only is devastating to the family, it is very devastating to the neighborhood. The neighbors see their home values go down, and the whole community suffers. That is why I had mayors and council members and city aldermen coming out and saying, what can we do? I said: Get good education.

As the Senator from California said, we need better education for people before they seek to buy a home, and certainly we need education and counseling for those who see mortgage payments rising above their reach.

Back to the provisions in this bill. We supported on our side—and this measure includes—help for struggling neighborhoods by providing tax credits for that purpose over the next year of a home in or facing foreclosure. It is $7,000 available for families moving in and living in the home over 2 years to keep the neighborhoods from being flooded with properties in foreclosure, which drags down property values for everyone. These tax credits should help all homeowners in the neighborhood by stabilizing property values as families get back into vacant homes and add value.

Not surprisingly—not surprisingly—when I laid out this proposal to the roundtables and the discussion groups I had around the State, one of the things the mayors and the city councilmen liked the most was this ability to get those homes in foreclosure sold and occupied by borrowers who would be contributing members of the community and helping to stabilize those communities. They recognize the importance this has for their communities as well as the families who would be living there.

One other part of this proposal that is very important to me is that the measure proposes new loan disclosure requirements with a prominent, plain English explanation of key loan conditions. I want the borrowers to see in big type any teaser rates or introductory rates, anything that will change the terms of their payments or limit their ability and lead to foreclosure.

I have had the distinction of living in several houses in the last few years. As we have moved from house to house and purchased homes, I have seen that stack of documents. As the occupant of the chair, I used to be a lawyer. I am recovering from it now. I have looked at those documents and tried to make

sense of them, and I tell you there is not enough time if you are purchasing a house. It took me about 45 minutes to sign all the pieces of paper that came before me. Now, that doesn't help anybody. The Truth in Lending Act has gone to ridiculous extremes. Unfortunately, we let lawyers draft that, and there ought to be a law against lawyers drafting any kind of disclosure documents. We need to have those simple, in plain English, so you know what your rate is, what it could rise to, whether there is a prepayment penalty, and whether you can refinance it. That is on the first or second page.

Tell me something I need to know. Don't make me sign 30 pages saying I have read all the fine type or all the fine print.

Everybody knows that is a joke. Let us put disclosure in plain terms. That should be a help in the future.

We also have a provision from Senator COLEMAN of Minnesota in this bill to give returning war veterans more time to avoid home foreclosure. Currently, they have a 3-month window from their return to work out any mortgage difficulties they have. This may not be enough time for them. So this proposed measure would extend the protection against foreclosure to 6 months after arrival home. That is the least we can do for our returning heroes.

We have included provisions of the Federal Housing Act reform bill, which passed the Senate 93 to 1 last year. That bipartisan, near unanimous reform bill deserves to become law. FHA is one of our key financing insuring agencies for lower income people. We need to make sure it works. We have heard about the possible application of FHA Secure to assist borrowers whose mortgage payments have gone beyond their reach, but it is too limited. They can't use it. We need to loosen up the terms so that the terms are not so strict that FHA is in the position of what some people used to characterize as a bank being a place that lends you an umbrella and takes it back when it starts to rain. The FHA holds out great promise for being able to insure loans and get people in houses, but when they say, if you do anything, if there is anything, if you miss any step, you can't get the protection, it seems to me maybe we have tightened it down too hard.

I believe, however, for the future, it ought to be the policy of the FHA—and I would hope it would be the policy of any responsible mortgage broker or lender—not to make any no-downpayment loans. No-downpayment loans are one of the most significant contributors to housing foreclosures and failure to be able to meet those terms. If you don't have the money to buy a house, there is nothing wrong with living in a rented house. I have lived in rented houses. You can save up the money to buy a house. But to buy a house responsibly, you need to have some downpayment. I hope that the FHA would get rid of the idea that it is the American dream to put somebody into a house with no equity in it. That is asking for trouble, and that is one of the sources of the trouble we face.

I would say one other thing. A lot of people are now realizing that this housing crisis is the basis of financial challenges and financial difficulties in the United States and possibly even internationally. I said earlier, this toxic paper has been spread throughout the world, and there are banks in other countries, there are investment houses in other countries that are suffering because of it. There had to be steps taken at the Federal level, and some of the steps were a little bit breathtaking. I was not wild about seeing the Fed have to move in and wipe out Bear Stearns and provide the guarantees, but I am willing to accept what the Chairman said, and what others have said, that this was necessary to stop the domino effect of collapsing Federal institutions and federally insured institutions, and it is necessary to stop a worldwide panic from subprime loans.

There are other steps that have been taken as well—lowering the Fed rate to 3¼, 2¼. These steps are necessary on a macro level. But let me tell you one thing. This macro problem has a micro problem basis. The problem we face is not just what happens in Washington or happens in New York or happens at the Federal Reserve. This problem depends upon how we solve the problems of the families facing foreclosure, of the communities seeing a wave of foreclosures driving down property values.

This problem requires also that we work for a solution that begins at the ground up; that takes care of the families in need; that takes care of the communities facing these problems and not do only what has been done nationally, what we read about in the headlines, but what we can only see in community newspapers back home, as to how we help families and communities struggling with foreclosure.

This housing bill before us represents the needs and values of our families and neighborhoods. It doesn't provide for any government buyouts of mortgages, as some propose. It does not provide for refinancing of vacation or investment homes, as some fear. Together, our housing proposal will help families and neighborhoods across this country get through the crisis and help our financial systems to maintain stability. But most of all, for our families, for our neighborhoods, for our communities, I urge my colleagues to support this measure.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Madam President, I thank the Senator from Missouri for his statement. He made reference to something which I thought was so obvious. Senator JACK REED of Rhode Island had an amendment to the original bill, and since Senator BOND is an attorney, and the Presiding Officer is an attorney, and I have been one in the past, we know what happens at a real estate closing. You give people a stack of papers and you turn the corners and say: Keep signing until you are finished. If someone has the nerve to ask: What am I signing? Nine times out of ten, it is going to be dismissed by the realtor or the lawyer in the room: Oh, it is another Federal form required by law. Just sign it. Everything is fine.

At the end of the day, let's be honest. No one has read all of those forms. No one understands all those forms, particularly those who are borrowing money. But the fine print in those forms is going to dictate their lives, and they do not even know it. How many of us take the time to carefully read the back of our monthly credit card statement? Not me. And the print is so fine, even with these glasses which I have all over my house, I can't keep up with it and understand it.

So what Senator JACK REED proposed was that there be a cover sheet to the disclosing documents which says: You are borrowing X number of dollars, the interest rate is X, the monthly payment will be X, the interest rate can increase to X number, your monthly payment can increase to a certain amount, and there is or is not a penalty for repaying your mortgage. Pretty simple, right? Well, you ought to see what the financial institutions did to JACK REED's very simple proposal—one that made sense.

The reason it caught my attention is it amends the Truth in Lending law in America. I have kind of a special attachment to this, because the first person I ever worked for on Capitol Hill was Senator Paul Douglas, who tried to pass the Truth in Lending Act for 18 years. He was fought by the banks and never succeeded. He left Congress in 1966, and Senator William Proxmire of Wisconsin passed it.

It was, I am sure, a good-faith effort for better disclosure at closing, but the law is so complicated, so arcane, that at the end of the day it did not serve the ultimate purpose Senator Douglas sought. So I was anxious to read what the banking institutions would agree to as part of the compromise bill before us. I hope my colleagues will take a few minutes and go to section 501 of this bill and try to make sense out of this. What I described to you, in Senator JACK REED's proposals, I could explain at any town meeting in Illinois—any Senator could—and people would say: Sure, why shouldn't we know this? We might have avoided some of the problems we have today if the borrowers actually knew what they were getting into.

Try to make sense out of what the financial institutions agreed to in this bill. I have read through it. I don't get it. I mean, it does try my patience that at this moment in history, with so many people facing mortgage foreclosures, we do not have an appetite in the Senate to change the basic laws and rules to have more oversight and avoid this happening again.

If it is uncomfortable for us to be plowing through all this legislation, think about how uncomfortable it is for 2 million homeowners facing the loss of their homes.

Senator FEINSTEIN was here a few moments ago, talking about these homeowners in her State. I have met them in my State. They are in Missouri, they are in Iowa. These are unsuspecting people, many of them retired, many of them with limited experience and education, drawn into complicated loans that have traps every time you turn. If you reach a situation where you have lost a job, where you have a serious medical bill, where something has occurred here, you could lose your home. A lifetime of savings could be gone.

That isn't right. I understand people have to accept responsibility for their actions, but you know a lot of these people are being preyed upon, they are being deceived. I have seen it happen. I have talked to the families back in Illinois. We had a chance, with this bill, to put a very important and simple provision in, on which the Senator from Missouri spoke. We didn't do it. I might say, I see the Senator from Iowa, and I don't want to take any additional time, but I wish to say through the Presiding Officer: We convened this morning at 9:30. My amendment, which is pending, has been on the floor for virtually 3 hours now—almost 3 hours. I have stayed that entire period of time to entertain any questions or to engage in any debate related to this amendment.

There have been a lot of speeches about other issues. I don't wish to be critical of my colleagues. I have done the same thing. They have issues that are important to them relating to this bill and other subjects. That is their right.

I tried to get an agreement that at 12:15 we would vote on my amendment, up or down, win or lose; let's debate it and vote on it. I asked the Republican minority leader and he said: Too soon. Other Members want to come and speak to this amendment. I don't want to foreclose anyone's opportunity to speak on the floor for or against this amendment, but why are we wasting this time? That is my question. This is an important bill. There are a lot of very important amendments. Let's get on with it. Three hours should be enough for this amendment. It is way too much. We could have debated this thoroughly in a matter of an hour. Unfortunately, a lot of Members have not come to the floor.

There should reach a point where the minority leader says to his colleagues: You had your chance. Now let's vote. That is kind of the normal consequence in life—you snooze, you lose, whether you are in the Senate or not. So I encourage those who support or oppose my amendment, come to the floor. I am here. Let's have something unprecedented, a debate, an actual debate in the Senate, where I say something and someone challenges it or they say something and I challenge it. Wouldn't that be exciting? C–SPAN might advertise that is going to happen on the floor of the Senate, it is so rare.

I am ready. I hope, if the Senator from Iowa is here on my amendment, that we can be engaged in a debate shortly.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Madam President, I rise for two purposes. One, to state some views on the Durbin amendment and, No. 2, to give very short remarks on tax provisions that are part of the underlying housing bill. I would like to speak on the Durbin amendment for the reason that I am the author of the bankruptcy reform provisions that passed here, maybe 3 or 4 years ago, and are now law. I would like to speak on the tax provisions as ranking Republican on the Senate Finance Committee.

Senator DURBIN and I have had opportunities to work together on many issues, and in fact we are working together on other things this very day, unrelated to this bill. I appreciate the opportunities to cooperate in a bipartisan way with Senator DURBIN. Senator DURBIN, many months ago, was very polite, coming to me and asking me to take a look at his bankruptcy language. It is probably similar to the one that is before us right now. I know the language has been changed some since then, but it is basically the same concept. He asked me to consider it.

I and my staff did consider it, and I am standing here now to speak against it. But Senator DURBIN was very courteous in giving me a heads up, not just a few weeks ago but a long time ago. I want my colleagues to know Senator DURBIN is an easy Senator to work with, even if you disagree with him.

So I am here to voice opposition to Senator DURBIN's bankruptcy amendment. While I appreciate Senator DURBIN's sincerity in trying to alleviate the home mortgage crisis, I believe his amendment is misguided and will have serious unintended consequences. So I am going to point out some of my concerns.

First, the proposal would make filing bankruptcy a deceptively attractive option for people trying to keep their homes. But we do not want to encourage people to go into bankruptcy for the sole reason of keeping their homes. Rather, we should be working on solutions outside of bankruptcy to address this issue, and that is what a great part of the other provisions of this housing legislation before us is all about. That is what a lot of the things the Federal Reserve and the Secretary of the Treasury are trying to do, both through public policy as well as through encouraging private sector policy.

Other solutions need to be sought before bankruptcy. In order to get the relief Senator DURBIN wants, homeowners will have to go into bankruptcy to get it. That is no news. He has made that very clear. I believe otherwise; that voluntary efforts and programs outside of bankruptcy will be quicker and more efficient, in terms of helping people keep their homes and shoring up the housing market. We need to let these efforts work.

Also, people will not risk ruining their credit history by filing for bankruptcy just because they think that this is the only way maybe they are going to be able to keep their home. The mortgage banking industry needs to be doing all it can to make sure that all homeowners in distress, not just the ones in bankruptcy, are getting help in making their payments.

I think more importantly, we have been told the cramdown provision in Senator DURBIN's amendment will increase the cost of mortgages for all borrowers in the form of higher interest rates or higher downpayments, or both. Independent experts, as well as the Congressional Budget Office—and I like quoting the Congressional Budget Office because they are not partisan—have concluded that there will be an interest rate increase for all home mortgages, between 1 and 2 percent. Higher interest rates will deny many Americans the ability to buy a home and will make it more expensive for other Americans to get a home loan. So, in effect, this will put up barriers—maybe unintended barriers, but real barriers, the experts tell us—to the American dream of owning a home.

The fact is, in 1978, a Democratic-controlled Congress and a Democratic President specifically—and I wish to emphasize ''specifically''—exempted primary residences from cramdown to keep interest rates low for primary homes and to ensure credit was available for low-income borrowers. In fact, U.S. Supreme Court Justice Stevens explained, in the Nobleman case, that the legislative history of the 1978 bankruptcy law indicated very clearly that:

> . . . favorable treatment of residential mortgages was intended to encourage the flow of capital into the home lending market.

Debate surrounding the Senate version of the 1978 act indicates that exceptions for real estate liens were allowed with the explicit goal of making home mortgages more available and more affordable than other kinds of credit. So I think, from the history of the 1978 act, there is a sound policy basis for this decision to not allow cramdown for primary homes in bankruptcy.

Mr. DURBIN. Will the Senator yield for a question?

Mr. GRASSLEY. Yes.

Mr. DURBIN. I would like to ask the Senator—I don't question what he has said, but after that, in the 1980s, we created a new chapter in bankruptcy, Chapter 12.

Mr. GRASSLEY. Now you are getting personal.

Mr. DURBIN. That is why I wish to make this point. Because we said that

when it came to the so-called cramdown or modification of mortgages, we would make an exception and the exception would apply to the homes of farmers and their farm property. We said if they go into bankruptcy, they can have the mortgage on their farm home crammed down or modified.

At the time, the banking industry said this is a terrible decision because we are going to have to raise interest rates on farms. You are going to regret this. We did it anyway, and there was no significant increase in interest rates.

I would like to ask, through the Chair, whether the Senator from the great agricultural State of Iowa objects to cramming down mortgages on farm homes under Chapter 12.

Mr. GRASSLEY. Madam President, I am glad to answer that. First, let me explain why I said he is getting personal. I am the author of that Chapter 12 bankruptcy provision. I am going to address it very soon. So if you would listen, I think I will answer your questions. I appreciate what you are saying and, in fact, I anticipated that, and I hope I am ready for it. I am sure it is going to be difficult to satisfy the Senator from Illinois, though.

The amendment of Senator DURBIN will not only increase interest rates on mortgages and make home ownership more expensive for everyone, many experts tell us this proposal will also have an adverse impact on financial markets because of difficulties and uncertainty in valuing the mortgages that back up securities. In addition, innocent investors would be hurt. So the Durbin amendment would cause other adverse impacts beyond higher costs of home loans.

Proponents of this amendment, particularly the cramdown provisions, argue that primary residences should be crammed down in bankruptcy just as second homes, family farms, and boats are. But there are good reasons why primary homes are treated differently from these other things.

First, interest rates and downpayments for vacation homes are significantly higher than for primary homes. If we are to start treating primary homes the same as vacation homes, I am told that then interest rates are certain to rise to the same level of second homes where cramdown is permitted.

Second, Chapter 12, referred to by the Senator from Illinois, only applies to very small commercial farming and ranching operations, not all farms and not all ranches. There are very specific requirements that need to be met in order to be able to file under Chapter 12. So we are not talking about the same number of loans that could be eligible under the Durbin amendment. I would be glad to give some statistics on that, but I am going to wait and see if the Senator from Illinois is satisfied.

Actually, I will give these numbers now because I think they are significant at this point. According to the USCOURTS.GOV Web site, the Federal courts Government Web site, for fiscal year 2006 there were only 348 Chapter 12 filings; in fiscal year 2007, there were only 361 Chapter 12 filings. This would compare to what, at least I believe, you are saying are possibly at least 600,000 filings under your amendment.

Moreover, it took Congress over two decades to make Chapter 12 a permanent part of the Bankruptcy Code because people were concerned about the possible negative consequences to allowing cramdown for family farms. Chapter 12 was initially only enacted as a temporary provision.

In addition, I would like to say that the definition of family farm which can file under Chapter 12 is very limited. In fact, Chapter 12 only applies to a limited number of farms—those that have less than $3.2 million in debt; debt has to arise out of the farming operation; 50 percent of income within the last 3 years has to come from farming income; and 80 percent of the assets in the estate have to be related to farming operations. Those are some of the requirements.

So probably Chapter 12 ended up, quite frankly, being a lot more narrow than maybe I originally intended. But I think it is working.

Finally, I want to go to the cramdown that is allowed for boats, because boats are like cars: their values diminish rather than increase, which is very different from real estate, where values are expected to rise over the long term.

Proponents of Senator DURBIN's amendment argue that the way the amendment is now drafted, only a very limited number of loans will qualify for cramdown in bankruptcy. Now, while the amendment does attempt to limit the scope of the legislation from how it was originally drafted when Senator DURBIN introduced his bankruptcy proposal as a stand-alone bill—that was probably soon after he had talked to me about it several months ago—the reality is that the language still is extremely broad. Cramdown and other loan modifications are available for many loans, both nontraditional and subprime as defined by Senator DURBIN's amendment, made before the amendment's effective date. That is, of course, a lot of loans. Since there is no sunset date in the amendment, borrowers could file for bankruptcy and still get this cramdown relief years and years from now.

Mr. DURBIN. Would the Senator yield for a question?

Mr. GRASSLEY. Yes.

Mr. DURBIN. I ask the Senator, through the Chair, if he is aware of the fact that this only applies to mortgages, subprime mortgages on a primary residence that had been entered into as of the date of the enactment of legislation, not to any future mortgages of any kind?

Mr. GRASSLEY. So then you are saying my statement was wrong?

Mr. DURBIN. I am saying your statement should be modified.

Mr. GRASSLEY. I am looking at my staff because I am not a lawyer. My staff would disagree with you that my statement is inaccurate. But I will not go into that now.

Furthermore, according to the Durbin amendment, subprime loans are defined to be any loan with an interest rate of 3 to 5 percent over the Treasury yield rates for comparable loans. It is my understanding that this definition could include prime loans and home equity lines of credit, which would encompass a large number of loans.

The cramdown provision is just one of several problematic provisions in Senator DURBIN's amendment. The amendment will increase bankruptcy filings, something I really do not think we should encourage. We should be doing everything we can to keep people out of bankruptcy. It ought to be very much a last resort, particularly because filing bankruptcy in and of itself hurts a consumer's credit rating. I think we can all agree that bankruptcy should be a last resort and one should not file for bankruptcy unless it is absolutely necessary. The amendment will increase mortgage interest rates and downpayments for other homeowners and potential home buyers. The Durbin bankruptcy amendment will inject greater risk into and negatively impact our financial markets.

I would like to be clear: I want to help homeowners weather the storm just as much as the next Senator. I want to support constructive solutions to help homeowners meet their obligations so they do not lose their homes. In fact, I have worked very hard with other Senators to craft tax provisions that I am soon going to address that are currently contained in the underlying housing proposal before us. But I am concerned that the Durbin bankruptcy amendment we are considering right now—if we adopt that, we are going to pass legislation that would do a great deal of harm. I am concerned about the possibility of the amendment helping some, but hurting many others. I am not alone in my concerns. Many experts agree that the Durbin bankruptcy cramdown proposal is problematic and could have serious adverse consequences. So I am asking my colleagues to vote against the Durbin bankruptcy amendment.

I said that I am the ranking Republican on the Senate Finance Committee. I now wish to give a short statement about some of the tax provisions. I may have to be more specific when we get into debate on this, so this is kind of a preliminary notice of where the committee is coming from. First of all, as usual, I find it very necessary to thank Chairman BAUCUS for his courtesy and hard work in the legislative effort. Our goal was to develop a bipartisan tax package that responds to the needs of Americans and, in particular, the housing market.

Americans are struggling to keep their homes and their jobs. As economic conditions continue to worsen, it is appropriate that Congress act to enact tax laws that address the housing problem. After all, the housing problem is at the root of the current economic turmoil and anxiety that people have.

Last year, we responded to the call for help. Congress enacted the Mortgage Debt Relief Act of 2007 which was signed into law by the President. This law excludes from income discharges of indebtedness incurred by taxpayers to acquire homes. It also extends the tax deduction for mortgage insurance premiums.

Earlier this year, Congress acted at lightning speed to enact a stimulus package that delivers additional relief to American taxpayers. As a result of that legislation, Treasury will be sending out rebate checks in a few weeks that will give the economy a much needed boost.

We have carefully balanced this tax relief package being considered today on the floor. It addresses the housing downturn but is limited so as to ensure that it helps the problem and does not simply create new problems. We are mindful that any relief that benefits one sector of the public does not do so at the expense of another sector. The other sector is the taxpaying population that carefully managed their family budget, especially as it is related to housing costs. Taxpayers bear the burden of a bailout of these risky mortgages that went south. So it is important that we have a compassionate view that recognizes taxpayers possibly picking up some of the tab.

Once again, the Senate is stepping in to help Americans in distress. The tax relief package helps encourage home ownership and encourages the basic businesses that are tied to the housing industry to recover some losses. Keep in mind that those businesses create jobs. More jobs means a stronger economy.

In 2002, Congress passed a stimulus bill that provided some of the very same relief that is contained in this bill. In 2002, Congress passed, with overwhelming support, a provision to extend the net operating loss carryback. This provision passed without controversy. Hopefully, there will be no controversy this time. Then, again, earlier this year the Senate Finance Committee passed a similar provision to extend the net operating loss carryback once again, with overwhelming support by the committee.

Relying on our successes in the past, we have included similar provisions in this bill. However, the net operating loss provision in this bill is even more conservative than the relief offered in the past. Instead of a 5-year carryback, this proposal offers a 4-year carryback. This provision, of course, is a no-brainer. It helps the very industries suffering from this housing downturn and will help Americans continue to be employed.

This bill also offers a tax credit to help people buy homes that are in foreclosure. These homes are depressing home values in the marketplace. It is important that this inventory is moved so as to help retain home values.

This bill also increases the cap on mortgage revenue bonds to give people in distressed loans additional options for refinancing. This is not a bailout for homeowners; this is a provision that helps enable people to keep their homes and to pay mortgages.

As we proceed on this bill, I am asking everybody to keep in mind what I said at the beginning: We need to address the housing downturn, but we need to show restraint. We need to limit the relief so that it eases the problem, but does not create new ones. We need to be considerate of the many Americans who worked hard to save and buy homes and who will ultimately pay the price for this relief, if the relief is used, and we expect it will be. They should benefit, too, in that any targeted relief will, in fact, give the economy a boost and not be a drag on the economy, drag it down even further. We want to keep people employed, and particularly the taxpayers who were conservative in their financial plans should not be harmed as a result of this.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Madam President, I thank my colleague from Iowa. He and I are friends. We have worked together and continue to work together on many issues. We have profound disagreements on some issues, but we have managed to maintain our friendship regardless.

We had the responsibility for a number of years of dealing with the Bankruptcy Code. I will say to my friend from Iowa, for a man who is not an attorney, I was always impressed by his knowledge of the issues and his ability to articulate his position effectively whether his opponents were attorneys or not. So I thank you very much for your comments today. I respect very much your point of view, although I disagree with the conclusions.

The purpose here is not to send people to bankruptcy court, it is the opposite. Going to bankruptcy court these days is not a trip to Disney World. It is a problem. You have to go through credit counseling, you have to gather all of your documentation, walk into a courtroom, usually with a lawyer, and be prepared for a pretty tough ordeal. And then, if you successfully complete the bankruptcy, you carry that stigma with you for years. Whenever you want to apply for a loan, one of the questions asked is: Have you ever filed for bankruptcy? So I do not believe people are gleefully jumping at the chance to go to bankruptcy court. For most of them, it is an embarrassing experience, it is a humbling experience, and it is one they want to avoid.

The purpose of this bankruptcy provision is to avoid that experience. Here is the problem: If banks today, if mortgage lenders today were jumping forward to renegotiate these mortgages, we would not be standing here in this debate. They are not. People are in a position where they are about to lose their homes, and these mortgage institutions are not responding.

I will give you an example. A woman named Carol Thomas in Peoria, IL, retired as a drugstore clerk, spent her lifetime in that very basic job, retired with her husband, who worked at a factory. They bought a little home in Peoria. After they retired, her husband got sick. He could not climb the stairs anymore. She wanted to keep him home as long as possible and knew he could not get upstairs to the bedroom, so she went looking for another house, a smaller house but one floor. She found one near where she lived, and she ended up buying the house.

Unfortunately, the medical bills got the best of them. She ended up needing some money to pay off medical bills. Now, this is the No. 1 reason people do file bankruptcy in America: medical bills. But to avoid bankruptcy, she thought: Maybe I can borrow more money on my home. She got ahold of one of those mortgage lenders. And this is why I support Senator FEINSTEIN's effort to license these mortgage brokers. She could not have received worse advice. This poor woman who was no business expert, no college graduate, just a hard-working woman who deserves a decent retirement, was advised to consolidate her debts in her new mortgage. They brought together all of the debts she had and lumped them into a new debt on her home. They were so unscrupulous and so deceptive that they brought into this package of consolidated loans a zero-percent loan she had from the city of Peoria for home improvements. Can you imagine? This woman was paying off that home-improvement loan with zero percent, and this unscrupulous mortgage broker and lender ended up putting that debt into her home where she was paying interest on it now. Thanks so much for the help for Mrs. Thomas.

It did not take but a year for the bottom to fall out. The reset came in. Her husband has since passed away. She was trying to get by on meager savings and Social Security. Her mortgage payment doubled, and there she stood, about to lose her home and her retirement, thinking about going back to work to save the home.

That is when she showed up at that little gathering I had to talk about this issue. It is a heartbreaking situation. She said to me ahead of time, before the press conference got started: I hope I do not cry. I said: Just be as strong as you can. And she did not cry.

She contained her emotions but almost lost it when she talked about her husband and what he went through. She then said: I don't know which way to turn. I call this mortgage company.

I will not give their names here because there is a good ending to this.

She said: I call the mortgage company and they say to me, you clearly can't make these payments, so just stop making payments.

So she said: I didn't send in the monthly payment which would have exhausted my savings. Then they sent me a notice and said: You are in default. You are facing foreclosure. I can't win. I follow their instructions; they tell me they are going to foreclose.

She had some counselors helping her, and the counselors said to me: Would you call the mortgage institution and see if you can talk to them?

So I did. I called and left a message for the vice president of this major company. If I gave their name, it would be recognized instantly.

I said: Please give this woman straight advice and figure out if there is any way she can stay in her home. Within 24 hours this vice president said: We will take care of it. Ms. Thomas can stay in her home, new interest rate, much lower percent interest rate, and she is OK. Don't worry about it.

Why did she have to go through that? Why did I have to make that call? Do Senators have to get on the phone, all 100 of us, and call on behalf of 2 million home owners to get this straightened out? I had to make that call because that mortgage company wouldn't step up and do that until somebody pushed them. I didn't have any threat I could hang over their head other than the embarrassment to their company of not helping this poor woman out. But they finally did it. Why did I have to make that phone call? Why did she have to go through month after month of being beaten up by people on the phone giving her conflicting advice?

That is why this is needed, not so that Carol Thomas and people such as her end up in bankruptcy court but so that the mortgage lenders know if they will not sit down and work with people, those folks may end up in bankruptcy court and the bankruptcy judge may modify the terms of the mortgage. If they know that is coming, they might sit down and talk to Carol Thomas or somebody before it reaches that point.

Some of my colleagues may have been listening or on the Senate floor earlier when my colleague from Massachusetts, Senator KERRY, told his story. Isn't this a great story? Irene Hernandez of Lawrence, MA, a mother trying to raise her children, ends up over her head with a mortgage. They come in and tell her that since she has defaulted, they are going to have to foreclose on her mortgage and toss her out of the house.

They say: Your $210,000 house is now only worth $99,000. So we are going to toss you out and we are going to sell your house for $99,000.

Irene Hernandez says: I will buy it. I can pay a mortgage on $99,000. You know that. I have been paying this mortgage. So why don't you let me buy it?

They said: No. You are disqualified. You are disqualified because you defaulted on a mortgage with our company.

You think of these cases, and you wonder what is going through the minds of these financial institutions. Here many of them have created this subprime mortgage mess which was a catalyst for this recession, which we are sadly heading into according to Mr. Bernanke, and these same mortgage bankers still rule the debate in the Senate. Doesn't this tell you a great story about this institution; that the mortgage bankers responsible for this mortgage foreclosure crisis are telling people: Don't vote for that Durbin amendment. We are opposed to that. And Senators say: That is what mortgage bankers say, and that is where I am going to be.

We have a responsibility beyond the special interest groups that line the hallways in nice silk suits. We have a responsibility to a lot of people like Carol Thomas and Irene Hernandez. These are hard-working people who deserve a break. Many of them were exploited, deceived. They deserve a chance. That is all I am asking. The vast majority of them will never end up in bankruptcy court, will never have the benefit of this proposal. But some of them will. Some of them are going to be able to keep their homes because of this.

I cannot imagine what it would have meant to my family when I was raising them if I thought I was going to lose my home—not only the embarrassment of it, the uncertainty of where they would go, but moving out of the neighborhood, changing schools, leaving their friends. That is something we should not just look on as a routine occurrence in life. It is something they will never, ever forget. That is why this bill is important.

I have been on the Senate floor now for 3 hours and 10 minutes with my amendment. I have invited every Senator who wants to come to this floor to oppose or support this amendment to come on down. The Senate floor is empty but for the Presiding Officer, whom I thank very much for being here. There have been three Senators on the other side of the aisle who have come to speak against my amendment. When I asked the Republican minority leader if we could schedule this for a vote up or down, let's have the decision of the Senate, he said: Senators want to speak. Well, good. That is appropriate. There should be speeches, and I hope even debate. But I have to urge my colleagues, if they believe there is a sense of urgency about the housing crisis, please come to the floor. Please join us in a conversation for or against the provision.

I respect Senator GRASSLEY of Iowa who opposes my provision. I respect the fact that he came to the floor and expressed his point of view and submitted to a question or two. For some who don't follow the Senate, this is a rare occurrence. A Senator actually allowed another Senator to ask a question. We have reached the point where we just come down to the floor and read speeches and finish the speeches and leave the floor. That is unfortunate. It would be better for the debate, for the Senate, and for people following it to hear both sides of the story, to hear me defend my amendment and those who are critical of it express their point of view. It doesn't happen much. It should happen more. I hope it will happen soon.

I am going to renew my request of the Republican leader after the lunch period which many Senators now are involved in to try to bring this to a vote. I think we have given Senators over 3 hours to come to the floor, and exactly three Republicans have come to speak to this amendment. If it is one an hour, then we have 46 more hours to go because there are 49 Republican Senators. That is unfortunate. It is unnecessary. I hope those who do come to the floor will read this amendment carefully.

The argument that this change in the bankruptcy law is going to raise interest rates is one that cannot be sustained. When I asked Senator GRASSLEY about the provision relating to farmers' homes being allowed to be treated this way, he said it was a limited number of farmers who have filed for bankruptcy. He is right. But if the principle is sound for a farmer's home, why is it not sound for a person living in town? If a farmer can go into court and ask the bankruptcy court to change the terms of the mortgage so that they can stay on the farm, why is this inappropriate when it comes to those living in town? The principle is the same, and the principle is sound.

It is true that chapter 12 bankruptcies for those facing agricultural shortcomings are restricted, but so is this provision, restricted to those who qualify for bankruptcy; to those who have a primary residence, a home at stake; for existing mortgages, as of the date of enactment of this law, not after; to provide, as well, that the mortgage terms can only be reduced for the principal to fair market value, no lower; that the interest rate on the new mortgage modification cannot be lower than the prime rate plus a premium for risk; that the term of the new mortgage modification cannot be more than 30 years; that we protect the lending institution; if the property appreciates in value over the next 5 years after the bankruptcy, any appreciation in value goes to the lender, not to the owner of the property. We have put all of these provisions in there. We keep narrowing it down to what I think is a very discrete group of people. It is not prospective. It does not apply to things in the future.

Once every 60 years or so we have a housing crisis in America. I am glad it doesn't occur more often. To respond in a temporary, focused, and narrowly gauged way is appropriate. I think it gives people a fighting chance.

I have taken the floor most of the morning. I know my colleague from

Louisiana is here and has a very important statement to make regarding this bill and her region of the country. I thank Senator LANDRIEU for being such a strong advocate for the State of Louisiana and for their recovery from Hurricane Katrina.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. I thank my colleague from Illinois for those comments. I do appreciate his help because from the beginning of the catastrophe we faced from Hurricanes Katrina and Rita, the anniversaries of which we will not celebrate, by any chance, but mark by the end of August of this year and, of course, 3 weeks later in September, we still are struggling. I thank the Senator from Illinois for his constant help and support as we work through how to recover, how to rebuild with a Federal agency, FEMA, that was caught flat footed and poorly staffed and poorly resourced and disorganized. Initially, it made some improvements, but we still have great challenges when it comes to the rebuilding of the gulf coast.

That is why I am here to take this opportunity, while we are on a housing bill for the Nation, and there is some real urgency to get real help to real people who need the Federal Government to act to help stabilize markets appropriately. And as we are talking about this, I wanted to offer an amendment that I would like to speak on, one amendment that I intend to offer to make sure this bill, in its attempt to help homeowners struggling to get back in their homes, as this bill tries to help neighborhoods stabilize from Detroit to California to the east coast, as this bill attempts to do other things, that we do continue to give appropriate aid and support to the hundreds of thousands of homeowners who are still struggling despite the good work this Congress has done to give them help.

A chart illustrates this, if I could put it up. We have heard a lot about the city of Detroit and a region which has, outside of Stockton, CA, and Las Vegas, NV, the highest percentage of foreclosures, almost 5 percent in this region, which is a significant percentage. Stockton, CA, almost 5 percent; Las Vegas, 4.2; other communities from Sacramento to Miami, FL, to the Denver-Aurora area, Fort Lauderdale, a fairly significant percentage of homes that are foreclosed. In some areas, it is quite a few people.

Let's look at San Bernardino, CA. This is 51,000 homes. That is a lot of homes, a big place, lots of people, lots of children. You can imagine in your mind, if you are from a community of 50,000, how big that could be. They are not all in this situation, clustered, 51,000 foreclosures all in the same block. Some of them are spread throughout a great area. But that is still a large number.

This is why we have come to the floor to try to bring help to these families. Some of them, in my opinion, deserve help. Maybe some of them don't. I hope this bill will sort the wheat from the chaff because maybe some of these people entered into the kind of loans they shouldn't have. Maybe they should have read the fine print, and they didn't. I am not here saying every single one deserves a handout, but I am saying they deserve this Senate to talk about what help they might need to receive and the ramifications.

If the whole financial establishment could get together and have a debate about Bear Sterns and Wall Street and what it might mean, what it would mean to the country if Bear Sterns collapsed, and they debated and came up with a solution, we most certainly need to be on this Senate floor talking about what solutions might be appropriate for homeowners. I understand the Bear Sterns issue was that they were all intertwined and, if they failed, maybe all the other banks would fail.

Let me say for the record that in places such as Detroit, if all of these homes fail, it will put such a burden on that city or that area that others who had nothing to do with any of this may also fail. That is the principle. It is the same principle for which the Fed sort of bailed out Bear Sterns. And we most certainly need to be on the floor of the Senate talking about not trying to save people who did the wrong thing but trying to help people who did nothing wrong and may get pulled down by maybe whatever people want to characterize as our inaction or inappropriate regulation, whatever. But this is not normal. We are on the floor talking about these numbers because they are high.

Let me show you what the gulf coast numbers, though, look like because it is striking.

Let's take St. Bernard Parish. Let's look at this chart with the other one so we can get a comparison. Remember, Detroit has 41,000 homes, or 4.9 percent, that were destroyed. That is basically this Detroit, Livonia, Dearborn area.

Let me tell you about what the people from St. Bernard are still reeling from. It is not a 5-percent, it is not a 10-percent, it is a 54-percent destruction rate—54 percent. There is no county or parish in the country that is experiencing right now the devastation of homes, including those that are closed, empty or vacated.

Now, we are recovering from a disaster, which is not necessarily the same thing as a foreclosure. But I hold these charts up to show the nature and the scope of the problem.

In Cameron Parish, it is not 4 percent, it is not 10 percent. It is 46 percent.

In Plaquemines Parish, it is 44 percent. In Orleans, it is 78,000 households, 41 percent.

In Hancock County, MS, it is 27 percent.

In Harrison County, MS, it is 10 percent.

In Jackson County, MS, it is 4 percent.

In Jefferson Parish, LA, it is 2.6 percent.

In St. Tammany Parish, LA, it is 2.4 percent.

In Vermilion Parish, LA, it is 1.0 percent.

So my amendment is drafted to address something that will help these families.

After the storm, when these homes were destroyed, we passed a special community development block grant, extra grants to Mississippi and Louisiana and Alabama and Texas, sort of like we did right after the Twin Towers fell in New York, there was some extra community development block grants sent. The Congress did the same. Not everything we did was perfect in that regard. There were still some discrepancies in how it was allocated. But suffice it to say for this discussion that money was sent, and out of that money, Mississippi created the Homeowners Assistance Program and Louisiana created the Road Home Program.

These were grants that were given to homeowners to try to help them between what their insurance would pay—and many of these homes were fully paid. These are problems where the mortgages were completely paid off. Some of these properties had insurance. Some of these properties did not have insurance because they were not in a flood plain, and they were not required to have insurance. So these are homeowners who did not do anything wrong. The homeowners I am talk talking about did just about everything right. Some of them maybe should have had insurance and did not, but, believe me, they are suffering the consequences of that. We are not bailing everybody out.

But what we did do was allow them to take this Road Home grant. Then in the tax law they can also take a casualty deduction. This is the problem: If my amendment, which I am going to offer when I can, and ask for a vote on it—and I will offer this amendment not just for myself but for Senator COCHRAN, Senator VITTER, and Senator WICKER. All of us are together in a bipartisan way asking the Congress to give us some relief. If this amendment I am going to offer is not adopted, these families—I am going to give you an example of the Jones family and the Smith family—will end up paying much more in taxes than they can afford, and it will be counterproductive to our recovery effort.

Let's take the Jones family. They earn $75,000 a year. Their home was substantially damaged. They did not take a casualty deduction as the current law allows. They paid the full amount of the taxes. Then out of the community development block grant—let's say they are in Mississippi—they received a grant from the State of Mississippi of $75,000, from the Mississippi Homeowners Assistance Program. Their Road Home grant will not be taxed. This family is fine.

But for this family, the Smith family—which makes the same amount of money, and their house was completely damaged—they did take the deduction. They got about a $7,000 benefit. Because of what we did, they got their $75,000 grant, but if they have to pay taxes on this, their tax could be as high as $24,000.

Now, the people whom I represent in Louisiana—and I am sure this is the same for Mississippi—can barely pay their utility bills right now, their insurance bills. They most certainly cannot pay a $24,000 tax bill.

If my amendment is not adopted—and I think it has good support from Finance on both sides—this family that I told you about that makes only $75,000 a year, that had their home destroyed—through no fault of their own—because of a confluence of things we have done, will end up having to pay $24,000.

So you may ask me: Senator, how expensive is your amendment? It is not cheap. The score for this amendment is $1 billion. It is not cheap. But we have to provide this support for these gulf coast families or you will have thousands and thousands of families suffer who arguably need the most help in the country.

These are families who at one time owned homes such as this, as shown in this picture. This happens to be a double. I will show you another picture of another home. These are people who did not do anything wrong. They did not take out any subprime loan. They did not try to take out a low adjustable mortgage. They took out their regular 30-year mortgage. They paid off their regular 30-year mortgage. They paid insurance their whole life. They will have to end up paying $24,000 in taxes, and it will be the straw that breaks the camel's back.

So you have heard me speak before about this issue. I know it can be a little complicated. We are not trying to ask for double dipping or anything. But I am going to be offering this amendment. It is important to remember, if we do not do this, we will have thousands of people, homeowners, who are trying to stay in their homes, rebuild these neighborhoods that are virtually destroyed, not on a beach—even though that is the case in some places in Mississippi—in the middle of the city, not close to any water or any beach, 5 minutes from the Super Dome, where the Hornets will be playing in one of their division championship games in a couple days, 5 minutes from the Super Dome.

They did not even know the levees were going to break. The Federal levees broke and put their homes underwater. As shown in this picture, this is where the water line is. These families will have to pay $24,000 in taxes if we cannot get this fixed.

So the bottom line is this: I am happy to try to vote for this bill for Michigan and California and places that have families that are experiencing some difficulty with their mortgages. But I have to ask this Congress to please continue to know that we still have homeowners who are struggling after 2½ years to get back into their homes, with some very complicated help that we and the States and the parishes are trying to give them.

So my amendment will correct that. I will offer it when we move to that part of the legislation. I will also have several other amendments that will help the recovery process move forward. They are all about housing. They are all about helping people get back in their houses. They are not necessarily on a different subject or anything because I realize we will have other discussions later.

But while we are on housing and while we are trying to fix it for everybody in the country, let's please stay focused and give a few tweaks here and there to keep this recovery going in the right direction on the gulf coast because we have a long way to go.

I see my colleague from Kansas, and I yield the floor.

Mr. ALLARD. Madam President, homeownership has long been the American dream, and over the last decade record numbers of families have been able to achieve the dream of homeownership. Unfortunately, too many homeowners now find themselves in mortgages they can't afford. Many of them knowingly or unknowingly took out exotic mortgages that made wildly unrealistic assumptions about the housing market; namely, that housing values would continue to dramatically increase.

As we all now know, home price growth was unsustainable. Unfortunately, too many families are now facing the possibility of foreclosure. Just as ownership brings many benefits to families and neighborhoods, foreclosures have dramatic negative consequences for both individual homeowners and the economy as a whole.

We have seen a rapid increase in the number of foreclosures, and many experts predict that the number will continue to climb in the near future. Obviously, this creates great hardships for the families facing this possibility. Accordingly, Congress is currently considering various proposals to help prevent foreclosures.

As part of any proposal, though, I think we must be careful not to reward irresponsible behavior. Borrowers have a responsibility to understand the terms of their loan, and lenders have a responsibility to provide them with clear, accurate information in order to help them understand the terms. Borrowers have a responsibility to only borrow what they can repay, but lenders have a responsibility to only lend to those who can repay.

Should Congress choose to provide relief, it should not do so in a manner that is simply a ''bail out'' for either lenders or borrowers who acted irresponsibly. We should also not set a broad precedent that the Government will simply bail people out whenever they lose money or face tough times in the housing market. Financial investments involve both risk and reward, and contracts are legal documents; we need to reinforce accountability amongst all parties for these elements.

I also believe that any efforts to address foreclosures should be done in a thoughtful, comprehensive manner. Any effort to provide foreclosure relief must carefully address any risk to taxpayers.

As part of the housing package before the Senate, we are considering an amendment which would give bankruptcy judges the ability to modify mortgage contracts after the fact.

The bankruptcy modification provision would undermine the recovery of the housing market and the economy by creating a credit crunch: It would have a negative impact in the financial markets, making it difficult to value mortgages that underlay securities. The provision will discourage securitization, and securitization encourages homeownership. Securitization frees up capital to go back into making more mortgages. Approximately 84 percent of primary home mortgages are securitized; however, looking at second homes, where the mortgage can be modified in bankruptcy, we see that only 9 percent are securitized. Justice Stevens of the Supreme Court reiterated in the Nobleman case that ''the favorable treatment of residential mortgagees was intended to encourage the flow of capital into the home lending market.''

The cramdown amendment would significantly increase the cost of homeownership: This provision will inject risk into the lending process. Whether the other side likes it or not, the markets will price to this risk by increasing the cost of mortgages for primary residences in the form of higher interest rates, down payments, points and fees. It is a basic tenant of the free markets that more risk requires a risk premium. Even the Congressional Budget Office noted in a recent report that one of the costs of the bill ''would be higher mortgage interest rates.'' Estimates are that the provision will increase mortgage interest rates by 1.5 percent to 2 percent. Assuming an increase of 1.5 percent, for a Colorado family with an average sized loan—$184,362—their monthly mortgage payment would increase by $184. For those families who can still afford a home, it will cost them anywhere from $23,000, in rural areas, to well over $500,000, in many metropolitan suburbs, in extra interest over the life of a 30-year mortgage. That money should be used for bills, their children's education, or other expenses.

The other side likes to claim that the talk of increased interest rates is little more than a scare tactic. They couldn't be more wrong. These effects are not merely a hypothetical. We have seen the effects in a real life case example:

secondary homes. A bankruptcy judge can currently change the balance on a mortgage for a second home. As a result of this, the cost of buying a second home is higher—interest rates, downpayment, shorter repayment period—than a primary home. Title IV will increase the cost of buying a primary home similar to the cost of buying a second home.

The bankruptcy provision would have a price far too high: Every quarter point increase in mortgage interest rates will prevent 1.1 million Americans from being able to afford a home. This provision could price homes out of reach for 9 million Americans. Those advocating for this ill-advised provision have estimated that it could help as many as 600,000 families, although more realistic estimates put this number closer to only 15,000. We can surely find a better way to help a small number of families than to deny homeownership to 9 million families and increase costs for millions more. Quite simply, the cost for this provision, in terms of what it will mean for families, is far too high. Congress shouldn't be forcing families into bankruptcy for mortgage relief.

The bankruptcy amendment is bad policy: The provision would reopen the bankruptcy code and would undo the 2005 requirement for prebankruptcy counseling. Senator DURBIN's proposal would grant new powers to bankruptcy judges to change the terms of primary mortgages. Judges have little, if any, expertise in the complexity in mortgage terms. The bankruptcy code is not the right area to address the subprime issues and mortgage markets. The Senate Banking Committee, the House Financial Services Committee, Federal banking regulators, and industry are all working. These are the appropriate areas.

The bankruptcy provision will discourage other alternatives: It will undermine efforts to put the two parties to the mortgage contract together. Borrowers must file for bankruptcy in order for the proposed changes to work. The HOPE NOW Alliance has helped more than a million homeowners through workouts and repayment plans. In Colorado, the Foreclosure Hotline received thousands of calls and has been able to help 80 percent who called. The hotlines are not perfect, and they cannot help all borrowers, but they are helping many. The 1 million plus families helped didn't have to pay a bankruptcy attorney; they didn't have to deal with the long-term problems caused by filing for bankruptcy; the Federal Government didn't have to spend taxpayer dollars. That is a far better approach. Drying up the credit markets and making loan terms less favorable will make it far more difficult for homeowners to refinance their loans, thus creating new problems where none existed previously.

I know that many families are hurting from foreclosures, but this amendment isn't the right approach, and I urge my colleagues to oppose it.

The PRESIDING OFFICER (Mr. SALAZAR). The Senator from Kansas.

Mr. BROWNBACK. Thank you very much, Mr. President.

I thank my colleague from Louisiana. I appreciate the information she has put forward. I will certainly be looking at it and considering it.

I am delighted we are on the housing bill. Chairman Bernanke of the Federal Reserve, who was in front of the Joint Economic Committee yesterday, I thought did a nice job testifying. There are lot of interesting things going on as to what he was talking about taking place. But he was saying the primary thing to watch in the economy right now is housing, the price of housing, it is holding or declining—it is declining in a number of key areas—but to watch that marketplace because that is the linchpin issue. He urged Congress to act on housing.

So I am delighted we have this bill up. I am delighted we have a bipartisan bill that I can look at and say a number of the provisions look pretty good. We do not try to get too one-sided one way or the other so it gets held up. Because this is something we need to act on. I think it would be a good confidence builder for the housing market across the country if we can get something through here, through the House, and signed by the President.

Having confidence is a key part of the marketplace. Confidence is a key part of what they did on the Bear Stearns bailout. He said a year ago they probably would not have done it. A year from now, they probably would not do it. But right now things are too shaky and it could cause things to crumble. The key piece to watch is housing.

So it is good we are working on this legislation. It is good we are working in a bipartisan fashion. I will be filing an amendment that I think can be very helpful in the pay-fors on this because we need to pay for this. We are in a difficult budgetary situation, so we have a commission bill to look at all spending within HUD and within Treasury and to make recommendations for programs to be eliminated and then requiring a vote of Congress, up or down, whether to eliminate these programs and then use those funds to pay for some of the efforts that are taking place here.

I think this is the sort of thing we ought to look at and the sort of thing we ought to do in paying for this because nobody wants the deficit to go up further. I think that is everybody's objective. So we are going to be putting forward that amendment and at the appropriate time bring that up.

One of the key things we need to look at and to do on this is something every physician in the United States does when they become a physician. They take an oath. We take an oath of office. We swear to uphold and abide by the Constitution. A physician takes an oath. It is a very simple, very old oath. I think it is a very good one for legislating as well. The oath is very simple. It is, ''First, do no harm.'' That is the first premise that you operate on: ''First, do no harm.''

I appreciate the amendment my colleague from Illinois has up on the restructuring of loans within bankruptcy, cramdown provisions on residential homes people own. I understand the provision. As to my background in the law practice I had, such as it was—I am not bragging about a fabulous law practice; it was a pretty simple pedestrian law practice in Manhattan, KS—we did bankruptcies and we had provisions similar to these in other areas. They were not existing on the loans. So I think I have some familiarity with the impact of this. I believe this one violates the oath of: ''First, do no harm.''

I know my colleague from Illinois has all the right intentions, and I have worked closely with him on a number of issues. He is a very successful, able legislator. I believe this one violates that oath of: ''First, do no harm.'' I say that advisedly. A number of people looking at this believe this provision, if added to this bill and becoming the law of the United States, will drive up mortgage interest rates on residential homes 1 to 2 percent because it introduces a degree of uncertainty. Markets do not like uncertainty, so they factor in for uncertainty. It is believed this would increase mortgage interest rates 1 to 2 percent. I think there could be some fluff in that number. It could be low, initially. Typically, as well, markets will look at things, and at first they will factor more risk in until they have had some practice with this and seen how it hits in the numbers. So maybe over a period of time it would not have as much of an impact. But earlier on it could have more of an impact. Right at the point in time when we are trying to stimulate the housing market, you up your mortgage interest rates on your primary residence 1 to 2 percent, possibly more, because early on the market has not factored in: What will this actually do?

The other thing it could well do on top of increasing interest rates is reduce the number of people who could borrow to buy a home. In fact, in 1978 Congress specifically barred cramdown on primary residences to keep interest rates low for primary homes and to ensure that lenders provide credit to low-income borrowers. As many people are in a low-income situation, a more fragile economic situation, if things go south for them on a set of items, they have no choice but to pursue bankruptcy. So now then you introduce another set of risk factors on low-income individuals where it is going to make it harder for them to get a mortgage to buy a home.

We want people to be able to buy homes. We want particularly low-income individuals to be able to buy homes. If we introduce another factor of uncertainty that is going to drive interest rates up, it could well end up

working out that a low-income individual will have their interest rates driven up even more than the 1 to 2 percent, as the factors for risk are built into it.

Again, I add, these are things that are unknown. I have groups that are saying this is indeed the case. I don't think we particularly know on this provision. But you are introducing that period of uncertainty with it.

If I could say to my colleague: I know you have talked a long time and you know this issue very well; I wish to finish my statement and then I am happy to take questions or comments, because I know there will be extensive rebuttal taking place on it.

I am talking about my experience. I am talking about what I believe will happen in this marketplace. I know it is intended to have a positive effect, but I think it violates this first ''do no harm'' provision.

I wish to add some other comments. What we are trying to do here is to stimulate a housing market, not introduce factors of risk into the housing market. We have a good bipartisan proposal that is being put on the floor by Senators DODD and SHELBY, two senior Members of this body who have seen a lot and who have worked on a lot. I think our wisest course at this point in time would be to work together on those provisions where we can get bipartisan support rather than introducing factors that are highly likely to slow down a bill. We need to encourage the market by showing an ability to work together.

This amendment, I believe, will be highly controversial and will continue to have the effect of slowing this bill down. The amendment would actually create an ability for unsecured creditors as well of an individual, to reduce their exposure, at the expense of a mortgageholder in consumer bankruptcy proceedings. I think this is an unintended consequence, but it is a consequence of it. This would be bad policy. This was considered in 1978. We want these mortgages to have as low a rate as we possibly can.

Potentially 4.5 million Americans could be priced out of the housing market for every 1 percent increase in mortgages. That is according to home builders. They are saying that. So if you have a 2-percent increase, you are looking at the possibility of keeping 9 million Americans priced out of the housing market at a time when we want them in the housing market. That is not going in the right direction.

Having said all of that, I think there are people who could look at this another way. Indeed, I asked Chairman Bernanke about this particular provision, because he said we ought to do work on the housing market. I asked him about this particular provision and he did not take a stance on it. He just said he didn't take a stance on prior bankruptcy reform. He said there are arguments on both sides. So I recognize arguments on the other side. I have used cramdown provisions in other bankruptcy settings, in business settings. It does introduce a factor of risk. It does allow restructuring to take place.

I think where we are right now, with his statements and with our ability to move a piece of legislation, the key thing we should do is to get the base legislation moving forward, add things where we can get broad bipartisan support, not introduce more risk into the marketplace and possibly limit mortgageholders. I am presuming my colleague from Illinois has facts he is putting forward which say this is not going to take place. I think it is too much of a possibility that it will take place, and that it will first do harm. For those reasons, with all due respect to its supporters, I don't think this is a wise provision. Of course, I don't think this is the time for us to do it. I think we ought to spend a lot more time studying and thinking about this. I believe this is not the bill for this amendment, and I object to the Durbin amendment.

Mr. DURBIN. Mr. President, would the Senator yield for a question?

Mr. BROWNBACK. I am happy to yield.

Mr. DURBIN. I have two questions. I know the Senator from Massachusetts, Senator KENNEDY, wishes to speak on an unrelated issue. First, I wish to ask the Senator from Kansas, through the Chair, on the issue of uncertainty: Is the Senator from Kansas aware that on this amendment I am offering, I have narrowed the class of people eligible for this benefit, which would be modification of mortgage in Bankruptcy Court, to those who first qualify to go into Bankruptcy Court which, in many instances, requires credit counseling; secondly, that they must be talking about property that is their primary residence, not a piece of real estate they happen to own; third, that it be subject to a mortgage which is a subprime mortgage, not a prime rate mortgage; and fourth, that it has to be a mortgage that exists as of the date of the enactment of this legislation and none in the future? Also, that if there is to be a modification of the mortgage, it can be to a principal level no lower than the current fair market value; that the interest rate imposed by the court be no lower than the prime rate plus a premium for risk; that the term of the modification of the mortgage can be no more than 30 years, and that if within 5 years of bankruptcy the property is sold at a price higher than the fair market value at the time of bankruptcy, all of the proceeds will go to the lender—not to the owner, but to the lender?

I say to the Senator from Kansas that every time the banking and financial institutions came to me and said: It is too uncertain, too many people could benefit from this, every time they did that I would narrow this more and more and more. I would further say to the Senator from Kansas that if we are talking about a limited group of people who fit the description I have given here, how can you project this to have an impact on real estate mortgages of 1 and 2 percent into the future?

The last time we dealt with this issue in Congress was 30 years ago. The last time we had a housing crisis was 60 years ago. It isn't as if we are meeting every 6 months to change the law on mortgages and bankruptcy. I ask the Senator: How much more can I do to deal with his concern and the stated concerns of the banking industry about uncertainty?

Mr. BROWNBACK. Mr. President, responding to my colleague through the Chair, a couple of things. I appreciate that the Senator has narrowed this down from when he started, because he started with a much broader amendment; no question about it. I think what the Senator has done is advisable and good.

The base of the concern remains then the same, that now you have narrowed this in on a smaller class that you are going to raise the interest rates on because of the uncertainty that is going to be conducted there, or the likelihood of this having impacts on the mortgage marketplace and reducing their ability to get these houses on the market, which could further depress the prices on those houses. I think this is first do no harm. I appreciate that the Senator has narrowed this and he has narrowed it substantially.

I would also point out—and it was 1978 when we did the overall—we took up bankruptcy reform. We did that within the last 5 or 6 years where we had broad bankruptcy reform, and this sort of provision could have come forward in that bankruptcy reform at that point in time. I voted against that bankruptcy reform. I didn't think that overall was the way to go and that again was based on the experience I had in dealing with bankruptcy.

I appreciate the Senator's efforts. I think the basic issue he is introducing here continues to be the same even if it is within a narrow marketplace.

Mr. DURBIN. Will the Senator yield for one more question?

Mr. BROWNBACK. Yes.

Mr. DURBIN. I wish to ask the Senator from the great farming State of Kansas if, in his private practice experience with bankruptcy, he ever dealt with a chapter 12 bankruptcy involving farm real estate and whether he believes that the change in the bankruptcy law in the 1980s, which allowed cramdown or modification of the mortgages on farm homes, was unreasonable; whether he believes that the banking institutions which fought that chapter 12 bankruptcy saying it would raise interest rates 1 or 2 percent on farmers—and it didn't turn out to be the case—whether we ought to believe those financial institutions again today when we talk about using the same provision—or a similar provision,

I should say—as chapter 12 to deal with the current housing crisis? Did the Senator from Kansas feel it was unfair to allow cramdowns or modifications of mortgages in farm bankruptcies in his own State under chapter 12?

Mr. BROWNBACK. Mr. President, if I could respond to my colleague through the Chair, again in my limited background—I have actually taught agricultural law and written a book on it. It is not very good. I doubt my colleague has read it. I would recommend this chapter of it for him if he wishes to read it.

In the provisions that were done at that time before either of us were in the Senate, what you were doing was taking business bankruptcy reorganizations and allowing for farm application because it was a different business type of setting that was taking place. It did introduce risks that are even still factored in today, because this is a provision that is allowed within it.

Now, as I mentioned earlier, over a period of time as markets get adjusted to these, they say: Well, OK, this factor is only going to happen in this series of cases. Or they looked at lower end income clients and they said this is a more likely situation where we are going to see this taking place. Therefore, we are not going to loan to this guy, or it only goes to a bank that is willing to get into a more aggressive loan position and is desirous to do it. So it does have those impacts.

But what you were doing with that chapter reorganization during the farm crisis was taking a business reorganization and allowing for the differences in agriculture which are substantial. Now you are getting into the basic housing market with this. This isn't a business reorganization; this is a housing market issue, and you are introducing the very factors I talk about—in a limited fashion; I appreciate that greatly. I think it is less harmful potentially than the original design of the Durbin amendment. I appreciate your heart on it. It is going to have an introduction of factors of uncertainty and will drive interest rates up, and it will drive lenders out in this situation. That is what will happen. I don't think we should go that route.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, before I yield the floor, as I see Senator KENNEDY is here and wishes to speak, I wish to make a point for the RECORD.

We introduced this amendment 4 hours ago. I have come to the floor, and but for a brief period off the floor, to entertain any debate on this amendment. In 4 hours there have been four Republican Senators who have come to the floor, one each hour, to oppose this amendment. At this rate, with 49 Republican Senators, in 45 hours we should be able to close this amendment and vote on it. I say that facetiously.

I hope those who have an interest in the amendment will come forward and that we can schedule it for a vote. I have asked repeatedly for that. I don't know what more I can do other than be here and be available for any debate they want to take place.

This is a critically important bill. There are several important amendments, and I think mine might be one of them. But if Members won't come to the floor and debate it, apparently they either don't have an interest in the amendment or the bill. I hope they will seriously consider coming to the floor in the very near future.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, we have an interesting situation. We have a substitute amendment that has been laid down. We have worked hard to get it here. We started on the bill at 9:30 this morning. It is now 2 o'clock. We have one amendment that has been laid down. I even tried to arrange a vote on a resolution honoring the 4,000 Americans who have been killed in Iraq. We can't even get that up for a vote. I don't know what is going on. We are going to work through this. I asked for a consent agreement that any amendments that would be offered would be related to the housing bill. No, we can't do that yet. I realize the majority we have is very slim, but we do have the majority and that gives us certain rights. I am going to exercise those rights.

I would like to have a housing bill. I think it is important to the country. I hope the American people see what we have put up with now during the last 15 months. Every step of the way is a struggle. We are not able to legislate. We are constantly trying to figure a way procedurally to get past the minority, which is still upset about the November 2006 elections. That is what this is all about. We are in the majority, as slim as it might be, and they have to get over this. Let us work together. We want to work. We want to pass things. My friend has offered an amendment.

Let's vote on it.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I see our leader leaving the floor. He was expressing his frustration about the lack of action. I join him in underlining what he has stated here. Yesterday, a number of us, including the chairman of the Joint Economic Committee, listened to Mr. Bernanke. Mr. Bernanke was before the Joint Economic Committee talking about how they had let go more than $200 billion over the period of these last weeks—$200 billion in secret transactions, without any guarantees to the American taxpayers. And here we have a proposal that the Senator from Illinois, Mr. DURBIN, and Senator DODD and others are involved with in the Banking Committee, trying to do something about the fact that homes are being foreclosed while we are here on the floor of the Senate.

What is it about the other side that they are quite prepared to see hundreds of billions of dollars flow out of the Treasury, and when you stand up and say: Can we not this afternoon help stop some of these foreclosures of homes of working-class people, they say: No go, no way, we are not going to let you take action, but we are fine with the hundreds of billions of dollars that have flowed out of the Treasury in the last several days. What possible justification is there for that?

Finally, when I asked the Federal Reserve—I said: Well, we have the immediate crisis, but we are also going to have the crisis in the States. States have two options: they can either raise their taxes or cut services. What are they going to cut? Medicaid is first. They are the poorest of the poor. When we ask the leader of the Federal Reserve, the architect—because he is the man in charge—whether he believes we ought to reach out and help those families, he said he did not have a position on that and that is a position that will have to be taken up by the Congress of the United States. Why doesn't he tell that to the Republican leaders? Why? Here you are trying to take some kind of a position, and this is the old Chicago movie that I remember so well where they talk about ''Give us the old razzle-dazzle. I will razzle-dazzle me, too.'' We are finding out that the American homeowners, who are hard pressed, are being given the old razzle-dazzle.

I applaud the determination and resolution the leader has shown on this issue. Real people are hurting. We are here this afternoon waiting to take some action, ready to move ahead on a proposal that has broad support, and we find out the emptiness and vacuousness of the Republican response.

Mr. REID. Will the Senator yield for a question?

Mr. KENNEDY. I will yield.

Mr. REID. Does the Senator from Massachusetts realize that today, this day in April, April 3, 2008, almost 8,000 people will be pushed out of their homes because their foreclosure has been completed? They are gone—8,000 today and 8,000 tomorrow. Now, foreclosures usually don't happen on weekends; it is during the week. So this week, 5 times 8,000 is 40,000 people, approximately, who will be out of their homes while we have been here this week. If we don't get something done today, we will start tomorrow, and there will be another 8,000. Is the Senator aware of that?

Mr. KENNEDY. Well, I have been aware of it because we have listened to our good leaders, including yourself, Senator DURBIN, Senator SCHUMER, and Senator DODD, talking about between 8,000 and 12,000.

I had a chance to be out in Youngstown, OH, recently. Five-thousand homes are empty there, and it is increasing every single day just in that one community. That is being replicated in my State. People are saying:

Where is the action? Where is the leadership? When are you going to do something on this issue? We are interested in getting something done.

Mr. Bernanke was asked, after he became Chairman of the Federal Reserve: How are things going in terms of our economy? ''Fine,'' he said. He never exercised the bully pulpit to stop the explosiveness that is taking place in the housing market and put so many homeowners at risk.

This is as bad as Katrina and as bad as the Iraq war. We have a similar response from the administration, and that is a failure of leadership and a failure of action. The American people ought to understand that.

Mr. REID. Will the Senator yield for another question?

Mr. KENNEDY. Yes.

Mr. REID. Did the Senator hear me when I said we have asked for an agreement that the only amendments that will be offered on this bill are relating to housing? Is he aware that they said no deal? And is the Senator aware that Senator DURBIN had offered an amendment at approximately 10 o'clock this morning, and there have only been four speakers, with not long speeches, and that we are not voting because of the speeches, because they are gone? Is the Senator aware that I said: Okay, how about voting on a resolution offered by the Senator from Massachusetts that honors the lives of 4,000 Americans who have been killed in Iraq? Is he aware that we could not get a vote on that?

Mr. KENNEDY. Well, it is difficult to believe, Mr. President. We had our moment just last week in which those of us who were there in the Rotunda listened to our leader, who spoke so well, so movingly, as well as the other leaders, both Republicans and Democrats, to honor the anniversary of the war. Now, in the last few days, we have another moment of special significance, and that is the 4,000 soldiers—just with regard to Iraq—who have been lost and 500 more in terms of Afghanistan. I was very grateful to the Senator and to our other colleagues—and I am sure on the other side as well—who thought it would be useful to memorialize in the CONGRESSIONAL RECORD the names of these extraordinary men and women, listing their names, hometowns, their ranks, and their service, and that we could include that in the RECORD at this time. We are trying to do it at an appropriate time because we have been reminded about the loss of the 4,000—not as an add-on to some other kind of action here but to give respect and dignity and honor to these individuals and do so by having a rollcall vote to send a special message to their families and friends in their communities that we honor their service. Why is it that we cannot get an agreement on that?

The good Senator—I will not insult his intelligence. I read the resolution, and it may be 8 lines long. It is honoring these extraordinary men and women and in tribute to their valor. Why is it that we cannot have a time when we could bring the membership together to honor those names? What is the possible problem? Where is the Republican leader? Can he explain to the American people why we cannot have that? Usually, if they are going to object, at least they indicate why. Why don't they take the floor? Why can't they give an explanation to the American people? Look at these pages. On each one of these pages is 50 names. Look at these pages. There are 50 names on each and every one of them with their home addresses. We ought to be able to take a few moments for those who want to speak to be able to express themselves and pass this resolution and include it in the RECORD at this time, where we have paused as a Nation out of respect for the loss of some 4,000 Americans.

I thank the majority leader for all he has done. Since I have the floor, I will just take a few moments here, obviously, before the Senator from Illinois, whose amendment is pending. I will withhold at any time he thinks he can get action.

Mr. President, this is the resolution we will be offering. It honors the sacrifice of the members of the Armed Forces who were killed in Iraq and Afghanistan:

Whereas 4,009 members of the United States Armed Forces have lost their lives in support of Operation Iraqi Freedom and 487 members of the United States Armed Forces have lost their lives in support of Operation Enduring Freedom;

Whereas we honor the ultimate sacrifice that these men and women made for our country;

Whereas the sacrifices of the fallen are in keeping with the highest traditions of the United States Army, Navy, Marine Corps, Air Force, and Coast Guard;

Whereas, as their families and loved ones have sacrificed as well, we honor them in commemorating the memory of those that lost their lives;

Whereas the following 4,009 members—

It starts off listing the fallen members of the Armed Forces.

Mr. REID. Mr. President, will my friend yield?

Mr. KENNEDY. Yes.

Mr. REID. Mr. President, progress in this body is sometimes very hard to come by, but progress has been made. I appreciate Senator KENNEDY coming to the floor. As those of us who have such affection and love for him know, once in a while he raises his voice. As a result of raising his voice, I ask unanimous consent that at 2:45 p.m. today, the Senate proceed to vote on the adoption of S. Res. 501, honoring the sacrifice of the members of the U.S. Armed Forces who have been killed in Iraq and Afghanistan; that upon adoption of the resolution, the preamble be agreed to, with no intervening action of our debate; and that no amendments be in order to the resolution or the preamble.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. REID. Mr. President, I appreciate the Senator yielding.

Mr. KENNEDY. Mr. President, I thank the majority leader for his leadership in making this all possible.

Mr. President, the war in Iraq has deeply divided our country. But whatever our views are about the war, we know our soldiers are serving nobly under extraordinarily difficult circumstances and that far too many are making the ultimate sacrifice for our country. The war continues to impose an enormous human toll on our soldiers, their families, and their loved ones. Our men and women in uniform have served with great courage and honor for 5 years, and last week, during the recess of Congress, we reached a sad milestone—the loss of 4,000 service men and women in support of Operation Iraqi Freedom. An additional 30,000 service men and women have been wounded. We have also lost nearly 500 service men and women in support of Operation Enduring Freedom in Afghanistan.

This loss of life is deeply distressing, and the impact of the wars in Iraq and Afghanistan continues to be devastating to families and communities around our Nation. We honor their service, and we pray that God's grace and mercy may ease the anguish of those they have left behind.

It is fitting, therefore, that today we honor and remember the courageous men and women who gave the last full measure of their devotion to our country in these wars. From Lexington and Concord and Gettysburg, to Normandy and Iwo Jima, to Korea and Vietnam, to Iraq and Afghanistan today, these heroes are part of a long line of courageous patriots who stood their ground with uncommon valor and sacrificed for all of us.

Since the terrorist attack by al-Qaida on September 11, millions of Americans have proudly and voluntarily defended our country and our Constitution by serving in our Armed Forces, our Reserves, and our National Guard. Their devotion to duty is beyond question, and their valor is proven. They volunteered to serve and help us meet the immense challenge we face. They knew the vast danger to life and limb and were well aware that at any moment they might make the ultimate sacrifice. And as of today, 4,496 have made that sacrifice in Iraq and Afghanistan. They were all patriots. They put themselves in harm's way to protect us all. And because of their dedication and sacrifice, we continue to enjoy the freedoms we cherish in our democracy.

Each of these men and women has a poignant story to tell. Just as poignant are the fond memories of their loved ones here at home. I know something of that feeling. I was 12 years old when my mother became a Gold Star mother. It still seems like only yesterday when that knock on our door came in 1944, and we learned that my oldest brother, Joe, had been lost in World War II.

I know there is no easy way to mend these broken hearts, no way to lift the

almost unbearable burden from the families and friends of those we lost. We mourn the loss of these heroes. We honor their sacrifice and extend our deepest condolences to their families. Words cannot ease the grief of losing a loved one, but I hope the families may find some comfort in the words of Abraham Lincoln in that famous letter he sent to a bereaved mother during the Civil War. He wrote:

Dear Madam, I feel how weak and fruitless must be any words of mine which should attempt to beguile you from the grief of a loss so overwhelming. But I cannot refrain from tendering to you the consolation that may be found in the thanks of the Republic they died to save. I pray that our Heavenly Father may assuage the anguish of your bereavement, and leave you only the cherished memory of the loved and the lost, and the solemn pride that must be yours to have laid so costly a sacrifice upon the altar of freedom.

The consequences of the decisions we make in Congress profoundly affect our military, their families, and the communities they have left. We have an obligation to our soldiers to make sensible decisions that will not place them needlessly in harm's way.

It is fitting that we now pause to recognize, remember, and honor those who have lost their lives far from home for our grateful Nation in Iraq and Afghanistan.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank my colleague from Massachusetts. I have been a Senator for a number of years and have visited Iraq and Afghanistan on three separate occasions. I try my best to meet with as many of our soldiers as possible—but, of course, focus on those from Illinois—to sit and eat lunch with them and talk about the Cubs, the White Sox, the Bears, the Bulls, the news back home. The thing that haunts me—and I thank the Senator from Massachusetts for reminding me—the thing that haunts me are the frequent conversations where they say: Does anybody know we are still here? Does anybody back home know what we are going through? It really is heartbreaking to think that these men and women are risking their lives every day while we go about our safe, secure, normal, daily routine and how little focus we put on this war and the men and women who are fighting it for us and particularly those who have given their lives.

We have lost almost 150 soldiers in Illinois. I took an inspiration from the Senator from Massachusetts and said I was going to send a note to every family in Illinois who loses a soldier. I thought after a year or two that task would have been completed. After 5 years, it is not. Sadly, in our State and every other State we are still losing lives. The fact that the Senator from Massachusetts would take the time to come to the floor today as a solemn reminder of what this means to us, should mean to us, and what it means to these families is something I deeply appreciate.

Last week or so, the New York Times had a front-page story talking about the lives that had been lost just last year, with color photographs of all the soldiers, sailors, airmen, and marines who were among the casualties. There were six or eight personal stories of their lives. I took the time to read it carefully to try to absorb what was happening to these men and women and their families.

I think I can speak for the Senator from Massachusetts. We have cast between us thousands of votes on the floor of the Senate, myself in the House of Representatives as well. I cannot think of another vote more profound and more important than the vote to authorize the invasion of Iraq in October 2002. Senator KENNEDY and I joined 21 of our colleagues in voting against that authorization to go to war. At the time, it was not the most popular vote, but it turned out to be the right vote. Not to take anything away from these brave men and women who have given so much for our country, but this war may be the most fatal foreign policy mistake of the modern era, and we continue to pay for it every day in American lives and blood and treasure and in our reputation and safety in the world.

The fact that the Senator from Massachusetts would take some time—even a brief period of time—to remind us is something that should be done and I am glad is being done. I know this will receive an overwhelmingly unanimous vote of support, as it should. We all want to be on record. But I hope that also, the next time this matter comes up for a debate about the policy of this war in Iraq, some of our colleagues who want to just continue this indefinitely for years and years will reflect on how many more American lives will be sacrificed if that happens. That is the sad reality of where we are.

The Senator could not, because his stack of papers would be dramatically larger, include the names of all those who have been seriously wounded or injured in this war. They deserve our thanks and our recognition as well. Many of them will carry scars for a lifetime. Some are very visible scars and some not visible. They are struggling with lives, facing blindness, burns and amputations, traumatic brain injuries, and post-traumatic stress disorder. I visit these veterans hospitals and see those veterans of past wars who are still paying the price today, alive—maybe barely alive—but paying the price for their service.

I hope beyond the resolutions we will have the resolve to make sure we keep our word to these veterans, that when they come home they will receive the best medical care, they will receive our help to continue their lives, to go to school or to own a home. When I read about the percentages—half the homeless people in America are veterans—when I read that the unemployment rate among returning veterans is so high, it is a grim reminder that those who have given the most often receive the least when they come home.

I thank the Senator from Massachusetts. I hope I can add my name, along with many others, as a cosponsor of this resolution and thank him for his leadership on this important issue.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, earlier, when I was speaking to Senator KENNEDY's resolution, I made reference to a New York Times article. It is an article from Tuesday, March 25. It tells in a very graphic way the correspondence of fallen soldiers and the circumstances they faced in Iraq before they died. As I mentioned before, I read this article in its entirety and was moved by it.

I ask unanimous consent to have printed in the RECORD this New York Times article so my colleagues and others have an opportunity to read it as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 25, 2008]

SIX OF THE FALLEN, IN WORDS THEY SENT HOME

FROM LATEST 1,000, WORDS BY E-MAIL, AND IN JOURNALS TO THOSE AT HOME

[By Lizette Alvarez and Andrew W. Lehren]

By the time Specialist Jerry Ryen King decided to write about his experiences in Iraq, the teenage paratrooper had more to share than most other soldiers.

In two operations to clear the outskirts of the village of Turki in the deadly Diyala Province, Specialist King and the rest of the Fifth Squadron faced days of firefights, grenade attacks and land mines. Well-trained insurgents had burrowed deep into muddy canals, a throwback to the trenches of World War I. As the fighting wore on, B–1 bombers and F–16s were called in to drop a series of powerful bombs.

Once the area was clear of insurgents, the squadron, part of the 82nd Airborne Division, uncovered hidden caches of weapons.

Two months later, Specialist King, a handsome former honors student and double-sport athlete from Georgia, sat down at this computer. In informal but powerful prose, he began a journal.

After 232 long, desolate, morose, but somewhat days of tranquility into deployment, I've decided that I should start writing some of the things I experienced here in Iraq. I have to say that the events that I have encountered here have changed my outlook on life . . .

The most recent mission started out as a 24–36 hour air-assault sniper mission in a known al-Qaida stronghold just north of Baghdad. We landed a few hours before daybreak and as soon as I got off the helicopter my night vision broke, I was surrounded by the sound of artillery rounds, people screaming in Arabic, automatic weapons, and the terrain didn't look anything like what we

were briefed. I knew it was going to be a bad day and a half.

Jerry Ryen King, Journal Entry, March 7, 2007

A month later, Special King was sitting inside his combat outpost, an abandoned school in Sadah, when suicide bombers exploded two dump trucks just outside the building. The school partly collapsed, killing Specialist King on April 23, 2007, along with eight other soldiers, and making the blast one of the most lethal for Americans fighting in Iraq.

In that instant, Specialist King became one of 4,000 service members and Defense Department civilians to die in the Iraq war—a milestone that was reached late Sunday, five years since the war began in March 2003. The last four members of that group, like the majority of the most recent 1,000 to die, were killed by an improvised explosive device, known as a I.E.D. They died at 10 p.m. Sunday on a patrol in Bagdad, military officials said; their names have not yet been released.

The next day we cleared an area that made me feel as if I were in Vietnam. Honestly, it was one of the scariest times of my life. At one point I was in water up to my waist and heard an AK fire in my direction. But all in all the day was going pretty good, no one was hurt, I got to shoot a few rounds, toss a grenade, and we were walking to where the helicopter was supposed to pick us up.

Jerry Ryen King, Journal Entry, March 7, 2007

The year 2007 would prove to be especially hard on American service members; more of them died last year than in any other since the war began. Many of those deaths came in the midst of the 30,000-troop buildup known as ''the surge,'' the linchpin of President Bush's strategy to tamp down widespread violence between Islamic Sunnis and Shiites, much of it in Baghdad. In April, May and June alone, 331 American service members died, making it the war's deadliest three-month period.

But by fall, the strategy, bolstered by new alliances with Sunni tribal chiefs and a decision by the Shiite cleric Moktada al-Sadr to order his militia to stop fighting, appeared to be paying off as the country entered a period of relative calm. Military casualties and Iraqi civilian deaths fell, and the October-December period produced the fewest casualties of any three months of the war. The past month, though, has seen an uptick in killings and explosions, particularly suicide bombings. The violence has traveled north to Mosul, where the group calling itself Al Qaeda in Mesopotamia remains strong.

Everything changed in a matter of 15 minutes . . . About the time I was opening my MRE (meal ready to eat) I heard an explosion. Everyone started running towards the sound of the explosion. Apparently a suicide bomber had blown himself up killing four soldiers from my squadron and injuring another. Our 36 hour mission turned into another air-assault into a totally different city, the clearing of it, and 5 more days. We did find over 100 RPG's, IED making materials, insurgents implacing IED's, artillery rounds, a sniper rifle, and sort of like a terrorist training book and cd's.

Jerry Ryen King, Journal Entry, March 7, 2007.

Unlike the soldiers of some previous wars, who were only occasionally able to send letters back home to loved ones, many of those who died left behind an extraordinary electronic testimony describing in detail the labor, the fears and the banality of serving in Iraq.

In excerpts published here from journals, blogs and e-mail, six soldiers who died in the most recent group of 1,000 mostly skim the alarming particulars of combat, a kindness shown their relatives and close friends. Instead, they plunge readily into the mundane, but no less important rhythms of home. They fire off comments about holiday celebrations, impending weddings, credit card bills, school antics and the creeping anxiety of family members who are coping with one deployment too many.

At other moments, the service members describe the humor of daily life down range, as they call it. Hurriedly, with little time to worry about spelling or grammar, they riff on the chaos around them and reveal moments of fear. As casualties climb and the violence intensifies, so does their urge to share their grief and foreboding.

A LAST GOODBYE

Hey beautiful well we were on blackout again, we lost yet some more soldiers. I cant wait to get out of this place and return to you where i belong. I dont know how much more of this place i can take. i try to be hard and brave for my guys but i dont know how long i can keep that up you know. its like everytime we go out, any little bump or sounds freaks me out. maybe im jus stressin is all. hopefully ill get over it . . .

you know, you never think that anything is or can happen to you, at first you feel invincible, but then little by little things start to wear on you. . .

well im sure well be able to save a couple of bucks if you stay with your mom . . . and at the same time you can help her with some of the bills for the time being. it doesnt bother me. as long as you guys are content is all that matters. I love and miss you guys like crazy. I know i miss both of you too. at times id like to even just spend 1 minute out of this nightmare just to hold and kiss you guys to make it seem a little bit easier. im sure he will like whatever you get him for xmas, and i know that as he gets older he'll understand how things work. well things here always seem to be . . . uhm whats the word . . . interesting i guess you can say. you never know whats gonna happen and thats the worst part. do me a favor though, when you go to my sisters or moms or wherever you see my family let them know that i love them very much..ok? well i better get going, i have a lot of stuff to do. but hopefully ill get to hear from you pretty soon. *muah* and hugs. tell mijo im proud of him too!

love always,

your other half

Juan Campos, E-mail Message to His Wife, Dec. 12, 2006

When Staff Sgt. Juan Campos, 27, flew from Baghdad to Texas for two weeks last year, there was more on his mind than rest and relaxation. He visited his father's grave, which he had never seen. He spent time with his grandparents and touched base with the rest of his rambling, extended family.

The day he was scheduled to return to war, Sergeant Campos and his wife went out dancing and drinking all evening with friends. Calm and reserved by nature, Sergeant Campos could out-salsa and out-hip-hop most anyone on the dance floor. At the airport, his wife, Jamie Campos, who had grown used to the upheaval of deployment, surprised herself.

''I cried and I have never ever cried before,'' said Mrs. Campos, 26, who has a 9-year-old son, Andre. ''It was just really really weird. He knew, and I kind of knew. It felt different.''

We both felt that it was the last goodbye,'' she said.

Tuesday, Oct. 3, 2006

Mood: gloomy

The life of an infantryman is never safe . . . how do I know, well I live it every day.

I lost a good friend of mine just two days ago to an enemy sniper. The worst feeling in the world is having lost one of your own and not being able to fight back. The more I go on patrol, the more alert I tend to be, but regardless of the situation here in Iraq is that we are never safe. No matter the countermeasures we take to prevent any attacks. They seem to seep through the cracks. Every day a soldier is lost or wounded by enemy attacks. I for one would like to make it home to my family one day. Pray for us and keep us in your thoughts . . . for an infantryman's life is never safe.

Juan Campos, Myspace Blog

Sergeant Campos, a member of the First Battalion, 26th Infantry, Charlie Company out of Germany, was one of thousands of infantrymen assigned to stabilize Baghdad and the surrounding areas last year during the troop buildup. Troops were sent deep into insurgent neighborhoods, where they lived in small outposts, patrolled on foot, cleared houses, mingled with Iraqis and rebuilt the infrastructure.

The extra 30,000 service members—160,000 in all—were deployed to Iraq to help quell the runaway violence that threatened large-scale civil war. Most soldiers spent 15 months in Iraq, a length of time that military commanders have said is unsustainable. Many had fought in the war at least once. A few had been in Iraq multiple times.

My only goals are to make it out of this place alive and return you guys and make you as happy as I can.

Juan Campos, E-Mail Message to his Wife, Dec. 15, 2006

But to Sergeant Campos and the rest of Charlie Company in Adhamiya, a north Baghdad stronghold for Sunni insurgents, the buildup seemed oddly invisible. The men patrolled almost every day, sometimes 16 to 18 hours a day for months, often in 120-degree weather. Exhaustion was too kind a word for their fatigue.

More than 150 soldiers lived in a two-story house with portable toilets, no air-conditioning and temperamental showers. Sleep came only a few hours at a time. The fighting was vicious. Adhamiya was such a magnet for sectarian bloodletting that the military built a wall around it to contain the violence.

''They walled us in and left us there,'' Staff Sgt. Robin Johnson, 28, said of the 110 men in Charlie Company. ''We were a family. I would die for these guys before I die for my own blood brother.''

On patrol, sniper fire rang out so routinely that soldiers in Sergeant Campos's platoon seldom stood still for more than four seconds. They scoured rooftops for Iraqi children who lobbed grenades at American soldiers for a handful of cash. Roadside bombs burst from inside drainage pipes, impossible to detect from the street. The bombs grew larger by the month.

Last year, these powerful improvised explosive devices were responsible for a majority of American fatalities, a new milestone. The bombs also killed multiple soldiers more often than in the past, a testament to their potency.

''It was the most horrible thing you could possibly imagine,'' Sergeant Johnson said. ''As soon as you left the gate, you could die at any second. If you went out for a day and you weren't attacked, it was confusing.''

Charlie Company soldiers found a steady stream of Iraqis killed by insurgents for

money or revenge. Some had their faces wiped clean by acid. Others were missing their heads or limbs.

''IT COULD HAVE BEEN ME''

To tell the story of iraq is a hard one.

Ryan Wood, Myspace Blog

Sgt. Ryan M. Wood, 22, a gifted artist, prolific writer and a sly romantic from Oklahoma, was also one of the bluntest soldiers inside Charlie Company.

it is fighting extreme boredom with the lingering thought in the forefront of your mind that any minute on this patrol could be my last endeavour, only highlighted by times of such extreme terror and an adrenaline rush that no drug can touch. what [expletive] circumstances thinking ''that should've been me'' or ''it could've been me''. wondering if that pile of trash will suddenly explode killing you or worse one of your beloved comrads . . . only backed by the past thoughts and experiences of really losing friends of yours and not feeling completely hopeless that it was all for nothing because all in all, you know the final outcome of this war. it is walking on that thin line between sanity and insanity. that feeling of total abandonment by a government and a country you used to love because politics are fighting this war . . . and its a losing battle . . . and we're the ones ultimently paying the price.

Ryan Wood, Myspace Blog, Adhamiya

For the soldiers in Iraq, reconciling Adhamiya with America was not always easy. One place was buried in garbage and gore and hopelessness. The other seemed unmoored from the war, fixated on the minutia of daily life and the hiccups of the famous. The media was content to indulge.

What the Hell America??

''What the hell happened?'' any intelligent American might ask themselves throughout their day. While the ignorant, dragging themselves to thier closed off cubicle, contemplate the simple things in life such as ''fast food tonight?'' or ''I wonder what motivated Brittany Spears to shave her unsightly, mishaped domepiece?''

To the simpleton, this news might appear ''devastating.'' I assume not everyone thinks this way, but from my little corner of the earth, Iraq, a spot in the world a majority of Americans could'nt point out on the map, it certainly appears so. . . . To all Americans I have but one phrase that helps me throughout my day of constant dangers and ever present death around the corner, ''WHO THE [expletive] CARES!'' Wow America, we have truly become a nation of self-absorbed retards. . . . This world has serious problems and it's time for America to start addressing them.

Ryan Wood, Myspace Blog, May 26, 2007

The somberness of the job was hard to shake off. But, day to day, there was no more reliable antidote than Pfc. Daniel J. Agami, a South Floridian with biceps the size of cantaloupes, and Pfc. Ryan J. Hill, a self-described hellion who loved his ''momma'' and hailed from what he called the ''felony flats'' of Oregon. Funny men in the best sense of the word, the two provided a valuable and essential commodity in a war zone.

Their mother jokes—the kind that begin, ''your mother is so . . .''—were legendary, culminating in a Myspace joke-off. It ended abruptly after an enough-is-enough phone call from Private Hill's mother, who ranked No. 1 on his list of heroes in Myspace. Private Agami proclaimed victory.

About a month later . . . I went to my room and my mattress was missing and all my clothes were being worn by other people. I couldn't figure it out so I knew right off the bat to go to Hill. I saw him walking down the hall wearing five of my winter jackets. He sold half my wardrobe right off his back to people in our company and my mattress was in someone else's room. So then I had go to around and buy all my stuff back. (Now I think he won).

Daniel J. Agami, Charlie Company. Eulogy Sent via e-mail Message to his Mother, Jan. 29, 2007

To keep their spirits up, combat soldiers learned to appreciate the incongruities of war in Iraq. Jokes scrawled inside a Port-o-Potty quickly made the rounds. Situational humor, from goofy to macabre, proved plentiful.

A really girly guy who was a cheerleader in high school, got knocked down and nearly hurt by the wind of the helicopter. Listening to Dickson recite what was in every single MRE was pretty funny. A cow charged and nearly trampled one of my friends when we were raiding a compound. And lastly, I thought that it was pretty comical that I shot at a guy a long ways out but missed and later after taking his house and using it as a patrol base he offered me Chai and rice.

Jerry Ryen King, Diyala Province

Even a trip to the dentist, with its fringe benefits, is cause for amusement in a war zone.

Last Sat. I had two of my wisdom teeth pulled. After taking double the prescribe percocot and morphine pills that the doctor gave me for the pain I decided to catch a flight back to my FOB (forward operation base). It was the coolest Blackhawk ride I've had, I was absolutely ripped and I talked the pilots into leaving the doors open. We had four more guys die a couple days ago. They hit an IED, it killed everyone in the humvee. It's starting to get a little scary. We made it our first six months with just two deaths and that was plenty. But now just in the past two and a half weeks we've had nine more guys get killed, and over 50 wounded. I'm just hoping that I can make it the 75 more days or so that we have left of combat operations before we start packing.

Jerry Ryen King, Journal Entry, April 11, 2007

Among the guys in Charlie Company, Private Agami, 25, was one of the boldest and most resilient. He was the kind of guy who joined an endurance ski contest on a whim. He came in fourth. He had never skied in his life.

Private Agami had time for everyone, and everyone had time for him. Affectionately called G.I. Jew, he held his religion up to the light. He used it to build tolerance among the troops and shatter stereotypes; few in his unit had ever met a Jew. He flew the Israeli flag over his cot in Adhamiya. He painted the words Hebrew Hammer onto his rifle. He even managed to keep kosher, a feat that required a steady diet of protein shakes and cereal.

Commander Mom, I can't wait to come home and when I do, don't worry I'll have a lot to say to the congregation. Don't worry about my mental state either, we all receive counseling and help from doctors when something like this happens. I am a strong individual physically and mentally and if there is one thing the army teaches you, it is how to deal with death. Every day that passes it gets easier and easier. I miss you guys very much and I love you!

Daniel Agami, e-mail Message to his Mother, Oct. 28, 2006

It did not get easier.

I try not to cry. I have never cried this much my entire life. Two great men got taken from us way too soon. I wonder why it was them and not me. I sit here right now wondering why did they go to the gates of heaven and not me. I try every night to count my blessing that I made it another day but why are we in this hell over here? Why? I can't stop asking why?

Ryan Hill, Myspace Blog, Nov. 1, 2006

Private Hill was riding in a Humvee on Jan. 20, 2007, when an I.E.D. buried in the middle of the road detonated under his seat, killing him instantly.

Sergeant Campos was riding in a Humvee on May 14, 2007, two weeks after returning from Texas, when it hit an I.E.D. The bomb lifted the Humvee five feet off the ground and engulfed it in flames. ''That's when we just left hope at the door,'' Sergeant Johnson said. Severely burned over 80 percent of his body, Sergeant Campos lived two weeks. He died June 1. Another soldier, Pfc. Nicholas S. Hartge, 20, of Indiana, died in the same attack.

Private Agami was driving a Bradley fighting vehicle on June 21, 2007, when it hit an I.E.D. The explosion flipped the 30-ton vehicle, which also carried Sergeant Wood. Both men were killed, along with three other soldiers and an Iraqi interpreter.

''Obviously, it came to a point, you didn't care anymore if it got better,'' said Staff Sgt. Jeremy S. Rausch, 31, one of Sergeant Campos's best friends in Charlie Company. ''You didn't care about the people because they didn't care about themselves. We had already lost enough people that we just thought, you know, 'why?' ''

During their time in Adhamiya, the soldiers of Charlie Company caught more than two dozen high-value targets, found nearly 50 weapons caches, detained innumerable insurgents and won countless combat awards. They lost 14 men. Their mission was hailed a success.

JUST IN CASE

Texan to the core, enamored of the military, Specialist Daniel E. Gomez, 21, an Army combat medic in the division's Alpha Company, relied on his books, his iPod and an Xbox to distract him from the swirl.

Strange but this place where we are at is unreal almost. I hope I come back mentally in shape. LOL.

Daniel Gomez, Myspace Blog, Sept. 9, 2006

He took pride in being the guy who tended to wounded soldiers under fire, patching them up to help them survive.

As the violence intensified, Specialist Gomez set aside thoughts of a free Iraq or a safer America and, like generations of soldiers before him, simply started fighting for the soldier next to him.

A few days ago I realized why I am here in Baghdad dealing with all the gunfire, the rocket attacks, the IEDs, the car bombs, the death. I have only been here going on a month and a half. Already I have seen what war really is. . . but officially it's called ''full spectrum operations.'' No, I don't down Bush, he is my CinC, and I think he is doing a good job with what Clinton left him. I don't debate why we are involved in Iraq. I just know why I am here. It is not for the smiling Iraqi kids, or even the feeling of wearing the uniform (it feels damn good though:). I am here for the soldier on patrol with me.

But why are you there in the States? Why are you having that nice dinner, watching TV, going out on dates. . . .

Daniel Gomez, E-mail to Friends and Family, Sept. 27, 2006

And then Specialist Gomez fell in love. An e-mail flirtation with Katy Broom, his sister's close friend, gradually led to a cyber exchange of guarded promises about the future. Headed home for a rest break in May, the tentativeness lifted and they began to rely on each other to get through the day. The two joked about ''the best sex we never had.''

. . . this R&R there is someone new in my life. Exactly what she is to me, and what I am to her is uncertain, but it's not really important at the moment. Just the thought that I could spent a second of my life with her, before I have to come back here makes everything worth it.

Daniel Gomez, Myspace Blog, May 9, 2007

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Rest and relaxation in Georgia went better than expected. He fell in love with the love of his life all over again, this time in person. The couple shared one kiss during his leave.

''He was everything I expected and more,'' said Ms. Broom, 20, who spent one week and two days with him. ''It was kind of surreal when we met. It's almost like a perfect love and war story.''

Not many soldiers leave behind a just-in-case letter. Specialist Gomez did. He handed Ms. Broom an envelope at the airport with the 'words, ''Don't read unless something happens to me.''

On July 18, 2007, two months after his leave, Specialist Gomez died in Adhamiya when the Bradley fighting vehicle he was in struck a roadside bomb. The explosion and flames also killed three other soldiers.

Ms. Broom waited three days after she got word to open the letter. She sat alone in the couple's favorite spot, her apartment balcony.

''I was very thankful that he wrote it,'' she said of the letter. ''I have opened and closed it so many times, I'm surprised it hasn't fallen apart.''

R+R 2007

Hey baby. If you're reading this, then something has happen to me and I am sorry. I promised you I would come back to you, but I guess it was a promise I could not keep. You know I never believe in writing ''death letters.'' I knew if I left one for my folks it would scare them. Then I met you. We were supposed to meet, darling. I needed someone to make me smile, someone that was an old romantic like I was. I was going through a very rough time in Iraq and I was starting to doubt my mental state. Then one day after a patrol, I go to my facebook and there you were. . . .

I can't stop crying while I am writing this letter, but I have to talk to you one last time, because maybe the last time I heard your voice I did not know it would be the last time I heard your voice. . . .

I Love You. Go be happy, go raise a family. Teach your kids right from wrong, and have faith, darling. l think I knew I loved you before I met. I love you, Katy. * Kiss * Goodbye

Mr. DURBIN. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Vermont.

Mr. SANDERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANDERS. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANDERS. Mr. President, I congratulate Majority Leader REID and Minority Leader MCCONNELL, as well as Committee Chairman DODD, and ranking committee member SHELBY for their hard work in beginning the process of trying to bring relief to families who are struggling to hold on to their homes. I think they are taking a good step forward. I think we have to do a lot more to address this very serious crisis.

It is no secret to anyone that the middle class in this country is in great danger. It is shrinking. Some think it is on the verge of collapse. Workers today who are going to fill up their car's gas tank are paying $3.20 for a gallon of gas in the State of Vermont, and there is a fear that may go higher. People are paying higher and higher prices for food. Since President Bush has been President, some 8 million Americans have lost their health insurance, health care costs are soaring, and a college education is unaffordable. In the meantime, wages, the real median family income for the average American family is going down, and the gap between the very rich and everybody else is getting wider. So we have some very serious problems. Among other aspects of that crisis is that the personal savings rate today is below zero, which, up until 2005, hasn't happened since the Great Depression. So what is happening is that people are working longer and longer hours, their wages are going down, we are losing good-paying jobs, and they do not have enough money to survive on so they are borrowing more and more money. That is the reality.

There is a lot, to my mind, that we have to consider as a country to begin addressing the fact that poverty is going up, the middle class is declining, and the gap between the rich and everybody else is growing wider. There is a lot we have to do. But as we now focus on the mortgage crisis, we have to take a hard look at interest rates in this country. I intend to offer an amendment to the housing bill that I want to say a few words on now and I will speak to at greater length later.

My amendment will clearly not solve all of the problems facing the middle class, but it will do one very important thing: It will take one action that is long overdue, and that is it would stop big banks, credit card companies, payday lenders, mortgage bankers, and other lenders from ripping off American consumers by charging outrageous interest rates.

I do a national radio show every Friday afternoon where people call in. And you know what they say? They say: We are sick and tired of paying 20, 25, 30 percent interest rates when, in fact, we pay our debt on time every single month. That is what they are saying. People who are borrowing money to send their kids to college are paying outrageously high rates, and certainly we know, given the crisis we are debating today, that mortgage interest rates are off the charts.

With this amendment I will be offering, it would cap all interest rates at 8 percent above what the IRS charges income tax deadbeats. That is the formula we are using. Currently, the IRS charges a 6-percent interest rate to Americans who are late on paying their income tax returns. That is what we are doing today. The IRS adjusts these rates every quarter based on the Federal funds rate. If the Federal funds rate rises, the interest rate the IRS charges late filers goes up. If the Federal funds rate goes down, so does the interest rate the IRS charges late filers.

If the amendment I am offering were signed into law today, all interest rates in this country would be capped at 14 percent, including subprime mortgages, credit cards, auto loans, payday loans, and income tax refund anticipation loans. Why 14 percent? Why do we pick that number? It is an interesting point. I am glad you asked that question, Mr. President, and here is the answer. Because 14 percent happens to be the same level that former Senator Al D'Amato chose when he offered an amendment in 1991 to cap credit card interest rates. Al D'Amato, Senator from New York, offered that amendment.

Do you know what the vote was on that bipartisan amendment, offered by the Republican Senator from New York? That amendment passed the Senate by a vote of 74 to 19—74 to 19—a huge bipartisan vote. And among those Members who are today in the Senate, and who cosponsored that amendment, were Senators SPECTER, LIEBERMAN, and DOMENICI, among others. Unfortunately, that amendment ended up not being signed into law.

Like my amendment, the D'Amato amendment was also pegged slightly above the interest rates for late income tax filers. I have the feeling that in my career in the Senate I will not often be quoting former Senator D'Amato, probably won't be doing that, but let me quote what Senator D'Amato said on the Senate floor in 1991. This is what he said.

Fourteen percent is certainly a reasonable rate of interest for banks to charge customers for credit card debt. It allows a comfortable profit margin, but keeps banks in line so that interest rates rise and fall with the health of the economy.

He was then the chairman of the Banking Committee.

I say to my colleagues that if the Senate in 1991 thought that interest rates should be capped, trust me, we should at least do as much today, because the problem is in fact much more severe.

A recent report, published by Tamara Draut, the Director of the Economic Opportunity Program at Demos, found

that one-third of all credit card holders in this country are paying interest rates above 20 percent and as high as 41 percent—more than double what they paid in interest rates in 1990. In other words, if we had a problem then, the problem today is much more severe.

Between 1989 and 2006, Americans' overall credit card debt grew by 315 percent from $211 billion to $876 billion. One-third of low- and middle-income families reported going into credit card debt to pay for rent, utilities, and food in 2006.

Now, I don't know about Nebraska, but I will tell you that in the State of Vermont there are a lot of people who are buying their food with credit cards. They do not have the cash. They have to go in debt to buy food and pay for other basic necessities. All of this—high interest rates—has resulted in credit card companies earning $90.1 billion in interest in 2006 alone—credit card companies ripping off the American people and earning huge profits.

But credit card companies aren't the only ones charging outrageous interest rates, and that is why my amendment expands on the D'Amato amendment to cover all forms of loans. For example, the Center for Responsible Lending has found that some American consumers are paying interest rates for payday loans as high as 800 percent. And if you want to know why these outrageous levels of interest on credit cards and payday loans are relevant to the debate on foreclosure, let me quote from two articles on the subject. The first is a recent Reuters article entitled ''Pay Day Loans Exacerbate Housing Crisis.'' According to this article:

As hundreds of thousands of American homeowners fall behind on their mortgage payments, more people are turning to short-term loans with sky-high interest rates just to get by. While figures are hard to come by, evidence from nonprofit credit and mortgage counselors suggests that the number of people using these so-called ''pay day loans'' is growing as the U.S. housing crisis deepens, a negative sign for economic recovery.

The second article is from a recent front-page story from USA Today. The title of the article says it all. ''Facing losses on bad loans, banks boost credit card rates.'' According to the article:

Even as the Federal Reserve has aggressively slashed short-term interest rates, banks are raising rates on credit cards.

Federal Reserve lowering; banks increasing. This should not happen. When the Federal Reserve has slashed the Federal funds rate five times, from a high of 5.25 percent down to 2.25 percent, credit card interest rates should be going down, not up. Interest rates for payday loans should be going down, not up. Mortgage interest rates should be going down, not up.

The PRESIDING OFFICER. If the Senator can suspend for just a second?

Mr. SANDERS. I ask unanimous consent for an additional 2 minutes, please.

The PRESIDING OFFICER. Without objection, it is so ordered. Please proceed.

Mr. SANDERS. Unfortunately, in many cases interest rates for consumers are going up at the worst possible time. One of the reasons for this is the virtual lack of regulation when it comes to interest rates. For example, credit card companies are able to raise interest rates at any time for any reason, and recently that is exactly what, for example, the Bank of America has done. According to a recent Business Week article:

Bank of America sent letters notifying some responsible card holders that it would more than double their rates to as high as 28 percent, without giving an explanation for the increase. Fine print at the end of the letter advised calling a 800 number for the reason, but consumers who called said they were unable to get a clear answer. What is striking is how arbitrary the Bank of America rate increases appear, credit industry experts say.

This is unacceptable. Lenders should not be able to raise interest rates at any time for any reason.

There are Biblical references to what can be described as usury; that when people are down and in need of money, there is a strong moral objection to charging them sky-high interest rates.

In the ''Divine Comedy'' by Dante, there is reserved a special place for people who charge usurious interest rates, the inner ring of the Seventh Circle of Hell.

I don't wish this on the credit card companies or the mortgage lenders, but this is what I do say. In this country today, especially as interest rates go down from the Fed, it is an outrage that millions of our fellow Americans are paying 25 percent or 30 percent interest rates, and our amendment would begin to address this issue. The time is long overdue for us to move in that direction. I ask at the appropriate time for the support of my colleagues.

HONORING THE SACRIFICE OF MEMBERS OF THE UNITED STATES ARMED FORCES WHO HAVE BEEN KILLED IN IRAQ AND AFGHANISTAN

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S. Res. 501, which the clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 501) honoring the sacrifice of members of the United States Armed Forces who have been killed in Iraq and Afghanistan.

Mr. MCCONNELL. Mr. President, the resolution before the Senate honors the sacrifice of the members of our Armed Forces who have given their lives in Iraq and Afghanistan. It is fitting that we honor their service and their sacrifice.

The resolution states that sacrifices of the fallen are in keeping with the highest traditions of the U.S. Army, Navy, Marine Corps, Air Force and Coast Guard. These selfless Americans have upheld the fine traditions of those who fought at Guadalcanal, Inchon, in Vietnam, Korea, Gettysburg, and Trenton.

We have lost 69 brave volunteers from Kentucky. They are not forgotten by their families, they are not forgotten by the U.S. Senate, and they are not forgotten by those who carry on the fight.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The question is on agreeing to the resolution. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New York (Mrs. CLINTON), the Senator from Hawaii (Mr. INOUYE), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Georgia (Mr. CHAMBLISS) and the Senator from Arizona (Mr. MCCAIN).

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 87 Leg.]

YEAS—95

Akaka	Domenici	Menendez
Alexander	Dorgan	Mikulski
Allard	Durbin	Murkowski
Barrasso	Ensign	Murray
Baucus	Enzi	Nelson (FL)
Bayh	Feingold	Nelson (NE)
Bennett	Feinstein	Pryor
Biden	Graham	Reed
Bingaman	Grassley	Reid
Bond	Gregg	Roberts
Boxer	Hagel	Rockefeller
Brown	Harkin	Salazar
Brownback	Hatch	Sanders
Bunning	Hutchison	Schumer
Burr	Inhofe	Sessions
Byrd	Isakson	Shelby
Cantwell	Johnson	Smith
Cardin	Kennedy	Snowe
Carper	Kerry	Specter
Casey	Klobuchar	Stabenow
Coburn	Kohl	Stevens
Cochran	Kyl	Sununu
Coleman	Landrieu	Tester
Collins	Lautenberg	Thune
Conrad	Leahy	Vitter
Corker	Levin	Voinovich
Cornyn	Lieberman	Warner
Craig	Lincoln	Webb
Crapo	Lugar	Whitehouse
DeMint	Martinez	Wicker
Dodd	McCaskill	Wyden
Dole	McConnell	

NOT VOTING—5

Chambliss	Inouye	Obama
Clinton	McCain	

The resolution (S. Res. 501) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is printed in todays RECORD under ''Submitted Resolutions.''

Mrs. LINCOLN. Madam President, I move to reconsider the vote and lay that motion on the table.

The motion to lay on the table was agreed to.

NEW DIRECTION FOR ENERGY INDEPENDENCE, NATIONAL SECURITY, AND CONSUMER PROTECTION ACT AND THE RENEWABLE ENERGY AND ENERGY CONSERVATION TAX ACT OF 2007—Continued

The PRESIDING OFFICER (Ms. KLOBUCHAR). The majority leader is recognized.

Mr. REID. Madam President, we are in a situation that is hard for me to comprehend, but that is where we are. We have an amendment pending, the Durbin amendment, and we cannot get a vote. That is unfortunate.

We have been told by the minority they want a 60-vote threshold. I cannot understand—there are a lot of people who have been in the Senate a lot longer than I have. But I do not know where we came up with a 60-vote deal.

We should legislate. If someone on the minority side would offer a motion to table and that motion fails, they still are protected with the 60-vote margin. I do not understand why we cannot move forward on this legislation. It appears we cannot. It appears we cannot.

It appears we have legislated our hearts out to try to arrive at a bipartisan arrangement. Let's go back and start at the beginning.

Madam President, we offered a Democratic package. In good faith, Senators DODD and SHELBY, along with the Finance Committee chair and ranking member, came with a package for us. If you look at it, the only thing taken out of the Democratic package was the bankruptcy amendment. Many other provisions were changed drastically, but that was the only one that was taken out.

Senator DURBIN has offered to send it to the bill. During the negotiations, Senators DODD and SHELBY knew we on this side of the aisle wanted that bankruptcy amendment in the bill, so the minority would have to take it out. But negotiating in good faith, and recognizing that a legislator is someone who needs to be able to compromise, in the presence of Senator DODD we agreed to take that provision out.

That is where we are. We are not going to agree to a 60-vote margin. It is unfair. It is unfair that every time someone thinks they may lose, they want a 60-vote margin. I do not comprehend that. It has not been that way until the recent minority came into power, or lack of power, whatever the case may be.

Today about 8,000 people will be told: You are out of your home forever. Someone else owns your home. Foreclosure is over with—Friday, tomorrow, another 8,000 people. Because of our inaction today and tomorrow, that is 16,000 people. Fortunately, foreclosure finalizations do not occur on weekends. That is standard law around the country. So we come back Monday. It is a nonvote day that has been scheduled for several months. That will be another 8,000 people. Now we are up to 24,000 people and their families. I don't know how many it would add up to, but their families are out. So if on some phantom matter of principle the Republicans are going to say: You are going to have to get 60 votes on this, then I guess we will not have a bill. I ask my friends who have been in the Senate much longer than I why we have to do that.

I think we are in an impossible situation. I admire, I have said many times, the good work done by Senators DODD and SHELBY. I have also said the substitute amendment that is before us is far from being perfect. I have had members of my own party say: Why did you give up on that or why did you add that? For example, Senator SHELBY, why did we raise the downpayment to 3.5 percent? It was a compromise. The House wanted 1 percent. People over here wanted 6 percent. We compromised. The whole substitute before us is a compromise. Legislation is the art of compromise. I would be satisfied if we walked out of this Chamber today with just the substitute amendment as having been agreed upon.

Some think we have done too much for certain segments of society and we haven't done enough, on my side, for the middle class. ''Other side'' people think we have done far too much, that we should back off. Government is involved in this too much.

I repeat, that is what legislation is all about. It is compromising. The American people are waiting for us to act. Someone please explain to me, I say to my friend, the Republican leader, why do we need to have 60 votes on every amendment that comes along? We have another amendment sponsored by Senators FEINSTEIN and MARTINEZ. There are some people who are concerned about that. They don't like it. It is a licensing provision. All kinds of special interest groups have weighed in on this. Should we have 60 votes on that? Senator SCHUMER has been somewhat aggrieved at both me and Senator DODD because of a provision in here for counseling that is not $500 million. It is $100 million.

It was a compromise. Our bill had $200 million. Senator SCHUMER wanted $500 million. But do we need to have 60 votes on that? If that is the case, we would not get 60 votes on anything.

There may be a point that there are so many amendments offered that I would consult with the Republican leader and say: Well, maybe we need to file cloture on this bill. We have been here since 9:30 this morning on this bill, and we have not had a single vote.

Again, through the Chair, I ask the distinguished Republican leader, why can't we move forward and try to dispose of, affirmatively or negatively, the Durbin amendment?

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Madam President, with all due respect to my good friend the majority leader, this is somewhat of a manufactured controversy. Where are we? We have an underlying bill, negotiated on a bipartisan basis by Senator SHELBY and Senator DODD. Then we have, with all due respect to our friends on the other side, an expression of incredulity that 60 votes might be required for something in the Senate.

Let me quote my good friend the majority leader who said last year:

> In the Senate, it has always been the case you need 60 votes. I don't have 60 votes.

Senator REID said in January of last year:

> Sixty votes are required for just about everything. We may have to come up with a number of resolutions that require 60 votes.

My point is—I say this with the greatest respect and admiration for my counterpart—acting like this is unusual is—well, it is clearly not the case.

Why would Members on my side want to subject this proposal to a 60-vote threshold? It is the most controversial provision in the bill. It is the principal reason my side was unwilling to go to the bill as previously crafted. So why would anyone feel aggrieved that the most controversial part of the bill, the issue which needed to come out in order to craft a bipartisan beginning, which Senators DODD and SHELBY did, why would anybody be incredulous that 60 votes would be required for this? That is routine in the Senate. It is also frustrating to the majority. I was in the majority recently. But that is the way it is. To act like it is somehow unusual strikes me as somewhat odd.

I would be happy to propose a unanimous consent request now, if the majority leader would like me to, that we have a vote on this amendment in the very near future at a 60-vote threshold. It is quite routine and common in the Senate. It would allow us to dispose of the Durbin amendment and move on to completion of the bill in the near future, something most of my Members would like to do. I assume, based on what my good friend said, that he would object to that, so I would not propose it, but I would be happy to. It would allow us to do what I think he wants to do, which is to go on and vote on the Durbin amendment and move ahead with amendments on both sides of the aisle.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Madam President, I apologize. I was interrupted. Did the Senator make a suggestion? What was that?

Mr. MCCONNELL. I did not make a consent request. But I said I would be happy, if you would like me to, that we vote on the Durbin amendment shortly with a 60-vote threshold, which is pretty common around here on all matters of controversy. I was pointing out that this Durbin amendment is the most controversial part of the bill. Both sides knew that. I don't know why we don't have a vote at 60 like we do on virtually everything of controversy in the Senate. Then dispose of the Durbin amendment and move on.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. VOINOVICH. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Ms. STABENOW. Madam President, there is an objection on behalf of the majority leader. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue to call the roll.

The legislative clerk continued with the call of the roll.

Mr. CHAMBLISS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection to dispensing with the quorum call?

Without objection, it is so ordered.

VOTE EXPLANATION

Mr. CHAMBLISS. Madam President, I was unavoidably detained on the last vote. Had I been present to vote on S. Res. 501, I would have voted in the affirmative. I would like to be recorded as such.

The PRESIDING OFFICER. The RECORD will so note the Senator's position.

Mr. CHAMBLISS. I thank the Senator.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Madam President, I say to my friend from Georgia, we vote in a very hurried fashion lots of times. It is a wonder we do not make more mistakes. I have done the same thing the Senator from Georgia has done. You should not be embarrassed. It happens all the time. I am glad the RECORD reflects your feelings. We know your feelings on this issue.

Mr. CHAMBLISS. Thank you.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

AMENDMENT NO. 4388

Mr. DURBIN. Madam President, in the interest of moving forward this important housing stimulus bill as quickly as possible, I move to table the pending amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from California (Mrs. BOXER), the Senator from New York (Mrs. CLINTON), the Senator from Hawaii (Mr. INOUYE), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Missouri (Mr. BOND) and the Senator from Arizona (Mr. MCCAIN).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 58, nays 36, as follows:

[Rollcall Vote No. 88 Leg.]

YEAS—58

Alexander	Dole	McConnell
Allard	Domenici	Murkowski
Barrasso	Ensign	Nelson (NE)
Baucus	Enzi	Pryor
Bennett	Graham	Roberts
Brownback	Grassley	Sessions
Bunning	Gregg	Shelby
Burr	Hagel	Smith
Byrd	Hatch	Snowe
Carper	Hutchison	Specter
Chambliss	Inhofe	Stevens
Coburn	Isakson	Sununu
Cochran	Johnson	Tester
Coleman	Kyl	Thune
Collins	Landrieu	Vitter
Corker	Lieberman	Voinovich
Cornyn	Lincoln	Warner
Craig	Lugar	Wicker
Crapo	Martinez	
DeMint	McCaskill	

NAYS—36

Akaka	Feingold	Murray
Bayh	Feinstein	Nelson (FL)
Biden	Harkin	Reed
Bingaman	Kennedy	Reid
Brown	Kerry	Rockefeller
Cantwell	Klobuchar	Salazar
Cardin	Kohl	Sanders
Casey	Lautenberg	Schumer
Conrad	Leahy	Stabenow
Dodd	Levin	Webb
Dorgan	Menendez	Whitehouse
Durbin	Mikulski	Wyden

NOT VOTING—6

Bond	Clinton	McCain
Boxer	Inouye	Obama

The motion was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Madam President, I had the good fortune in 1982 to be elected to the House of Representatives, one of the biggest thrills of my life. As a result of that, I have made some very good friends. One of the people who came in that class of 1982 was RICHARD DURBIN of Illinois.

What everybody here witnessed was an act of unselfishness. Senator DURBIN procedurally moved to table his own amendment. That is unheard of in the Senate. He did that in an effort to move this along. He knew where the votes were. I want the RECORD to be spread with the fact that this is a fine legislator, a good human being. The people of Illinois are so fortunate to have this man who cares so much about people. In front of all of my colleagues, Democrats and Republicans, I express my appreciation to DICK DURBIN for doing something that is unheard of here, something very unselfish, for which he gets no credit.

Mr. KYL. Will the leader yield for a question?

Mr. REID. Yes.

Mr. KYL. Madam President, I served in the House of Representatives with the Senator from Illinois as well. This isn't the first time he has done something unheard of. I was in the minority in the House of Representatives and on a particular vote—I don't know how many were on the floor, but probably about a dozen altogether—DICK DURBIN was in the chair as Presiding Officer. He called the vote—a voice vote. It was supposed to be ''the ayes have it,'' but there were a bunch of Republicans on the floor and, in full-throated voice, we said ''no.'' I think one timid soul said ''aye.'' The Presiding Officer said: ''The nos appear to have it, the nos do have it.'' He called the vote, but not the way his side of the aisle wanted it called. Of course, about 10 minutes later, the appropriate number of people were on the floor and the vote was reversed. So this is not the first time the Senator from Illinois has done something unusual and in a way to move the process along and be fair in it. I always have appreciated that.

The PRESIDING OFFICER. The Senator from Ohio is recognized—the Senator from Louisiana is recognized.

Ms. LANDRIEU. Madam President, may I inquire about the order of amendments that will be offered? Is there an order?

Mr. DODD. May I ask the Senator from Ohio to yield without giving up his right to the floor?

Mr. VOINOVICH. Yes.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Senator SHELBY will be coming over shortly. A lot of Members have amendments they want to offer. We wish to obviously accommodate as many people as we can. I don't know what the leader's intentions are for this evening, but we will try to accommodate people and go back and forth in the normal process. We will be here while Senator VOINOVICH is offering his amendment. I know Senator SCHUMER is next in line. We will have to sit down and work out an order after that.

Ms. LANDRIEU. Madam President, reserving the right to object—

Mr. DODD. Reserving the right to object, I will try to accommodate everybody.

Ms. LANDRIEU. My suggestion is that we get an order now.

Mr. DODD. I am going to try to do that.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

AMENDMENT NO. 4406 TO AMENDMENT NO. 4387

Mr. VOINOVICH. Madam President, I send amendment No. 4406 to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Ohio [Mr. VOINOVICH], for himself, Ms. STABENOW, Mr. HATCH, Mr. ROCKEFELLER, Mr. SMITH, Ms. CANTWELL, Mr. VITTER, and Mr. LEVIN, proposes an amendment numbered 4406.

Mr. VOINOVICH. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To protect families most vulnerable to foreclosure due to a sudden loss of income by extending the depreication incentive to loss companies that have accumulated alternative minimum tax and research and development tax credits)

At the end of title VI, insert the following:

SEC. _____. ELECTION TO ACCELERATE AMT AND R AND D CREDITS IN LIEU OF BONUS DEPRECIATION.

(a) IN GENERAL.—Section 168(k), as amended by this Act, is amended by adding at the end the following new paragraph:

''(5) ELECTION TO ACCELERATE AMT AND R AND D CREDITS IN LIEU OF BONUS DEPRECIATION.—

''(A) IN GENERAL.—If a corporation which is an eligible taxpayer (within the meaning of paragraph (4)) for purposes of this subsection elects to have this paragraph apply—

''(i) no additional depreciation shall be allowed under paragraph (1) for any qualified property placed in service during any taxable year to which paragraph (1) would otherwise apply, and

''(ii) the limitations described in subparagraph (B) for such taxable year shall be increased by an aggregate amount not in excess of the bonus depreciation amount for such taxable year.

''(B) LIMITATIONS TO BE INCREASED.—The limitations described in this subparagraph are—

''(i) the limitation under section 38(c), and

''(ii) the limitation under section 53(c).

''(C) BONUS DEPRECIATION AMOUNT.—For purposes of this paragraph—

''(i) IN GENERAL.—The bonus depreciation amount for any applicable taxable year is an amount equal to the product of 20 percent and the excess (if any) of—

''(I) the aggregate amount of depreciation which would be determined under this section for the taxable year if no election under this paragraph were made and if this subsection applied only to eligible qualified property, over

''(II) the aggregate amount of depreciation allowable under this section for the taxable year.

''(ii) ELIGIBLE QUALIFIED PROPERTY.—For purposes of clause (i), the term 'eligible qualified property' means qualified property under paragraph (2), except that in applying paragraph (2) for purposes of this clause—

''(I) 'March 31, 2008' shall be substituted for 'December 31, 2007' each place it appears in subparagraph (A) and clauses (i) and (ii) of subparagraph (E) thereof,

''(II) only adjusted basis attributable to manufacture, construction, or production after March 31, 2008, and before January 1, 2009, shall be taken into account under subparagraph (B)(ii) thereof, and

''(III) in the case of property which is a passenger aircraft, the written binding contract limitation under subparagraph (A)(iii)(I) thereof shall not apply.

''(iii) MAXIMUM AMOUNT.—The bonus depreciation amount for any applicable taxable year shall not exceed the applicable limitation under clause (iv), reduced (but not below zero) by the bonus depreciation amount for any preceding taxable year.

''(iv) APPLICABLE LIMITATION.—For purposes of clause (iii), the term 'applicable limitation' means, with respect to any eligible taxpayer, the lesser of—

''(I) $50,000,000, or

''(II) 50 percent of the sum of the amounts determined with respect to the eligible taxpayer under clauses (ii) and (iii) of subparagraph (D).

''(v) AGGREGATION RULE.—All corporations which are treated as a single employer under section 52(a) shall be treated as 1 taxpayer for purposes of applying the limitation under this subparagraph and determining the applicable limitation under clause (iv).

''(D) ALLOCATION OF BONUS DEPRECIATION AMOUNTS.—

''(i) IN GENERAL.—Subject to clauses (ii) and (iii), the taxpayer shall, at such time and in such manner as the Secretary may prescribe, specify the portion (if any) of the bonus depreciation amount which is to be allocated to each of the limitations described in subparagraph (B).

''(ii) BUSINESS CREDIT LIMITATION.—The portion of the bonus depreciation amount allocated to the limitation described in subparagraph (B)(i) shall not exceed an amount equal to the portion of the credit allowable under section 38 for the taxable year which is allocable to business credit carryforwards to such taxable year which are—

''(I) from taxable years beginning before January 1, 2006, and

''(II) properly allocable (determined under the rules of section 38(d)) to the research credit determined under section 41(a).

''(iii) ALTERNATIVE MINIMUM TAX CREDIT LIMITATION.—The portion of the bonus depreciation amount allocated to the limitation described in subparagraph (B)(ii) shall not exceed an amount equal to the portion of the minimum tax credit allowable under section 53 for the taxable year which is allocable to the adjusted minimum tax imposed for taxable years beginning before January 1, 2006.

''(E) CREDIT REFUNDABLE.—Any aggregate increases in the credits allowed under section 38 or 53 by reason of this paragraph shall, for purposes of this title, be treated as a credit allowed to the taxpayer under subpart C of part IV of subchapter A.

''(F) OTHER RULES.—

''(i) ELECTION.—Any election under this paragraph (including any allocation under subparagraph (D)) may be revoked only with the consent of the Secretary.

''(ii) DEDUCTION ALLOWED IN COMPUTING MINIMUM TAX.—Notwithstanding this paragraph, paragraph (2)(G) shall apply with respect to the deduction computed under this section (after application of this paragraph) with respect to property placed in service during any applicable taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2007, in taxable years ending after such date.

Mr. VOINOVICH. Madam President, along with my colleague from Michigan, Senator STABENOW, we have worked to craft an amendment to help struggling companies and their employees during this time of economic downturn. The two of us have been joined by a bipartisan group of cosponsors, including Senators HATCH, SMITH, VITTER, LEVIN, CANTWELL, and ROCKEFELLER.

Without a job and financial security, it is extremely difficult to keep paying your mortgage and keep your home out of foreclosure. A job is the first step in ensuring that Americans can achieve the dream of home ownership.

My hometown of Cleveland is the epicenter of the foreclosure crisis, and with Ohio ranked No. 1 in foreclosures nationwide, according to the Mortgage Bankers Association, addressing this issue is of critical importance to me and all of my constituents in the great State of Ohio. The reason Ohio is experiencing a foreclosure crisis has nothing to do with speculators. It has to do with a bubble of rapidly rising prices. Ohio has a foreclosure crisis despite the fact that house prices never did increase there as they did in other parts of the country. Ohio families have been losing their homes because Ohio manufacturing workers have been losing their jobs.

It is the same story next door in Michigan. Our amendment is one step in the plan to turn things around for workers in these and other manufacturing States so families have the income to stay in their homes.

Our amendment will help unprofitable companies—many of which are in Ohio—to use existing AMT and R&D credits in 2008 to stimulate their businesses, turn profits, and create new jobs. The amendment would allow companies operating in the red to use the AMT and R&D credits already on their books instead of bonus depreciation deductions, as long as the money is used to expand operations in the United States.

Bonus depreciation has already been included in the economic stimulus package, but it left out companies that don't have income against which to deduct their expenses because they are not making any money. This is an important thing. Ironically, these are the companies that are most in need of relief during a strained economy, but they are not receiving it.

My colleagues should also note that this amendment is fiscally responsible because it simply allows for the speedier use of tax credits that would be used anyway in the future. In other words—and I wasn't aware of this—companies that are not making money pay an AMT corporate tax, and what happens is when they do start making money, they deduct the corporate AMT from the taxes, so in effect they get credit for that corporate AMT. We are basically saying let's let those companies—because they cannot use the bonus depreciation—use that AMT credit so they can create jobs and keep people working. So this basically lets them use these credits speedier than they would ordinarily be used if we waited over a longer period of time.

I want everybody to know we will continue to work with the Joint Committee on Taxation to get a fiscally responsible revenue estimate. We have every reason to believe it is going to be very small during this 10-year period. As a matter of fact, if you take into consideration that these companies, down the road, would use the R&D or their corporate AMT, it could end up being a wash.

This bipartisan amendment has wide-ranging support from the biotech industry, to the American auto industry, to the coal industry. All of these industries are hurting and need a boost to get back on track. This amendment would give them that boost to make investments now and create jobs so Americans can keep their homes. I urge my colleagues to support this amendment and work to protect their constituents' jobs and homes.

I yield the floor to the Senator from Michigan, whom I appreciate joining me on this amendment. It is something the two of us have been working on for quite some time. I am glad we have a bipartisan group that understands how important it is to our respective States and to this country.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Madam President, I first give thanks to my colleague and friend from Ohio. We have been working together on this issue. Michigan and Ohio are part of the epicenter as we have seen the downturn in the economy since 2000. We have seen 3 million manufacturing jobs—middle-class jobs that created the standard of living in this country—that have been lost.

This amendment addresses those companies that have done the right thing, that have paid good wages, provided health insurance, provided pensions, that now find themselves in a challenging time but that we want to continue to support so they can continue to keep great American jobs in this country.

I am so pleased we are joined by others in a truly bipartisan effort. We have four Democrats and four Republicans cosponsoring the amendment. We have Senators HATCH, ROCKEFELLER, CANTWELL, VITTER, LEVIN, and SMITH coming together from all parts of the country, representing important American industries that are asking to be recognized and to basically allow them to use the AMT and R&D credits they have already accumulated. They have made investments and we want them to make more, and we want to create a mechanism that allows them to benefit from the mechanisms we are putting into place to support industries that need assistance in this difficult time and need to be ready to come out of this economic downturn as quickly as possible.

There is no question that we are in a housing and economic crisis in America. Few States have been hurt worse than Michigan and Ohio. In Michigan alone, right now, we rank No. 6 in the number of foreclosures. Last year, 87,000 households were foreclosed upon; 87,000 families faced the loss of their homes and their piece of the American dream.

Last year, Michigan lost 62,000 good-paying jobs. Unfortunately, we are not alone. In February, the manufacturing sector lost 52,000 jobs. Over the last 7 years, manufacturing has lost more than 3.6 million jobs. Again, these are middle-class jobs and these companies have stepped forward to do the right thing and pay health care, pensions, and provide a standard of living that has been unsurpassed in the world.

Yet the Labor Department announced that the number of new people signing up for unemployment benefits last week shot up to the highest levels in more than 2 years, from a seasonal adjusted 38,000 people to 407,000 people.

In Michigan alone, right now, our unemployment rate is 7.2 percent. American families are in a state of crisis. They are losing their homes, their jobs and, of course, we cannot ignore this situation. We need to do everything possible to be able to support families, workers, and businesses that are being affected.

The Voinovich-Stabenow amendment would help save many of these important middle-class jobs and keep families out of foreclosure. From manufacturing States such as Michigan, families are not losing their homes because of a housing bubble, they are losing their homes because they lost their jobs, their livelihood. They have exhausted their unemployment benefits and they have spent all of their savings, probably dipped into the equity in their houses, and they cannot afford to pay the mortgages anymore. This is a daily reality for the families I represent in Michigan.

The bonus depreciation provision we passed in the stimulus package earlier this year gave manufacturers a strong incentive to increase their capital investments in an effort to stimulate the economy. Unfortunately, that did nothing for manufacturers that are struggling the most right now, the ones that are not profitable, that are being forced to shut down plants and lay off workers.

Our amendment would also give these struggling manufacturers an incentive to be here in America and invest in American jobs. By utilizing the AMT and R&D credit provision, manufacturers in this loss position that have built up AMT and research and development tax credits will now be able to use their credits, stimulate the economy, and create new jobs. These manufacturers will be able to recover their accumulated credits—in other words, they have invested and developed credits. They just cannot use them because they are currently not making a profit. This will allow them to recover those credits after they have made new investments, which will help them to fully realize the intended benefits of the bonus depreciation provision and put them on equal ground with profitable companies.

This amendment will not only allow these manufacturers to stay afloat in this time of economic uncertainty, but will help them invest, expand, and create more American jobs. It will allow them to avoid laying off more workers, many of whom are the most vulnerable when it comes to the issue of foreclosure, losing their home.

Adopting this amendment is an important first step in addressing the crisis facing our Nation. It cannot wait for another day. We would very much appreciate strong bipartisan support for this amendment that is a very important piece of addressing what is happening to so many millions of American families across this country.

I urge colleagues to join us in this bipartisan amendment.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Madam President, I hope the tabling motion that the Senate has dealt with has broken the logjam and we can move to the amendments, such as the one we are now on, and work our way through the evening. The reason I say that is because there are a good many of us, well over a month ago, who said if you want to fix the economic trouble in our country today, solve the housing crisis.

I did not agree with the stimulus package we debated a month ago. I did not agree with borrowing $150 billion and standing on street corners and handing out $500 bills. That helps someone, but it does not help the economy in general because that money has not been handed out yet.

What we do today, and if it were to become law in a reasonable period of time, would deal with one of the bigger industries in our country. I think few people, unless you look at it, recognize the value of the housing industry to our country, its breadth and its depth.

One of the things I monitor in Idaho, and I know my colleague from Montana, who is on the floor, monitors as chairman of the Finance Committee is mill closures; that is, sawmill closures, across the United States since the first of the year because the timber industry is flat. It is at a 40-year low in prices of dimensional lumber.

Why is it? Because the housing industry is flat. Talk to plumbing fixture manufacturers and everybody else out there and look at the breadth and the depth of the housing economy.

So it is time we deal with the real problem. Had we dealt with it a month ago, possibly the House would have been done with it, it could have been signed into law, and, more importantly, it would be recognized in the marketplace today as a reality and the marketplace would be adjusting. That is the banking industry, that is the mortgage industry, that is the housing industry.

There are real problems out there, and they are very real problems if you are involved in it. If you have been conned into a subprime loan and it sounded so good at the time you took it and it turned south on you and your values drop, that is one thing and you are out on the street or you simply walked because you used the ''credit card'' economy of the subprime market to buy a house.

If I am across the street from you and you have left your house and the bank now has it and they knock it down 20 percent in the market, what does that do to the value of your home? You may be in better shape. You may have a fixed-rate 30-year mortgage. You may not be losing your job or you may not be in a subprime market, but your house went down 20 percent because the house across the street that is comparable went down 20 percent.

That is the reality of the world in which we are playing, and that is why I was so extremely pleased when Senator DODD and Senator SHELBY came to grips with this issue in a very real, honest, brokered bill in a bipartisan way and have brought to the floor the bill before us. I hope the House will respond quickly, and we can get this to the President and it actually can become law in our timeframe so the markets can begin to react.

Back at the time we were debating the $150 billion bailout, I and Senator

ISAKSON and others said: Wait a moment, that is all well pleasing and it may be politically correct for the time and the White House and the majority party in the Congress may agree with it, but when will it get to the ground and how much will it stimulate?

I had a lot of people in Idaho say: LARRY, we are not going to buy anything; we are going to pay off the credit card debt; in other words, we are not going to move the money through the market in a way to stimulate the economy, we are simply going to put it in savings or pay off a debt. We are not going to go out and buy a new Chinese or Japanese television set or anything in the market that was not produced in our market that is oftentimes the kind of consumer product that kind of money buys today.

So Senator ISAKSON and I said we ought to go back and look at history and what worked. In the seventies, we had a housing bubble, and it broke. The housing industry said we have a 3-year inventory. At that time—and I was not here; some who serve today were here—they put a tax credit out there, and they said: If you are going to be an owner occupant and you are going to buy out of inventory or repo or bankruptcy, you get the credit. What was supposedly a 3-year glut in the market of housing inventory turned into a 12- to 15-month glut, and the lights came on in our sawmills, workers went back to work, contractors went back to work, and we were able to effectively get that economy stabilized.

In December of 2007, housing starts fell to the weakest level since May of 1991. As a whole, housing starts were down 24.8 percent in 2007, the second largest decline on record, and housing prices declined almost 9 percent in the final quarter of 2007, the largest year-to-year drop in a 20-year history of the index. That is what we were looking at in February and in January and saying to this Senate in a bipartisan way: Let's fix this problem; let's do it now; let's do it sooner rather than later.

It is now later, and I wish it had been done earlier. But, most importantly, the Congress has recognized it, or at least the Senate has recognized it. Leaders such as Senators DODD and SHELBY have recognized it and they have come to an agreement. I hope we stick to that agreement.

There are amendments floating around that ought not pass, and if they do pass, all of us will have to reevaluate the compromise because the compromise, in large part, is a bipartisan effort to solve this problem.

We owe it to the American people this time to get it right, this time to fix the underlying primary problem that is dragging the economy down, threatening everyone out there in that industry, in the mortgage banking industry, and we ought to get it done in a way that makes it work.

I believed all along that a timely targeted housing stimulus bill would focus on the builders and the buyers, and I think this housing legislation is workable and does that.

Overall, I think it is a pretty good package, as I have said, and I will support it as long as we do not mess it up with more partisan-like amendments that might make their way to the final text.

I believe in compromises when it is necessary and appropriate and when issues are as big as this issue is, when the problem is as big as this problem is, whether it is Boise, ID, or Las Vegas, NV, or San Diego, CA, or Seattle, WA, it is a problem that deserves to be dealt with in a timely and an appropriate way.

Extending the carryback period for net operating losses will allow these companies, these builders to receive the infusion of cash helping them stay in business and pay their employees. The legislation will also help the buyer, as I have mentioned. We are proposing to provide additional money to tax-exempt private activity bonds authority to be used to refinance subprime loans which will keep families in their homes and make it easier for them, the home buyers, to buy that home.

We are also going to allow taxpayers who do not itemize on their Federal taxes, which tends to be middle-class and lower income families, to deduct property taxes from their Federal tax liability. Frankly, that is a good deal. That makes sense in this interim period of time.

Finally, the last tax provision in this legislation, in my opinion, is one of the most important provisions in the bill because it is the Isakson concept I listened to, helped develop, bought into very early on several months ago as we were looking at this problem, and that is giving taxpayers a $7,000 direct tax credit to buy homes that have been foreclosed on, payable over a 2-year period of time.

Foreclosed homes are a significant problem in any housing market. For the reasons I explained a few moments ago, they drive down the prices of everybody else's values. They are oftentimes not maintained, they are attracted to vandalism and burglary, and they become eyesores in communities if banks and those companies that hold them are not doing the due diligence to make sure the lawns are mowed and the house is maintained and at least the house looks as if it is being occupied.

Oftentimes, if there are too many in the market, that simply does not happen. This tax credit will help clear our housing inventory sitting in today's market. I talked about the seventies. There is no reason to believe we cannot clear the inventory in a reasonable period of time.

Lastly, let me once again turn to Senator DODD and Senator SHELBY and thank them. We are all partisan, but we are all bipartisan when we see big issues that deserve a solution, that demand it, and these two Senators stepped up and, in my opinion, have put a very good package together. It is certainly a package I wish to support, that I hope we can move in a timely and responsible way to conclude because it is, in my opinion, the greatest stimulus to the biggest problem in the economy today.

In Idaho, a State that has experienced phenomenal growth over the last good number of years, those foreclosures are beginning to develop. But unlike some States, we have something else happening. We have sawmills going down and lights going out and hard-working men and women simply not having their jobs in the housing industry because the housing industry is flat.

This kind of legislation, when it becomes law, will work in the marketplace to solve those problems and allow the markets to adjust in a way we ought to be allowing them to do, not to step in and fix it with a Federal bailout but to allow the markets to adjust, the buyers to adjust, and those who may have been victimized, in part, by the uniqueness of the loan packages of a few years ago, to make sure they can be helped a bit. But more importantly, they have learned their lesson that there is no free ride, that you cannot buy a house with a credit card, that a little savings and a little investment and a little fortuitousness can help you into probably one of the largest investments you will make in your lifetime and historically—and it will be true tomorrow as it was true yesterday—will be the best buy you have ever made in your lifetime and that is to own a home in a community of your interest and your support.

I hope we can work this through the evening. I hope we can move to final passage with the quick handling of these amendments. It is important we get this work done and say to the American people: You see, when there is a big problem out there, the Congress can respond in a responsible way.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Madam President, I first thank the Senator from Idaho for his very generous comments about the effort. We appreciate that very much. His willingness to work with us will be of help to see if we cannot move this legislation along.

I am going to ask consent to get a batting order of amendments. Madam President, we have already considered the Durbin amendment. We are now considering the Voinovich-Stabenow amendment. Following that amendment, Senator MURRAY and Senator SCHUMER have an amendment, Senator SPECTER—I should refer to them by number. The Voinovich amendment is amendment No. 4406, the Murray-Schumer amendment is No. 4397, the Specter amendment is No. 4392, the Feinstein-Martinez amendment is No. 4393, and an amendment offered by Senator KYL of Arizona is No. 4407. I ask unanimous consent that those amendments

be considered in the order I announced them; that the underlying amendment, the Voinovich amendment, at the conclusion of debate, be set aside and we move to consider these next amendments. We will try to complete four or five of these amendments, I am told by the leadership, with the possibility of votes on one or all these amendments this evening, with a couple more tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I want to ask the chairman of the Banking Committee to read those amendments off one more time.

Mr. DODD. Be happy to. Presently, we are considering the Voinovich-Stabenow amendment, No. 4406. The next amendment would be the amendment offered by Senators MURRAY and SCHUMER, No. 4397. There is then an amendment offered by Senator SPECTER, No. 4392; an amendment offered by Senators FEINSTEIN and MARTINEZ, which is amendment No. 4393; and an amendment offered by Senator KYL, No. 4407. There are other amendments, but these are the four or five we are going to try to deal with here by setting aside the underlying amendment and debating them.

Mr. BAUCUS. I object, Madam President. There is one in there I don't want on that list, so I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAUCUS. It is the Ensign amendment. Take that off the list.

Mr. DODD. It is not on there.

Mr. BAUCUS. It is not on there? OK, good. I am okay as long as that amendment is not on there.

The PRESIDING OFFICER. Is the objection withdrawn?

Mr. BAUCUS. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. May I also just request that Members let the staff know how much time they may need. It would help us to inform other people about when their amendments are coming up. So if you need a half hour, 15 minutes, or whatever to explain your amendment, we can let others know about coming over and offering their amendments in a timely fashion.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I believe the Voinovich amendment is the pending amendment. I have spoken to that amendment and at this point cannot agree to it. It costs about $3 billion over 10 years. I have spoken to the sponsors and asked them to rewrite that amendment and talk to the Joint Committee on Taxation to get the score down to about $1 billion, and they are working on that right now. I very much hope they can get that amendment down to a billion because then it would be in a much more acceptable form. But right now, the size and scope of it is just too large. And I think it is appropriate, when we consider these tax amendments, to be somewhat prudent when we consider them and not go overboard. I do believe the current scope of the Voinovich amendment is too large, and they are very agreeable and are working with Joint Tax in amending the language to get it down to about $1 billion over 10 years.

Mr. DODD. Madam President, if I may, since the Senator from Montana has spoken on this amendment, I wish to advise Members that any amendment that is within the jurisdiction of the Finance Committee, I am going to defer entirely to the Senator from Montana and his colleague from Iowa as to their advice and counsel. So if you have any amendment that impacts the Finance Committee, I am happy to see you, but I will turn you right over to see the Senator from Montana to talk about it. So I am going to make it clear we are going to rely entirely on the judgment of the Finance Committee on any amendments that affect that committee.

Mr. BAUCUS. Thank you very much.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 4397 TO AMENDMENT NO. 4387

Mrs. MURRAY. Madam President, I ask unanimous consent to set aside the Voinovich amendment in order to call up amendment No. 4397.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will report.

The bill clerk read as follows:

The Senator from Washington [Mrs. MURRAY], for herself, Mr. SCHUMER, Mr. CASEY, and Mr. BROWN, proposes an amendment numbered 4397.

Mrs. MURRAY. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To increase funding for housing counseling resources)

On page 58, line 10, strike ''$100,000,000'' and all that follows through ''2008'' on line 11, and insert the following: ''$200,000,000, to remain available until December 31, 2008''.

Mrs. MURRAY. Madam President, I offer this amendment for myself and Senator SCHUMER, Senator CASEY, and Senator BROWN.

I am extremely happy that we do have a bipartisan bill now that provides a solution to the problem at the very center of our Nation's economic downturn—the housing crisis—that has shaken communities across this country. We know that each month this year thousands of homeowners will see their interest rates rise, and many more will find themselves underwater as the housing market in their region continues to suffer. If the Federal Government doesn't take action, as many as 2 million American families are going to lose their homes to foreclosure this year. Each one of those foreclosures represents a family whose dream of a comfortable home and a secure future is going to be dashed, and each one of those foreclosures really weakens the foundation of a community.

This crisis has already rippled across our economy. If we don't take aggressive steps to prevent it from becoming worse, it is going to take that much longer for our neighborhoods and our hometowns to recover. That is why I rise this afternoon to offer an amendment with Senators SCHUMER, CASEY, and BROWN which I believe will help make this bill much stronger. Our amendment will provide an additional $100 million for housing counselors, who really are our front line of defense in the fight to prevent more families from losing their homes. What our amendment does is double the money for housing counseling that is in this bill. It builds on our efforts we started last year.

In last year's omnibus budget, we included $180 million through the NeighborWorks America Program for housing counseling to help 450,000 homeowners who are in trouble today. As chairman of the Appropriations Subcommittee on Transportation and Housing, I worked hard with my colleague, Senator BOND, to push for that money. The bill before us today would provide the resources to help another 250,000 homeowners, and our amendment would enable us to bring the total number of families helped through this bill to 500,000.

Many homeowners today don't know that they can get help if they get behind on their mortgage. Too many of them don't make contact with their lender when they miss their first payment, and too many just feel intimidated or don't trust their bank enough to make a call. But housing counselors can help these families. They can help them negotiate with their lender, readjust their payment, or learn how to budget their expenses better.

The last couple of years have really proven that this kind of assistance may be the most cost-effective and important piece of the solution to the housing crisis, and that is why we believe we must ensure that counseling agencies get more resources as soon as possible if we are going to turn around this economic crisis.

According to the Secretary of Housing and Urban Development, 96 percent of the families who get counseling avoid foreclosure. Let me say that again. Ninety-six percent of the families who get counseling avoid foreclosure. That means almost all the people who seek help from an expert will not lose their homes.

We know the demand is there. Last year, the demand for the $180 million made available for counseling in the omnibus was twice as high as the money available, and that happened even though counseling agents across

the country had only 2 weeks last year to apply for the grants. In just the couple of months that have passed since then, several States have seen a dramatic increase in their foreclosures, and people in those communities and other communities across the country are very worried. We all know that foreclosures have left our neighborhoods full of vacant homes. Families are distressed, they are in trouble, and State and local governments are seeing their tax revenues drop now, even as the needs out there are piling up.

These counseling agencies we provide the funding for are telling us they need desperately more resources to help address this. In my home State of Washington, the number of calls to counselors doubled in just the first few months of this year, and we know that is true across the country. But if the numbers aren't compelling enough, let me tell you personally about a few people I know who have been helped.

One of them is a man named Clifford. He is a gentleman from my State, and I don't want to use his last name to protect his privacy, but he told me what happened to him. He and his family thought they had achieved the American dream by owning a home. Their home represented stability. It was an important investment in their future. But they started having trouble with their mortgage because Clifford lost his factory job, and pretty soon his wife got sick and she needed surgery. Before they knew it, they were a couple of months behind and were struggling with their mortgage company about how they could ever catch up. They turned eventually to Consumer Counseling Northwest, got a counselor who gave them help and advice, and he told me that made all the difference. Clifford's housing counselors were able to help him get his payments reduced, and now his family has been able to pay the mortgage and keep their home.

Madam President, there are many families like Clifford's across the country—people who are teetering on the edge and just need a little bit of help and counseling to avoid a crisis.

Earlier this year, at an event with Senators BOND and COCHRAN—and with Representatives OLVER and KNOLLENBERG from the House—I had an opportunity to meet a single mom from Ohio. She told us she had fallen on very hard times, which in turn led her to fall behind, and she soon found out she couldn't pay her mortgage. But thanks to help from NeighborWorks America, she told us that she and her children didn't lose their home and they were able to stay there. She told me that when she got behind, she just got completely overwhelmed. She told me she didn't know what to do. She said: You know, this is not something they teach you in school.

Well, these counselors made a difference in her life and thousands of others. We should not turn our back on families today who want to make a call and get help, who want to get their mortgages back in line and keep their homes. The economic health of this country depends on Americans having a safe and stable place to live and raise their families. We want every family who is facing a challenge today to know that there is help out there, and when they call, we want to make sure there is a knowledgeable counselor on the other end of the line who can give them the help they need.

So here is the bottom line. We know we have millions of people who need help, and we know housing counseling can make a difference. So I think it would be unconscionable not to provide this money, and I urge my colleagues to support this amendment that will put the resources out there to make sure families in all our communities can pick up their phone, make a call, get the help they need, and keep their investment in their home and their security for the future.

Madam President, I have been proud to work with the Senator from New York, as well as others, on this bill, and I know he is on the floor and ready to speak as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. SCHUMER. Madam President, I am proud to rise in support of the amendment offered by the Senator from Washington, the Senator from Pennsylvania, the Senator from Ohio, and myself, and I first wish to thank Senator MURRAY for her leadership on this issue. This is crucial, and when Senators CASEY, BROWN, and I sent her a request to include this money first in the appropriations bill and then in the omnibus bill, Senators DODD and BOND offered an amendment for another $100 million, and by the time we got through with conference, $180 million was offered. So I thank all my colleagues. We also have Senators CLINTON, MENENDEZ, and KERRY as cosponsors of our amendment.

Madam President, as you know, we are in the midst of a massive spike in mortgage delinquency and foreclosures. Housing prices are going down at record levels. We haven't seen housing prices go down this much since the Depression. Our economy, the national economy, is heading south. Yet where is the President? The President has been in Bucharest, both literally and figuratively. The President is literally in Bucharest today, but he has been in Bucharest for months when it comes to the economy and housing. He is nowhere to be seen here.

Foreclosure filings are soaring. They are up 57 percent in January. From December to January alone, foreclosures increased 8 percent. The 57-percent figure is over the year. Home foreclosure filings topped 1.3 million in 2007, and more than 2 million are likely now. We are all more than aware of the havoc this has wreaked in neighborhoods, on Main Street, on Wall Street, and throughout the Nation and even the world. So it is amazing that with all of these problems rippling out from housing foreclosures, a simple addition could greatly ameliorate the problem, and that addition is mortgage counselors. Why, you ask? Why should a mortgage counselor help solve not just problems of individual foreclosures but of declining home prices and declining economy and financial ripples throughout the world, in London and Shanghai? The answer is simple: The majority of those in foreclosure do not have to have their houses foreclosed upon. They have the resources, and the price of their home is such that a simple refinancing would work.

In the old days—when banks were the only issuer of mortgages, they issued them and held them—none of this would have happened. The mortgage counselor from the bank would have gone over to the homeowner and helped him or her rework this. Madam President, 60 percent of those in foreclosure or about to go into foreclosure are prime borrowers; most of them, the majority, are in home refinancings, not new homes; and many of them were duped through no fault of their own.

A mortgage counselor on the scene, provided there are dollars to refinance, can help that homeowner refinance.

I ask unanimous consent that Senator KLOBUCHAR, the Presiding Officer, be added as a cosponsor of our amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHUMER. I thank her for always being on top of things.

In any case, a mortgage counselor could easily do the job in so many cases, but there are none around. Foreclosure counselors are skilled and work. There are groups throughout the country that do this and do it well, with very little waste and much dedication. That is why Senators CASEY, BROWN, and I went to Senator MURRAY and asked her to put this in the omnibus bill. That is why she did it, and that is why Senators BOND and DODD added additional money in an amendment. We need these people.

I wish to tell a story. I have told it before on this floor, but I want to make sure people hear about it. It shows the need for counselors. It is about Frank Ruggiero, a homeowner from Ozone Park in Queens. Frank is a retired subway motorman. He had a pension of $28,000 a year, Social Security of $11,000 a year—$39,000 income a year. He lived in his nice little brick house with a mortgage of $1,100 a month or about $12,000 a year and happily paid the mortgage for 16 years of the 30-year mortgage.

Then Frank got diabetes. He needed $50,000 for some kind of treatment that his medical plan would not pay for. Instead of going to the bank, which was Frank's mistake—because banks have not caused this problem; it is the independent mortgage companies, unregulated, that caused it—he saw an ad in the paper for one of these fiends—they are not all fiends but this person was—

that said ''get quick cash; refinance your home.''

Frank called, and he came over. Frank said: How much more will I pay?

He said: You will pay $100 more in January.

And Frank says: I can easily afford $1,200 a month to cure my diabetes. That is worth it. He signed a new 30-year mortgage and sure enough, his mortgage only went up to $1,200 in January.

What he was never told was that the following January his mortgage would go up to $3,900 a month. That is easy math. That is about $47,000 a year. Frank's total income was $39,000 a year. Even if he didn't pay one nickel for the whole year for any food or heat or taxes, he couldn't pay it.

What happened? This more relates to the amendment of my colleague from California—the mortgage broker was paid a huge commission to dupe Frank. He duped him legally because there are no regulations. It said on the big document Frank signed, on page 23—I am a lawyer, but I couldn't understand it—6 points above LIBOR after 4 months, after this, after that—it said the mortgage would go up that much, but no right person would understand it. It wasn't in plain English, and it wasn't available. The mortgage broker made a huge fee, walked off into the sunset, and Frank was about to lose his home.

The irony is, Frank was a prime borrower. He had never missed a payment on his mortgage, he had never missed a payment on his credit card. His FICO score was above 700. He easily could refinance. Frank is a good customer for a lending institution. But there was no one to help him. There was no bank. It was a mortgage broker, independent, who got money from a mortgage company, independent, both unregulated. That relates to the amendment of my friend from California. They are off into the sunset with their profits, and Frank is stuck and no one is there. The mortgage company didn't hold the mortgage, they chopped it up in 40 pieces and gave it to some investment house that sold securities, and it is now scattered among thousands of investors in little tiny pieces in different degrees of reliability.

So Frank is out there alone. If there were a mortgage counselor on the scene, that mortgage counselor could easily help Frank refinance.

You say, where would they get the money for refinancing? Good news; finally, after months of prodding by myself and Senator DODD and others, Fannie Mae and Freddie Mac have made $200 billion available for these kinds of mortgages.

But the dollars are not going to walk over to Frank's house in Ozone Park, Queens, and say: Here we are. You need a mortgage counselor. And that is what the amendment of the Senator from Washington and the Senator from Pennsylvania and the Senator from Ohio and my amendment does. It simply provides more mortgage counselors. It is not huge science. You do not need a Ph.D. in mathematics or an accounting degree to be a mortgage counselor. You have to take a little course and learn it. It is easy for the various groups that have done this for years but were not faced with a flood of foreclosures to do it again. We could probably prevent about 50 percent of all the foreclosures that are about to happen, maybe even more, because 60 percent are prime borrowers, and even some of the nonprime borrowers could be helped by this, depending on the value of the home and the cost of their mortgage and the mortgage processing agreement.

That is all we want to do. In this package originally that we offered about 3 weeks ago, there was $200 million. That is not enough. Senator MURRAY and I and others wanted to ask for $500 million, but we were asked by the majority leader to keep the cost down so we offered $200 million. Madam President, $200 million is not enough. We need more than that.

We did appropriate $180 million in the omnibus bill, as I mentioned before, that Senator MURRAY put together—at least her part of it. Now there is talk we don't need the $180 million; they have not even spent that. Why give them more?

Here is a letter. I ask unanimous consent the letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APRIL 2, 2008.

Hon. CHRISTOPHER DODD,
Chairman, Senate Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

Hon. RICHARD SHELBY,
Ranking Member, Senate Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

DEAR CHAIRMAN DODD AND RANKING MEMBER SHELBY: As you consider the current housing stimulus legislation we urge you to restore essential funding for foreclosure prevention counseling. We respectfully request that you fund this program for not less than $200 million as was initially proposed by Senator Reid in S. 2636.

As you well know, the nation is experiencing a serious spike in mortgage delinquency and foreclosures. In 2006 more than 1.3 million homes were in default, up 42 percent from the year before. Foreclosures are expected to be greatest in 2008 when one in three loans is predicted to end in default as a result of mortgage payment resets on adjustable rate loans. The crisis is widespread and not just confined to the urban housing market. Increasingly, rural borrowers are subject to harsher prepayment penalties and targeted lending discrimination so the prosperity and stability of rural counties, like their urban and suburban counterparts, is becoming jeopardized.

The FY 2008 HUD Appropriations Act provided $180 million for use by the Neighborhood Reinvestment Corporation to provide mortgage foreclosure prevention counseling. Neighborhood Reinvestment received applications for $340 million in grants to combat the foreclosure crisis. With only two weeks to apply for funds, demand was nearly twice the $180 million that Congress appropriated for these mitigation activities. Several states were underrepresented in the applicant pool, in part because those states had not seen high rates of foreclosure up to that point. Now, however, many of the states that did not apply or receive an initial grant have seen a dramatic increase in home foreclosures and are in desperate need of these supplemental counseling resources.

In particular, there is a need to expand the capacity of housing counselors to assist delinquent homeowners with accurate and honest information and options, budget and workout plans, loan modifications, refinancing or responsible sales of the residence. It is also essential given the nature of this crisis to ensure an ongoing, adequate level of support for mortgage foreclosure activities.

We urge you to fund the foreclosure mitigation counseling program at no less than $200 million in order for housing counselors to keep pace with rising rates of foreclosure in rural and urban neighborhoods. Thank you for your consideration of this important request.

Sincerely,

PEG MALLOY,
President, NNA.
DAVID C. BROWN,
Executive Director, NNA.

Mr. SCHUMER. It is a letter dated yesterday, to Senator DODD and Senator SHELBY, signed by about 100 organizations that do this, saying the following:

We respectfully request that you fund this program for not less than $200 million as was initially proposed by Senator Reid in S. 2636.

They said they have received applications for $340 million in grants, twice the $180 million Congress appropriated. Several States were underrepresented in the original applicant pool because they had not seen high rates of foreclosure, but now many of them have applied. Of the $180 million, $130 million has already been spent in a short 6 weeks. The only reason the rest has not been spent is they are keeping it aside for a very rainy day. They could spend that in a minute if we were to ask them to in report language, should this bill get that far, which I hope and pray it does.

So we need the money. It is not much money. We are putting $4 billion in for CDBG. That is worthy, but it is not as important as mortgage counselors. We are putting $6 billion in for the loss carryback provisions, the FOLs, to help homebuilders. We can't afford a needed $100 million more for mortgage counselors, who do more good to prevent foreclosure and provide more bang for the buck than any other part of this bill, bar none?

Why the $100 million was cut out—I was told they said they didn't need it. This letter proves conclusively they need it. It is now in the RECORD. I urge my colleagues to look at it. We desperately need it.

I hope we will have bipartisan support for this amendment. Senator BOND, who has been a leader on these issues, supported the amendment, with Senator DODD, to put in the original $200 million. This is hardly a partisan issue. This is not a bill that costs $15 billion. Another $100 million is not

going to make that much difference, especially when we are doing $6 billion for the loss carrybacks, and $4 billion for CDBG. I urge my colleagues to support it. It is a much needed amendment that will do tremendous good. It will help the Frank Ruggieros and the millions of others like him to keep their homes. It will prevent housing prices in their neighborhoods and in the country from declining more than they have to. It will stabilize mortgage markets and thus stabilize many of our largest banks and institutions, both here and abroad.

So this little amendment is like Mighty Mite—it is small, it is at the center, but it has tremendous power to ripple outward and affect us positively.

I urge my colleagues on both sides of the aisle to support it so we might strengthen this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Madam President, I do not see anyone on the Republican side on the floor, although if they are coming, now would be a good time. I believe Senator MARTINEZ and I are up, after a Republican, for an amendment. I am prepared to proceed.

Madam President, although I spoke about this amendment this morning, I wish to speak about it again. This amendment is called the SAFE Mortgage Licensing Act, ''licensing'' being the dispositive word. I am very proud to work with this with Senator MARTINEZ of Florida. He is on his way and he will be making a statement following mine. This amendment is cosponsored by Senators BOXER, OBAMA, DOLE, DURBIN, SALAZAR, and CLINTON.

One of the things I didn't realize is how big scams are a part of the subprime market. I remember picking up a USA Today newspaper in January and the headline reading, ''Housing Scams Rising, FBI Says. 2007 Convictions More Than Doubled.''

As we began to look at this, we found there was a very real problem. The problem is that there is but a thin patchwork of State regulations. They vary. Some do not have any. Some are pretty good; some are not so good. So we put together this bill, Senator MARTINEZ and I, and I am very proud to say it is supported by the National Association of Mortgage Brokers, by the Conference of Bank Supervisors, by the mayor of Los Angeles, and by the National Association of Realtors. I wish to read, if I might, the realtors letter because I think it is important to the discussion.

On behalf of over 1.3 million members of the National Association of REALTORS, I want to share our views on the SAFE Mortgage Licensing Act offered by Senators Feinstein and Martinez.

We believe this amendment will go far towards preventing another subprime market failure that would further erode confidence in the Nation's housing finance system. While responsible subprime lenders have played an important role in helping millions of consumers achieve homeownership, abusive subprime lending has occurred much too often. As a result, roughly 2.2 million American households have been projected to lose their homes, and as much as $164 billion due to subprime mortgage foreclosures.

Many of the provisions of the amendment are consistent with NAR's ''Responsible Lending Principles.'' We believe our principles provide an appropriate basis for legislation that would help eliminate irresponsible practices such as making loans without sufficient regard to the borrower's ability to repay the loan and avoid foreclosure.

The National Association of REALTORS supports responsible lending, mortgage servicing, and appraisal practices. We support this amendment that will help close the door on abusive lending practices.

I wish to say on behalf of the cosponsors of this amendment and myself, thank you to the National Association of Realtors.

We are very grateful for the support. The fact is, mortgage fraud complaints have jumped more than 700 percent over the last 5 years, from 5,623 in 2002 to 46,717 last year. Mortgage fraud complaints in my State, California—Senator BOXER's and my State—have increased 400 percent over the last 5 years, from 1,143 in 2002 to 4,060 last year.

All you have to do is take a look at the jump in these complaints and the jump in convictions to know there are scams going on and we need to stop them. The best way to stop them is to license these brokers and lenders so we prevent the 25-year-old scam artist—I do not pull this out of the air; this is a fact—who can come in, get on a telephone, and tell lenders or tell individuals what they can do to refinance their house and do it all in a bogus manner.

We have 10 States that are mortgage fraud hot spots in the United States. They are California, New York, Texas, Florida, Georgia, Utah, Illinois, Indiana, Ohio, and Michigan. These are mortgage fraud hot spots because of the number of complaints and convictions of mortgage fraud coming from these States. So the time has come to do something about it.

Now, there are some people in this body who say: Do not pass this bill today; put it in regular order. Let it go to the committee.

Let it go to the committee, and it will be another year before this bill is before us. And I will bet any amount of money the mortgage fraud will continue because all of the conditions are ripe for it.

The only way to handle it is to pass this bill so we set into motion some minimum national standard and allow the States to carry out this minimum standard and add to it anything the States might want.

As I say, the 1.3 million-member National Association of Realtors is in support of this amendment. And the group that regulates them is in support of the amendment as well. Today, subprime mortgages are 30 percent of all the mortgages in the largest State in the Union. Thirty percent of every mortgage is subprime in California. This is a community because they are mainly working class, not necessarily college graduates, who are eager pawns for bad actors in the mortgage and lending business.

Now, having said that, not all brokers are bad actors; many of them are honorable professionals. The fact is, this is a profession. This is what you do as a mortgage broker, as a lender.

You should have standards. You should have to pass a test. You should have to get a license, and you should have to renew that license periodically. How else can you be able to go out, get on a phone, call people and say: Look, I can refinance your house at 4 percent. You bring in the eager homeowner, and then the reality is something very different.

These bad actors must be stopped. There is only one way to stop them; that is, have minimum Federal standards, allow the States—and in my State it would be the Corporation Department that would do this, that sets up the licenses, that sets up the training. And individuals would go through the training, they would have their background checked, they would get a license, and the license would go up for renewal annually.

Some object to it. My goodness, attorneys have to renew their licenses. Why not someone who puts out mortgages which is very often everything an individual owns? Why is it not important for them to have a license and have that license renewed?

Once again, I would like to tell you about this family. I do so because I met them in Los Angeles last week. This is the Simmons family. Look at their house. It is not a mansion. It is a one-story, well-kept stucco home with flowers planted, bushes trimmed.

The gentleman, Mr. Simmons, was an employee of Northrop Grumman for 20 years; his wife employed as a food checker at Alpha Beta for 26 years. They have owned this home for 39 years. Mr. Simmons had a stroke. They found they needed cash. They received a cold call, a phone call from somebody. They wanted $500,000, to be able to get a loan, take this out, use it for medical expenses.

They offered them a $629,000 loan with $25,000 cash back, 4.5 percent interest rate, and monthly payments of $2,000. Now, they are not college graduates. These are working people who did everything they could to buy a home, who have kept that home up for 39 years in good condition, and who today are going to lose that home.

And here is why: There was no cash back, different from what they were promised. The interest was 11.2 percent on this loan. The monthly payments were not $2,000 as they were told; it was $5,300. When they had to make the first payment, they called the broker and said: You told us $2,000. Why is it $5,300?

The broker said: It is only that for 4 months, to draw down the interest rate.

They said: Ok, I guess we can do it for 4 months. It was not only for 4 months, it was for the length of the mortgage. And the broker walks off with a $20,000 fee.

Now, in my book this is fraud. There are some who say: Oh, people get the papers. Let them read through them.

You have bought a home, Mr. President. I have bought a home. I did not read all of the fine print on all of the documents. I depend on the word of the broker. And I believe most people do that.

Now, I am not a lawyer. I do have a college degree. What if I only had a high school degree or not even that? I worked all my life. I do not understand the fine print. This is why you have professionals representing you to tell you the truth.

There is a penalty—should be—if they do not tell you the truth. Buying a home should not be a scam. Refinancing a home should not be a scam. So we then went on the Internet. Let's see what companies advertising to employ brokers say. And here is one of them. Here is the source. We accessed it on February 27 for brokers: No experience, education, or exam is necessary. No experience, education, or exam is necessary.

They go on to say to the company: You can hire unlicensed sales agents to originate loans under your company license.

I do not think they should be able to do that because it is these people who pick up the phone and call the homeowners and offer that second mortgage. Particularly in the subprime market, where many people have very little, if any, downpayment, this presents enormous difficulty.

Consequently, we have a real problem. I hope this amendment passes today. Perhaps some people do not like this or that. It can be worked out in conference. But when we are passing this bill, we ought to pass something that says once and for all the Federal Government is willing to step in, set minimum standards; you, the State, set up your laws, set up your licensing requirements. These are the minimum standards, and you can add to them and see that those people, mortgage brokers and lenders, are licensed.

The legislation also creates a database so that I, Joe Doe, about to buy a house, can go into my computer, if I have one, and see that my mortgage broker is licensed, know that he has been to school, know that he has been informed of ethics, know that he does not have a felony background right now, you can have a felony background—and know that his license is renewed annually so he is kept up to date on ethics and best practices.

This industry, real estate, because it controls such a large proportion of most people's wealth, their homes—their home is their rock. Everything flows from that home ownership. And for most people buying a home is truly the American dream. Owning, having that equity, building that equity over the years, being able to finance retirement from the equity in a home when they choose to sell it is such a big deal. And to have bad actors, flim-flam artists going around suckering in people makes me angry. So I would hope this body, on behalf of Senator MARTINEZ and me, will be willing to pass this legislation today.

I ask unanimous consent to add Senator KLOBUCHAR as a cosponsor.

The PRESIDING OFFICER (Mr. WHITEHOUSE). Without objection, it is so ordered.

Mrs. FEINSTEIN. I ask unanimous consent to add to the RECORD letters from the State Bank Supervisors and the National Association of Mortgage Brokers in support of this amendment.

There being no objection, the material was ordered to be printed in the Record, as follows:

CONFERENCE OF
STATE BANK SUPERVISORS,
Washington, DC, April 3, 2008.

DEAR SENATOR: The Conference of State Bank Supervisors (CSBS) supports the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S. 2595 the SAFE Mortgage Licensing Act of 2008) introduced by Senators Feinstein and Martinez.

The SAFE Mortgage Licensing Act of 2008 will help protect borrowers from unscrupulous lenders and brokers and improve transparency in the mortgage lending process. CSBS encourages Congress to include this bipartisan reform in a legislative package to address the current mortgage crisis.

State regulators recognize that this reform effort builds on state initiatives to modernize our mortgage regulatory system. Specifically, the legislation establishes a nationwide mortgage lending database that coordinates with the Nationwide Mortgage Licensing System currently being operated by CSBS and the American Association of Residential Mortgage Regulators (AARMR).

By January of this year, 42 state agencies representing mortgage regulators in 40 states have signed a statement of intent indicating their commitment to participate in the CSBS/AARMR Nationwide Mortgage Licensing System. Eventually, CSBS and AARMR expect all 50 will transition onto the System. The System successfully began operations on January 2, with 7 states launching the system. An additional 9 states will be on by the end of 2008 with the rest of the states rolling on in 2009 and beyond.

Again, we strongly encourage you to include the provisions of the SAFE Mortgage Licensing Act in legislation designed to resolve the current mortgage crisis.

Sincerely

NEIL MILNER,
President and CEO.

NATIONAL ASSOCIATION OF REALTORS,
Washington, DC, April 3, 2008.

Hon. DIANE FEINSTEIN,
U.S. Senate,
Washington, DC.
Hon. MEL MARTINEZ,
U.S. Senate,
Washington, DC.

DEAR SENATORS FEINSTEIN AND MARTINEZ: On behalf of over 1.3 million members of the National Association of REALTORS, I want to share our views on the SAFE Mortgage Licensing Act amendment offered by Senators Feinstein and Martinez.

We believe this amendment will go far toward preventing another subprime market failure that would further erode confidence in the Nation's housing finance system. While responsible subprime lenders have played an important role in helping millions of consumers achieve homeownership, abusive subprime lending has occurred much too often. As a result, roughly 2.2 million American households have been projected to lose their homes and as much as $164 billion due to subprime mortgage foreclosures.

Many of the provisions of the amendment are consistent with NAR's ''Responsible Lending Principles.'' We believe our principles provide an appropriate basis for legislation that would help eliminate irresponsible practices such as making loans without sufficient regard to the borrower's ability to repay the loan and avoid foreclosure.

The National Association of REALTORS supports responsible lending, mortgage servicing and appraisal practices. We support this amendment that will help close the door on abusive lending practices.

Sincerely,

RICHARD F. GAYLORD,
2008 President.

Mrs. FEINSTEIN. I yield to the distinguished Senator from Florida, Mr. MARTINEZ.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MARTINEZ. I thank the Senator from California. What a pleasure it is to work with the Senator on this bill, this important piece of legislation. She has stated it so well.

I want to perhaps go over a few items I think ought to be also said. I know when I first became Secretary of Housing and Urban Development I was shocked at the role, ever-increasing and prominent role, that mortgage brokers play in the home purchasing process.

When there is such a close working relationship with a customer—there are issues that deal with premiums, there is the question of fiduciary responsibility—all of these issues arise because of that relationship, and oftentimes it is the closest point of contact with the customer. And many times they are the most vulnerable of customers.

So that is why I am delighted to join with the Senator from California in the Safe Mortgage Licensing Act. I hope, like her, that we can get at it and talk about it, and I would like for us to work with the managers of the bill. I know there are some concerns that the Senator mentioned perhaps that can be resolved in conference. But I look forward to working with the bill managers toward the resolution of those small issues that may remain.

With foreclosures at record levels and home prices in steady decline, we must act quickly to restore consumer confidence in the housing market. Florida has the dubious distinction of ranking No. 2 in the Nation in foreclosures. In February, Florida had one foreclosure filing for every 254 households, up more than 7 percent from January's rate—truly frightening.

Last year, more than 2 percent of Florida's households entered some form of foreclosure, and that is a 124-percent increase from the year of 2006. Many of these foreclosures can be attributed to predatory lending practices

of unscrupulous mortgage brokers. And while the mortgage broker industry ought to be commended for supporting this bill, and to my own profession of law, there are always bad actors out there. That is what this is getting at.

Let me point out, in the State of Florida we have the dubious distinction of leading the country when it comes to foreclosures. This is the list of the top cities across the country. And you can see why the Senators from Florida and California are here talking about this. We have been hit hard.

No. 1 leading the country is Cape Coral-Fort Myers, FL, at 5.8 percent. Then we have No. 2, which is Port St. Lucie, FL, at 3.9 percent. Then Miami, Miami Beach, and Kendall at 3.1 percent; Fort Lauderdale, Pampano, Deerfield Beach at 3 percent. And then after a couple of California communities and Ohio, we have Naples-Marco Island, FL, at 2.7 percent. This is concentrated in some of the better areas of Florida where home prices have been in a dramatic rise for many months and years in the recent past.

The current system provides little coordination between State regulators and, therefore, exposes consumers to predatory loan originators who have crossed State lines. The creation of a nationwide system will eliminate bad actors by keeping track of those who violated the law, had their licenses revoked or failed to fulfill appropriate educational requirements that will benefit families and eventually the marketplace.

It would give home buyers more transparency and more peace of mind as they make one of the most important decisions and, frankly, maybe the largest financial decision of their lives. The SAFE Mortgage Licensing Act would, for the first time, establish a national professional licensing standard for mortgage brokers and lenders. This would ensure that all mortgage professionals are trained in Federal lending laws, ethics, consumer protection, and subprime market lending. The legislation also would create a national database that consumers can use to verify the credentials of the brokers and lenders. This amendment would require all residential mortgage loan originators to be licensed, provide fingerprints, and a summary of work experience, and consent to a background check.

States are given 12 months to develop licensing standards to ensure that applicants meet the following minimum criteria: No felony convictions; no similar license ever revoked; a demonstrated record of financial responsibility; successful completion of educational requirements; and passage of a written exam. If this does not occur, the Housing and Urban Development Secretary is empowered to develop the national database and license, generating revenue for its implementation through fees to license applicants. The Federal Reserve, Treasury, and FDIC must also register all residential mortgage loan originators employed by national banks within 12 months of this legislation being enacted.

The SAFE Act has been endorsed by mortgage regulators in 40 States, and the National Association of Realtors agrees with and supports this amendment.

I thank the Senator from California for working with me on this important piece of legislation. We need to do more to empower families who have worked hard, who look to home ownership as an important piece of their American dream. While there are details to be worked out, I look forward to working with Chairman DODD and Ranking Member SHELBY to see if we cannot eliminate any concerns that might be out there. We don't want to throw the net so wide it may ensnare people for whom we are not intending this to be their concern, but we also are committed to getting this done. This is an important step forward. I look forward to moving the process along.

I appreciate working with the distinguished Senator from California.

I thank the Chair, yield the floor, and suggest the absence of quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. Mr. President, I ask unanimous consent that the pending amendment be laid aside for the purpose of my offering an amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 4407 TO AMENDMENT NO. 4387

Mr. KYL. Mr. President, I ask that amendment No. 4407 be called up. I believe it is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 4407 to amendment No. 4387.

Mr. KYL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to adjust for inflation the dollar limitation for the principal residence gain exclusion)

At the end add the following:

TITLE __—PRINCIPAL RESIDENCE GAIN EXCLUSION

SEC. __01. INFLATION ADJUSTMENT FOR PRINCIPAL RESIDENCE GAIN EXCLUSION DOLLAR LIMITATION.

(a) IN GENERAL.—Section 121(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—In the case of any calendar year after 2008, the dollar amount contained in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $1,000.''.

(b) CONFORMING AMENDMENT.—So much of subparagraph (A) of section 121(b)(2) of the Internal Revenue Code of 1986 as precedes clause (i) thereof is amended to read as follows:

''(A) LIMITATION FOR CERTAIN JOINT RETURNS.—Paragraph (1) shall be applied by doubling the dollar amount specified in such paragraph if—''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2008.

Mr. KYL. Mr. President, this amendment is actually very simple, and I think it will be another one of the things that we can do to help promote home ownership and the transfer of property to make it less expensive for people and, frankly, to advance a policy that we should have advanced a long time ago.

Most people know under current law they can exclude $250,000—for a married couple it is $500,000—from the capital gains when they sell their principal residence. In other words, even though you may make $250,000 on the value of your home when you sell it, that is excluded from the capital gains that would otherwise have to be paid.

You are limited by some requirements. You have to live in the home for 2 years. You have to own and occupy the home in 2 of the previous 5 years from the sale. But you are able to exclude from the capital gains $250,000. The problem is, as we found out with the alternative minimum tax, inflation can drive the value of this exclusion down.

So what this amendment does, simply, is index the exclusion for inflation. It is very simple. I cannot imagine it would be controversial. What this would do, of course, is to preserve the value of this deduction that we have all taken advantage of for the future and thereby encourage individuals to purchase a new home. Of course, much of what we are trying to do in this legislation is encourage home ownership but, more than that, encourage people to purchase homes or be able to transact the sale and purchase of a home.

There is another point I want to make, and it is important because some people have been caught in an innocent situation with regard to the foreclosures we are concerned about. People do not buy homes, for the most part, to make money. Now, it is true there were speculators in this red hot housing market and, obviously, we are in no mood to bail out speculators. But most people buy a home to raise their family, and they live in the home.

This exclusion, of course, requires they live in the home for 2 years out of 5 years before the sale. So we are not

talking about the situation where brokers would buy a home and then wait a couple months and flip it and sell it and make a big profit. This is for legitimate folks who bought a home to live in and have their family live in it and then sold it.

A large portion of a capital gain on a home is now inflation. That is the hard reality of it. I do not think any of my colleagues believe it should be subject to taxation. Unfortunately, inflation now is around 4 percent. It is growing faster than that. Therefore, for the future I think this is an important amendment as well.

So this amendment protects homeowners from unexpected changes in family status, employment, and health. It would help elderly taxpayers who sell their home and choose to move into less expensive housing during their retirement. Frequently, there is a capital gain on their longtime residence, and it would help them avoid having to pay a capital gains tax.

It clearly simplifies tax administration and record keeping. It would provide people with a much easier situation for acquiring a home.

Mr. President, there are some additional arguments that I could make. Let me cite a couple statistics. Then I am hoping I can perhaps engage some of my colleagues in a discussion to see if there would actually be a need to vote on this amendment or whether we could agree to it.

Let me cite a couple statistics. Usually we do not like to get into this much detail, but I think in this case it makes sense. We have seen housing prices now fall from what some call their bubble highs—the value that was driven up so dramatically, and now it has fallen. Alan Greenspan famously called it the froth in the housing market.

But housing prices are still much higher than they were in 1997. I think about my State. I think about the Senator from California, her State, and those States where property values appreciated, but a lot of that appreciation is now due to inflation.

Here are a couple of interesting stats: The median single-family home price in 1997 was $146,000. A decade later, in 2007, the median home price was $247,200—over $100,000 more in just 10 years. The median home price in California 10 years ago was $186,500, roughly. In February of 2008 it was $409,240—in other words, an increase of $222,750.

So, very clearly, there is a huge inflation factor going into the value of these homes, and we are going to have to pay capital gains tax on that above the $250,000 level if we do not index that amount for inflation.

So I could go on. I think it is so simple. It is a proposition that I would assume would have support from both sides of the aisle. There is nothing political about this, of course, and it would certainly help a lot of our homeowners at a time when we are searching for ways to do exactly that.

So I would pause at this point to see if anyone has any objection or questions about it. I will yield the floor otherwise. But I would love the opportunity to get into a discussion about it and see if there is any concern on anybody's part about it.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, if I may, let me say to my friend from Arizona, I do not know. I have asked Senator BAUCUS and Senator GRASSLEY, with matters involving tax policy, to come over and defer to them.

Mr. KYL. I appreciate that.

Mr. DODD. This is within their jurisdiction, and I just do not feel competent to address this as an issue. I am told by staff we are waiting for a score on this, how you would score it. That much I do know, that you have to score tax amendments. So I will let them come over and make a case for or against when they arrive. They should be here at some point to respond to the Senator from Arizona. I apologize to him, but I just do not feel—

Mr. KYL. Mr. President, I appreciate that. We have an estimated cost, but perhaps we should wait until my colleagues get here. I will be happy to discuss that aspect of it as well.

With that, if there is no further discussion, then I will be happy to yield the floor. But I certainly hope my colleagues will take a look at this amendment and join me in supporting this amendment for the benefit of homeowners all over the United States of America.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I ask unanimous consent to lay the pending amendment aside so I can offer the amendment I spoke on earlier today.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 4389 TO AMENDMENT NO. 4387

Ms. LANDRIEU. Mr. President, I call up amendment No. 4389 for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Ms. LANDRIEU], for herself, Mr. COCHRAN, Mr. VITTER, and Mr. WICKER, proposes an amendment numbered 4389 to amendment No. 4387.

Ms. LANDRIEU. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to allow use of amended income tax returns to take into account receipt of certain hurricane-related casualty loss grants by disallowing previously taken casualty loss deductions, and to waive the deadline on the construction of GO Zone property which is eligible for bonus depreciation)

At the end add the following:

TITLE __—HURRICANE-RELATED CASUALTY LOSSES

SEC. __01. USE OF AMENDED INCOME TAX RETURNS TO TAKE INTO ACCOUNT RECEIPT OF CERTAIN HURRICANE-RELATED CASUALTY LOSS GRANTS BY DISALLOWING PREVIOUSLY TAKEN CASUALTY LOSS DEDUCTIONS.

Notwithstanding any other provision of the Internal Revenue Code of 1986, if a taxpayer claims a deduction for any taxable year with respect to a casualty loss to a personal residence (within the meaning of section 121 of such Code) resulting from Hurricane Katrina or Hurricane Rita and in a subsequent taxable year receives a grant under Public Law 109-148, 109-234, or 110-116 as reimbursement for such loss from the State of Louisiana or the State of Mississippi, such taxpayer may elect to file an amended income tax return for the taxable year in which such deduction was allowed and disallow such deduction. If elected, such amended return must be filed not later than the due date for filing the tax return for the taxable year in which the taxpayer receives such reimbursement or the date that is 4 months after the date of the enactment of this Act, whichever is later. Any increase in Federal income tax resulting from such disallowance shall not be subject to any penalty or interest under such Code if such amended return is so filed.

TITLE __—GO ZONE PROPERTY

SEC. __01. WAIVER OF DEADLINE ON CONSTRUCTION OF GO ZONE PROPERTY ELIGIBLE FOR BONUS DEPRECIATION.

(a) IN GENERAL.—Subparagraph (B) of section 1400N(d)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

''(B) without regard to 'and before January 1, 2009' in clause (i) thereof,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

Ms. LANDRIEU. Mr. President, I really appreciate the cooperation of the manager because this is a very important amendment for the gulf coast. It is an amendment I offer with the support of the Senators from Mississippi—Mr. COCHRAN and Mr. WICKER—as well as Senator VITTER from Louisiana.

We have been waiting for some time now for some housing bill to get to the floor of the Senate where we could offer a small number of amendments that are essential to give aid during the ongoing housing crisis that exists in the gulf today.

I say to the Presiding Officer, as you know, as you remember because you have been down to Louisiana, to New Orleans particularly—and we are very grateful for the support that so many Senators have given—throughout the gulf coast, literally from Mobile to Beaumont, and particularly from Biloxi to Cameron Parish, there is still a tremendous crisis in housing and reconstruction.

I am not going to belabor the point—only to say that I have had Secretary Chertoff on the record as late as 3 weeks ago, Chief Paulson today, the IG of the Homeland Security Committee today in Homeland Security saying the Stafford Act was not intended to handle catastrophic disasters and that FEMA has yet to make any substantial progress in getting ready to handle catastrophic disasters. They have made

moderate progress. They have made modest but not substantial progress.

Our people need substantial everything. They needed it yesterday. They need it today. This amendment will help them get a little bit of it now. My amendment basically will allow the people of Mississippi and Louisiana and Texas and Alabama—those who are affected by Katrina, Rita, and Wilma, which was one of the worst seasons of hurricane disaster, in 2005—to basically receive the aid we have already sent to them through the community development block grants. In Louisiana we call it the Road Home Program. These programs were designed at the State level, but they were funded by us. In Mississippi it is called the Mississippi Homeowner Assistance Program. It has literally sent direct lifesaving aid to over 150,000 families in Louisiana and about probably 50,000 to 75,000 in Mississippi. I do not have the Mississippi numbers.

My amendment will help to correct this great injustice that is occurring now. We did not intend for this to occur, but it is going to occur if this amendment or something like this amendment is not adopted.

We sent under a design, basically designed by this Congress, an approximately $150,000 grant to homeowners to help close the gap between what their insurance covered and the total cost of their loss. As I have said many times, homes that were worth $1 million or $2 million were totally destroyed, as well as homes that were worth $50,000.

Many of these homes were not in the flood plain. They were not required to have flood insurance. They were destroyed by the failure of a Federal levee system that collapsed, as well as historic highs of flooding and water coming from Hurricane Rita, which was one of the toughest and most aggressive storms on record.

So the long and short of it is, when we sent this $150,000 grant—we are still in the process of sending it. It has been very slow, very frustrating, and just so aggravating to so many people who are holding on by their fingernails to try to save what equity they had in their homes, which, as you know, for most American families that is their personal wealth. I think 95 percent of all Americans have almost 100 percent of their entire personal wealth tied up in their home. So this issue of helping homeowners in the gulf coast is literally trying to help restore to them a lifetime of work. In some instances, generations of work have been lost in this storm.

Now, we are not making everybody whole. Believe me, there has been enough pain in the gulf coast to go around for a century or more. But what happens is, when they receive their $150,000 grant—and most people have received an average of about $65,000. The authorized level is $150,000, but you have to qualify for that amount. So the average is about $60,000, which sounds like a lot of money, but if your house was worth $500,000, and your insurance has refused to pay you, it is not a whole lot of money to rebuild your house with labor costs that are going up at 20 percent or more since the storm.

So what is happening now is, when they receive these grants—and under the tax law, they can take a casualty deduction. If they did that last year, what happens this year—by April 15, which is in about 2 weeks—for that family who makes $75,000 a year—let's say the Smith family—let's take the Jones and Smith families. They make about the same amount of money. One family this year who took the casualty loss deduction is going to have to pay $24,000 in taxes. The family only makes $75,000, if they are lucky enough to have the job they had before Katrina and Rita struck.

Now, this amendment is not cheap. I make no bones about it. It is about $1 billion. It can be done on an emergency basis. This most certainly is an emergency in housing.

So that is the essence of the amendment. The Finance Committee is well aware of it. We have been talking about it with them for over a year now actually. We have just been waiting for a time to get it fixed.

Now, again, this is an emergency. It is a real problem. It is almost April 15. We have, I would argue, families in America who need the most help on housing. I feel very sorry for people who are losing their homes in foreclosure, and I am not even going to try to say whether they are suffering more than the people in the gulf south. All I can say is the people in the gulf south didn't take out any adjustable mortgages. The people in the gulf south, most of them had already paid their 30-year mortgage. They own their house scot-free. They paid for it. Now they have lost everything, and we are trying to help them, but in my view, everything we try to do to help them kind of—sometimes it turns out to not help them as much as we would like. There is no textbook. There is no Stafford Act. There is no way to help people who lost everything because of levees that should have held but didn't. We are making it up as we go along, and this is part of my job here to do this. So we have to fix this, and that is what this amendment will do. I am very proud that the Senators from both States have agreed to cosponsor this.

On behalf of Senator COCHRAN, at his request—and I am happy to support it—there is also a small change in this amendment which will allow this deduction—this goes on the accelerated depreciation piece that we gave to help some of our businesses. We lost 20,000 businesses that weekend. I think Mississippi lost 1,800. That is a lot of businesses to lose over a weekend. To help those businesses and people get back on their feet, this Congress extended to them a way to accelerate their depreciation, but we said: The way to get that accelerated depreciation is you have to start your project by a certain time and finish by a certain time. The problem is, the recovery has been so much slower than everybody anticipated because we have never really gone through this catastrophic situation. Senator COCHRAN is right when he says we should eliminate the start date. We are not asking for an extension, so technically it really shouldn't add money. We are not asking to extend it to any time or to let a lot of new people come in. But for the same universe, just don't make them start their project the way it said, but let them end it. That is also in my amendment. So we will solve two big problems: We will help our businesses, many small businesses, get the full benefit of what we wanted to give them anyway, actually work for them, and we will make this grant program work for them.

Now, let me be clear. When we pass this amendment, which I hope we will do by unanimous consent or get a large vote on it because I think we really should do it in a bipartisan way, the people to whom we give this tax break—this will lower their rate to their regular rate they will have to pay. They have to go back and reimburse the Treasury for that deduction they took. So, in other words, we are not allowing them to take two benefits. They are going to have to lower their tax this year, eliminate the tax on Road Home, and go back and pay the Federal Government the benefit they took. Their CPAs will have to figure that out. But if we don't do this, there will be people who will be stuck with a tax bill they could not possibly pay, and they shouldn't have to; they have suffered enough.

So I know the Senator from Connecticut, the chairman of the Banking Committee, knows full well what is happening down in the gulf. This is only one thing we are attempting to fix. I have several other amendments I intend to offer, if my colleagues would allow me, at an appropriate time, but this is the amendment I wanted to get in. April 15 is right around the corner, and they need to know what our intention is. This will help so many people. I appreciate it. I will ask for this amendment to be voted on when the first group, however large that group is—2, 5, 6, 10—whenever the first group of amendments is voted on, I would like for this to be included in that group. I ask unanimous consent for that to be the case.

The PRESIDING OFFICER. Is there objection?

Ms. LANDRIEU. Mr. President, I will repeat for the Senator from Connecticut that I will be happy to take this amendment whenever, but I would like it to be voted on in the first group of amendments, however big that group is and whenever that group will be taken up.

Mr. DODD. Mr. President, if I may, reserving the right to object, I would say to my colleague, this is a tax

amendment, and I am very carefully deferring any questions regarding tax matters to the Finance Committee, to Senator BAUCUS and Senator GRASSLEY, as to how they want to proceed. So I really would be hesitant about agreeing to—no votes have been agreed to on anything at this point. I would strongly recommend that my colleague from Louisiana talk to Senator BAUCUS about this.

Ms. LANDRIEU. I appreciate that. Let me tell my colleague that I have, and it is included in their tax package. So just so the Senator from Connecticut knows, I will not agree to any votes going forward unless this amendment is in the group. So I am fine, and I will just stay here. The Finance Committee is well aware of this, and they have actually put it in their package. My concern is that their package may not ever really sort of get to the floor. There are some things in that package that I think really need to be voted on. So that is OK. I will just stay here, and we will work on what we can do. I really appreciate it.

Mr. DODD. Mr. President, further, having spoken with Senator BAUCUS and his staff on this matter, they are trying to accommodate the various amendments that are being posed in the area the Senator is also suggesting some ideas for, and I think they are desirous of accommodating as many as they can, provided it can be worked out. I don't know enough about this to say any more than that. They are working on it. It might make more sense to work with them to make sure we are OK.

Ms. LANDRIEU. Mr. President, again, I just want to be clear that I would expect this to be in the first group of votes that are taken as we proceed on this bill. Whether it is 2 or 3 or 10 or 20, this needs to be in it or I will object to going forward. Thank you.

The PRESIDING OFFICER. Does the Senator withdraw her unanimous consent or is there objection?

Mr. DODD. I have to object to any unanimous consent request at this time.

The PRESIDING OFFICER. Objection is heard.

Mr. DODD. Does my colleague from Louisiana need to be heard any further on the amendment?

Ms. LANDRIEU. No. Thank you.

Mr. DODD. Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SANDERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON of Florida). Without objection, it is so ordered.

AMENDMENT NO. 4401 TO AMENDMENT NO. 4387

Mr. SANDERS. Mr. President, I ask unanimous consent to lay the pending amendment aside so I may call up my amendment No. 4401 and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. SANDERS] proposes an amendment numbered 4401.

Mr. SANDERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To establish a national consumer credit usury rate, and for other purposes)

At the appropriate place, insert the following new section:

SEC. ___. NATIONAL CONSUMER CREDIT USURY RATE.

Section 107 of the Truth in Lending Act (15 U.S.C. 1606) is amended by adding at the end the following:

''(f) NATIONAL CONSUMER CREDIT USURY RATE.—The annual percentage rate applicable to any extension of credit may not exceed by more than 8 percentage points the rate established under section 6621(a)(2) of the Internal Revenue Code of 1986, as determined by the Board.''.

Mr. SANDERS. Mr. President, this amendment is extremely important because it addresses not only the foreclosure crisis we are seeing in this country, but it is also an issue that impacts millions and millions of Americans every single day of their lives well above and beyond the housing crisis.

What this amendment essentially says is the time is long overdue for this Congress to have the courage to stand up to the banks, credit card companies, and mortgage lenders who are charging outrageously high interest rates and ripping off the American people. I know when I go back to Vermont, I talk to people who say: Why is it I am paying 20, 25, 28 percent interest rates on my credit card? I can tell you, as a former member of the Financial Services Committee in the House, we heard horror story after horror story about payday lending.

We know mortgage brokers are, in some cases, bringing forth unscrupulously dishonest packages that drive interest rates up far beyond what should be charged in this country. This is an issue we must address, and now is the time to do that.

Specifically, this amendment would cap all interest rates at 8 percent above what the IRS charges income tax deadbeats. Currently, the IRS charges a 6-percent interest rate to Americans who are late on paying their income tax returns. The IRS adjusts these rates every quarter based on the Federal funds rate. If the Federal funds rate rises, the interest rate the IRS charges late filers goes up as well. If the Federal funds rate goes down, so does the interest rate the IRS charges late filers.

If the amendment I am offering were to become law today, all interest rates would be capped in this country at 14 percent, including subprime mortgages, credit cards, auto loans, payday loans, and income tax refund anticipation loans.

Why 14 percent? How did we come up with that magical number? Well, it is interesting. I will tell you why we came up with that number. In 1991, our former colleague, the Republican Senator from New York, the former chairman of the Banking Committee, as I recall, Al D'Amato, offered an amendment that would cap credit card interest rates at 14 percent. Senator D'Amato was not remembered as a radical extremist. He was the chairman of the committee. Here is what is interesting. That amendment to cap interest rates at 14 percent for credit cards won on the floor of the Senate by a vote of 74 to 19; it was not even close. It had strong bipartisan support.

If I might, obviously, 1991 was a while ago and many people who served are no longer here. But a number of people who served in 1991 are still here today. These are the people who voted in 1991 for the D'Amato amendment to cap credit card interest rates at 14 percent in alphabetical order: Senators AKAKA, BAUCUS, BIDEN, BYRD, COCHRAN, CONRAD, DODD, DOMENICI, GRASSLEY, INOUYE, KENNEDY, KERRY, KOHL, LAUTENBERG, LEAHY, LEVIN, LIEBERMAN, MCCAIN, MIKULSKI, REID, ROCKEFELLER, SHELBY, SPECTER, STEVENS, and WARNER. Those 25 Members, in 1991, voted to cap interest rates at 14 percent on credit cards.

In truth, this amendment goes beyond credit cards to other areas where people are today paying very high interest rates. Similar to my amendment, the D'Amato amendment of 1991 was also pegged slightly above the interest rates for late income tax filers. We are using the same formula D'Amato used.

Let me quote Senator D'Amato on the floor in 1991:

Fourteen percent is certainly a reasonable rate of interest for banks to charge customers for credit card debt. It allows a comfortable profit margin but keeps banks in line so that interest rates rise and fall with the health of the economy.

Other people went to the floor and also spoke on this issue. Senator LIEBERMAN spoke on it and Senator DOMENICI spoke on it as well.

What I say to my colleagues is, if this legislation, which passed with overwhelming support in 1991, made sense then, let me tell you, it makes a lot more sense today. A recent report published by Tamara Draut, the director of the Economic Opportunity Program at Demos, found that one-third of all credit card holders in this country are paying interest rates above 20 percent and as high as 41 percent—more than double what they paid in interest in 1990. So if we had over 70 Members of the Senate voting to cap interest rates at 14 percent in 1991, today the vote should be even higher because the crisis is far more severe.

Between 1989 and 2006, Americans' overall credit card debt grew by 315

percent, from $211 billion to $876 billion. All over this country, people who are not earning enough money to pay for basic needs are buying groceries and gasoline to fill up their car with credit cards. And then, in turn, what happens is they are paying 20, 25 percent interest rates, and we have the cycle of misery going around and around, where they are too poor to pay with cash, so they pay with credit, and credit card interest rates are soaring, and they go deeper into debt.

I know this is a hard vote. It is no secret to anybody in the Senate that the financial services industry is enormously powerful. But it is time for us to think about the folks back home who are going deeper into debt and to stand with them and put a cap on interest rates.

One-third of low- and middle-income families reported going into credit card debt to pay for rent, utilities, and food in 2006. That same year, Americans charged $51 billion worth of fast food on their credit card, a 29-fold increase since 2001.

All of this, and more, has allowed credit card companies to earn $90 billion in interest in 2006 alone. I will repeat that.

But credit card companies are not the only ones charging outrageous interest rates. That is why this amendment I am offering expands on the D'Amato amendment to cover all forms of loans.

For example, the Center for Responsible Lending has found some American consumers are paying interest rates for payday loans as high as 800 percent. I think all the Senators understand this. These types of outrageous interests should not be allowed to continue. When the Federal Reserve has slashed the Federal funds rate five times, from a high of 5.25 percent to 2.25 percent, credit card interest rates should be going down, not up. Interest rates for payday loans should be going down, not up. If the Fed is cutting interest rates, how in God's name—and why—are people paying higher and higher interest rates on their credit cards, their mortgages, and in other areas?

One of the reasons for this scam, this rip-off, is the virtual lack of regulation in this country when it comes to interest rates. For example, credit card companies are able to raise interest rates at any time for any reason. I suspect I am not the only Member of the Senate who talked to a constituent who said: I pay my credit card bill on time every single month, and I used to be paying 9 percent, but now they raised it to 14 percent. What did I do wrong? Why are they raising my interest rates?

Every Member of the Senate has, himself or herself, received, along with everybody else in this country, all these fancy prospectives that come from the credit card companies, saying zero percent interest rate or 2 percent interest rate. But they forget to tell you in big bold print what is in the little print on page 4: They can raise interest rates any time for any reason. You don't even have to be late paying your phone bill or rent. They can raise it for any reason whatsoever.

One of the interesting facts, in terms of credit cards, is people would be stunned to know that the credit card companies send out, every single year—do you know how many of these things they send out? Four billion. We are a country of 300 million people. I thought I was getting all of them but apparently not. They seem to come to my house twice a day. Apparently, others are getting them as well. They send out 4 billion of these fancy brochures, urging you to buy into the credit card thing and it costs them a fortune. But, obviously, they can afford to do that because they are ripping off the American people, and they are charging 20, 25, and 30 percent, in some cases, in interest. This is unacceptable behavior. Lenders should not be able to raise interest rates at any time for any reason.

I am not going to go into a religious theme now. I am not going to do that. But I know the Presiding Officer is a religious person and probably more familiar with the Bible than I am. But he will know that the word ''usury'' is mentioned in the Bible on many occasions. I will not quote from them, but in Leviticus chapter 25, verses 35 to 37, the issue about usury rates is, in fact, addressed.

I will talk about Dante's ''Divine Comedy.'' In the ''Divine Comedy'' by Dante, he speaks about a special place for people who charge usurious interest rates, and that is the inner ring of the Seventh Circle of Hell.

I don't particularly wish that on the banking industry and all the lobbyists who come here every day. I don't wish that on them. But I do wish they would take a deep breath and understand that this is not just an economic issue, it is a moral issue. People who are struggling to pay their bills, who are going into debt, through no fault of their own, should not have to pay 25 or 30 percent interest rates.

Mr. DURBIN. Mr. President, will the Senator yield for a question?

Mr. SANDERS. I will be very happy to yield to the Senator from Illinois.

Mr. DURBIN. I direct my question through the Chair to the Senator and thank him for offering the amendment and say to the Senator from Vermont that over a year ago, while making a phone call to someone in a financial institution in New York on an unrelated issue, the person said to me: Watch out for subprime mortgages. It did not register with me, but I should have paid closer attention. A few months ago, while making a similar call to a financial institution in New York, the fellow said: Watch out for credit cards because people are shifting their debt now into credit card debt with the sky-high interest rates.

Many people listening may ask what is this about. This is supposed to be about housing. It is not about housing. It is about the credit vulnerability of America. Housing is the first canary in the cage the Senator shared, if he will allow me to use that analogy. Credit cards will quickly follow.

I say to the Senator from Vermont, when we debated bankruptcy reform on the floor of the Senate 3 or 4 years ago, the credit card industry was pushing that bill because they wanted credit card debt to survive bankruptcy so you could carry it to the grave. I put a provision in that bill that said on a monthly statement for a credit card asking for a minimum monthly payment, you have to disclose to the person holding the credit card how long it would take them to pay off the balance if they paid the minimum monthly payment. The credit card industry refused, saying it was technically impossible to calculate. Does anybody believe that?

I say to the Senator from Vermont, they had a feature on ''NOVA,'' which I think is an extraordinary program, about credit cards. They heralded this one man who is the guru of credit cards who dreamed up lowering the percentage of minimum monthly payments from 5 percent a month to 2 percent because he created an endless stream of debt. If you pay 2 percent, you will never catch up with yourself. You will pay debt forever.

So those who think this amendment of the Senator from Vermont is unrelated to our conversation about housing are wrong.

The last point I will make is, I thank the Senator from Vermont for mentioning payday loans. They rip off members of the military like no other entity in America, and they are a blight on America's credit horizon.

I thank the Senator for offering this amendment. My question is, Can I sign on as a cosponsor?

Mr. SANDERS. With pleasure. I thank the Senator from Illinois.

Mr. President, I will conclude because the Senator from Illinois made the point better than I can make it. Every Member of the Senate knows this is a huge issue. In their heart, every Senator knows there is something immoral, that there is something outrageous about hard-working people paying 25, 30 percent, especially at a time when the Fed is lowering interest rates.

I say to my colleagues, it is no great secret. The financial services industry is very powerful. We all know that. They make huge campaign contributions. They have a lot of power here. But I hope that on this amendment, we have the courage to stand up to them.

In concluding, I remind my colleagues that in 1991, when Senator D'Amato offered a similar amendment, there was overwhelming bipartisan support. The American people want us to act on this issue. As the Senator from Illinois indicated, this is directly related to the housing crisis, and I think it is time we move forward and put a cap on interest rates.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mrs. MCCASKILL. Mr. President, I commend Senator SANDERS on his amendment and look forward to supporting it. We have a lot of work to do on credit cards. It is much worse than people realize in terms of some of the practices the credit card industry has employed. One of my favorites is trying to lure people to their limit on credit, and when they get them there, raising their interest rates and telling them: Well, you are at your credit limit.

I can give many examples of how that practice is utilized, including sending people the check already made out so if they sign their name on that check and use it, then they are at their credit limit and up pops their interest rate. All kinds of tricks are used to try to—by the way, don't ever try to pay off a bunch of credit cards because it is hard to pay them off. First, they don't want you to pay in full every month and they don't want you to pay them off. For gosh sakes, they don't want you to cancel a card. They will immediately take notice you lost your card because they are on the hook. In fact, I pointed out in one of the hearings we had to the credit card executives, the only thing that is easy to understand on this is the first line which says if you lose your credit card or your credit card is stolen, call this phone number because they know they are on the hook if the credit card is lost or stolen, so they are interested in you getting to them in those circumstances. All the other circumstances you press this number and maybe you will get someone who will talk to you after you have hung on the phone for 2 hours.

I do not rise to talk about credit cards today. I rise to talk about reverse mortgages. I have an amendment that will be called up at a later time. I am proud we have been working on this amendment. We had a hearing on this subject in the Aging Committee. We have been working with Senator SHELBY and his staff. We have been working with HUD. AARP has been helping with this amendment. They did a massive report that they issued about reverse mortgages.

If we look at the subprime mess and sit back and say, what caused the problem, the root of the problem is the people selling the subprime mortgages had no risk. If you have a risk, you are careful. If you have no risk, then it is very simple: I just have to close the sale.

We are doing the exact same thing with reverse mortgages. If you are watching any cable TV—and probably way too many people in this Chamber are watching way too much cable TV right now because everybody is watching the cable news channels because we are all addicted to the Presidential race and every twist and turn it encompasses—if you are watching any of the cable news shows, you are seeing advertisements over and over again by Robert Wagner, Pat Boone, and all these familiar, trusted faces saying: You know, don't miss out. There are advertisements that are being marketed to elderly people across this country that are saying: Don't pass up this Government benefit you are entitled to.

I have to tell the truth, I don't think anybody envisioned reverse mortgages were going to be called ''a Government benefit you are entitled to.'' Why are they saying that? They are saying that because ultimately the taxpayers are on the hook for these loans.

Guess what. The people who are selling them are making commissions, and they have no risk. We kind of like these reverse mortgages around here because, guess what, we make some money on it, too. That is, the Federal Government. So there is a push to lift the lid on how many reverse mortgages can be marketed to elderly people because the Federal Government is getting some of the money when they are sold. But we are going down a dangerous path because we are marketing a product that is complicated and expensive to the most vulnerable population in America.

For many of these elderly people, all they have is their home. For many of these elderly people, they do not have a loved one with whom they can talk about whether this financial instrument is a good idea.

Don't get me wrong, some reverse mortgages are good and they may be appropriate in some circumstances. But here is what is not appropriate: We require counseling. We have appropriated a whopping $300 million for counseling. They have to have counseling in every case, so guess who is paying for the counseling? Bad news: The lenders are paying for the counseling. So the same people who want to close the loans are paying the counselors who are supposed to be giving these elderly people advice that is unbiased as to whether this is a good idea for them.

The amendment will step up to the plate and say we are not going to repeat the subprime fiasco with the Nation's ''greatest generation.'' We are going to, in fact, fund the counselors so they get good, independent information. We are going to make sure those counselors are certified. Right now, they can have a criminal record, they can have no training. This is the wild, wild west out there selling a financial product that is expensive and complicated to our elderly. It does not take a rocket scientist to figure out that is a dangerous combination.

The other thing this amendment does is it is going to prohibit someone who is marketing one of these reverse mortgages from being able to sell another product. Believe it or not, there are actually some people who are sitting down with elderly people right now in America saying: We are going to get you a reverse mortgage and, by the way, at the same time, we are going to sell you a deferred annuity. I don't know how these people look themselves in a mirror.

We had a witness in front of our committee whose mother was in her eighties and sold a deferred annuity and a reverse mortgage at the same time. It is unconscionable to make the sale and make the money. It is a get-rich-quick scheme for some of these sales people. If we can provide certified counselors who are truly independent to make sure that every elderly person understands exactly what they are getting into, and if we can make sure they are not being marketed products that are inappropriate by the same people who are selling them reverse mortgages, and if we can make sure we are not closing a blind eye to this because we are benefiting in the short run from the marketing of these products, then I think reverse mortgages have an appropriate place as one potential help to people in their elderly years who need to get the equity out of their homes for emergencies or medical bills or even to send a loved one to college. Right now, it is a dangerous situation.

I look forward to hopefully having unanimous, bipartisan support for this amendment. As I say, HUD has been very helpful in drafting this language, along with AARP, along with our colleagues on the other side of the aisle. It is well thought out. I think it is very appropriate, noncontroversial. It is not opposed by the industry. There are many good guys who are doing this work. We want to make sure we are protecting the elderly from the bad guys and making sure we are not standing here 5 years from now saying: Why didn't we do something about reverse mortgages? It is the same kind of dangerous mix we have in the subprime mortgages.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The chairman of the Banking Committee.

Mr. DODD. Mr. President, before our colleague from Missouri leaves the floor, I thank her. She has done a terrific job on this proposal. I know she is working with Senator SHELBY and others on the committee in crafting this proposal in a way that can make a difference.

Our colleague is absolutely correct in describing this problem. It is despicable in many ways how people are being lured into arrangements they cannot afford. It would be devastating for them economically. I thank her for the proposal and let her know we are going to do everything we can in these hours of trying to work this out to accommodate this very important idea. She has put in tremendous effort on this issue and needs to be recognized. I thank the Senator from Missouri, and we will try to be helpful on this amendment. I thank the Senator for raising it.

My colleague from Vermont, Senator SANDERS, who has left the Chamber, offered his amendment. I listened to my colleague from Missouri. I spent the

last 20 years or so dealing with the credit card industry and various problems with it. I have not done terribly well, I might point out, trying to modify some of these ideas that have become outrageous. Senator CARL LEVIN of Michigan cares deeply about the issue as well. We have been preoccupied with the housing issue, obviously, in the Banking Committee over the last year, but we are also crafting legislation dealing with the credit card companies.

Many are doing the right things today. Some of the major companies are. I don't want to suggest here it is an indictment of every credit card company, nor do any of us have any objection to credit cards. It has been a tremendously valuable vehicle for a significant number of consumers. But an abuse of the process, and where literally they are targeting some of the most vulnerable people in our society and targeting them in such a way where the slightest delay, even an hour or so, can add significant cost, fees, and an interest rate climb, makes it virtually impossible for some people to ever get out from underneath their credit card debt.

The average person in this country today, an adult, has a revolving debt exceeding $9,300, getting close to $10,000, I was told the other day. And 95 percent of that is credit card debt. This is, obviously, heading in the wrong direction at a time when we have a negative savings rate and consumer debt is mounting. We need to be doing everything we can to make it possible for people to have credit cards, for the credit card industry to make a legitimate profit in that industry—that is critically important—but not to make it impossible for people to pay off these obligations and to get their lives in order.

This is one of the concerns I had with the bankruptcy bill a few years ago when it was adopted; that bankruptcy legislation made it so difficult for people with credit cards to get out from under those obligations if they took the bankruptcy act. So there are a lot of issues to talk about, and Senator SANDERS has raised an important issue and certainly Senator MCCASKILL has as well in talking about these problems. I want my colleagues to know that at some point we are going to craft legislation dealing with this issue in a comprehensive and thoughtful manner so we don't allow the abuses to go on where people never, ever can manage to climb out from under those obligations, saddling them with lifelong economic burdens and making it impossible for them to accumulate wealth and provide for the needs of their families.

So I appreciate very much their raising these concerns as they have this evening.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. ENSIGN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ENSIGN. Mr. President, I ask unanimous consent to set aside the pending amendment and call up amendment No. 4419 and ask for its immediate consideration.

Mr. DODD. Reserving the right to object, Mr. President, I see my colleague from Montana is here, and we need to see the amendment, first of all. I have no idea what the amendment is.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Nevada.

Mr. ENSIGN. Mr. President, the amendment I was attempting to offer is a bipartisan amendment on renewable energy at a time when our country is looking for cleaner sources of energy. We are also looking for more domestic sources of energy and at ways to help our economy. This housing bill is not just a housing bill, it is a bill to help our economy. It is a bill to keep us from going further into recession. The amendment I introduce is a bill Senator CANTWELL and I have worked on for the last several weeks because there has been an impasse on renewable energy legislation. The offsets that were included in the original bill were unacceptable. And because there are going to be very few vehicles that are moving this year, we are trying to get this amendment on this bill to try to get renewable tax credits included so it can be signed into law this year.

The problem is, if you wait too long on these renewable tax credits, these businesses will shut down because they require time in advance for planning and business development. So it is critical we get this done.

I know the chairman of the Finance Committee is working on a bill, he is working on some offsets, but the problem I see with what he is doing is it may not pass later on in the year, and it also may be too late. So this bill may be the best vehicle we have to ensure America becomes less dependent on foreign sources of oil and other energy sources. It may be the last chance we have to preserve over 100,000 jobs in the United States that have been and can be created in the renewables industry. And it may be the last chance we have this year to significantly help the environment in America.

So I appreciate that the Democratic chairman of the Finance Committee has objected to us bringing up this amendment, but we are going to continue to try to get this amendment on this bill. Mr. President, I think it is a mistake at this critical time for renewables and for our country that an objection has been made to our offering of this amendment at this time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, all of us are concerned about ways to protect and to make our country more self-sufficient in the production of energy. We have made many attempts on this floor, in fact a major bill was voted on last year and was actually one vote shy of the necessary 60 votes.

Many of us are working here, including the Senator from Nevada, as well as the Senator from Washington, Senator CANTWELL, to find a way to bring up a significant energy bill later this year. There are various candidate bills for that. One is something called the extenders, and I think that is one of several ways where we can get this done. Extenders is going to pass. That is not an idle bill. It is going to pass.

The amendment offered by Senator ENSIGN is unpaid for, and, to be honest, I frankly think the other body—some of them are called Blue Dogs—is not going to put up with it. We have to pay for an energy bill, and we are working on the offsets so we can get it paid for and so we can get it enacted into law.

So I think, at this point, it would be a mistake to bring up this version because it would not survive a point of order challenge, and I urge the Senator from Nevada to work with the Finance Committee, work with others together, in a concerted way, to get something passed rather than going solo and trying on his own to push something that is not part of a team but, rather, as an individual. Because individual efforts are not going to be as successful as team efforts, and so I urge the Senator to be a part of the team so we can get this thing passed.

Mr. ENSIGN. Will the Senator yield for a question?

Mr. BAUCUS. Through the Chair, I will be glad to.

Mr. ENSIGN. Mr. President, we have over 20 cosponsors of the bill we introduced today. It is a bipartisan effort. We are working as part of a team. What we are trying to do is work together.

So I would ask the Senator: With 20 Republicans and Democrats cosponsoring this bill together, does he consider them to be working as individuals or as part of a team? We will probably have over 50 cosponsors by the early part of next week. It seems to me that the way the Senate works is getting people together and not worrying about whether you are a Republican or Democrat but worrying about what is right for the American people. That is what we are attempting to do.

Mr. BAUCUS. I deeply appreciate the Senator wanting to be part of the team. There is another number here called 60. And it is my judgment that with more working together on measures with others, the greater the likelihood we will get this passed. We all want it passed. Let us do it in the context and in a forum in which we can get it passed.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CARDIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SANDERS). Without objection, it is so ordered.

Mr. CARDIN. Mr. President, I ask unanimous consent that the pending amendment be set aside so I can offer an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CARDIN. Mr. President, I ask unanimous consent to withdraw that amendment for a moment so we can make sure everyone has copies of it. I will use this time now to speak on the amendment, and then I will offer it when I have completed.

The PRESIDING OFFICER. The amendment is not yet pending.

AMENDMENT NO. 4421 TO AMENDMENT NO. 4387

Mr. CARDIN. Mr. President, the amendment I will be offering shortly, along with Senator ENSIGN, is an amendment that would try to help the housing market itself. It would provide a tax credit, a temporary tax credit just for this next year, for residential home purchases. It is for someone who is using the house as their primary residence. It would be a $7,000 credit spread out over 2 years. It would be aimed at trying to get people to buy homes today.

As I am sure you are aware and as has been explained on this floor, there is a glut on the housing market. There are so many homes that people are trying to sell, and potential buyers are reluctant to come in to purchase a home because they don't know whether the value will go down. They are waiting. They are sitting it out.

It was the housing market that triggered our current downturn in the economy. We need to pay attention to the housing market in order to get our economy back on track.

The intent of this amendment is to get more interest by home buyers so they will buy homes today knowing that the Government, through a tax credit, is covering some of their risks and making it more affordable for them to be able to buy a home. That is exactly what this amendment would do.

Senator ENSIGN and I have crafted this amendment so it is temporary. It is available only for the next year. We have crafted it so it is targeted. It only applies to first-time home buyers, those who are most in need. In the Nation, approximately 35 percent of those who buy homes are first-time home buyers. In my own city of Baltimore, it is closer to 65 percent. So it is a large number of people who are potentially in the market, but they are the most reluctant—those who do not own homes today are the most reluctant to come in and buy a home because of the uncertainty in the market. It is targeted in that it only applies to those of limited income, middle-income families. It uses the same dollar limits that are currently used in the District of Columbia tax credit that has been so successful in encouraging families to buy homes within our Nation's Capital. About 3,000 to 4,000 individuals every year take advantage of the tax credit we provide for the residents of the District to buy a home.

This credit, which is temporary and which is targeted, which is aimed at middle-income families, which is aimed at first-time home buyers, which is aimed at getting more interest among consumers into our housing so we can try to help our economy—I think it is the right complement to the legislation that is before us.

The legislation before us is aimed at trying to help people to be able to find mortgages. It is aimed at dealing with homes that are in foreclosure, trying to allow people to stay in their homes, and allowing local governments to have more ability to deal with refinancing homes for those who have subprime mortgages. I have already talked on the floor about this issue. It is aimed at trying to get better advice to people who may be buying homes, and it also has a tax credit. I acknowledge Senator ISAKSON, who has worked on that. It deals with distressed properties. I would also like to acknowledge that my colleague, Senator STABENOW, has been a longtime proponent of tax credits to stimulate home buys. This amendment is aimed at generating more interest in home buys so we can help bring our economy back to recovery.

I thank my colleague, Senator ENSIGN, for his input in helping to craft this amendment and his cosponsorship of it. I urge our colleagues to consider that.

Mr. President, I now offer that amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Maryland [Mr. CARDIN], for himself and Mr. ENSIGN, proposes an amendment numbered 4421 to amendment number 4387.

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to allow a credit against income tax for the purchase of a principal residence by a first-time homebuyer)

At the end, insert the following:

TITLE __—FIRST-TIME HOMEBUYERS' TAX CREDIT

SEC. __01. CREDIT FOR FIRST-TIME HOMEBUYERS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25D the following new section:

"SEC. 25E. PURCHASE OF PRINCIPAL RESIDENCE BY FIRST-TIME HOMEBUYER.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—In the case of an individual who is a first-time homebuyer of a principal residence in the United States during any taxable year, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to so much of the purchase price of the residence as does not exceed $7,000.

''(2) ALLOCATION OF CREDIT AMOUNT.—The amount of the credit allowed under paragraph (1) shall be equally divided among the 2 taxable years beginning with the taxable year in which the purchase of the principal residence is made.

''(b) LIMITATIONS.—

''(1) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—The amount allowable as a credit under subsection (a) (determined without regard to this subsection) for the taxable year shall be reduced (but not below zero) by the amount which bears the same ratio to the credit so allowable as—

''(i) the excess (if any) of—

''(I) the taxpayer's modified adjusted gross income for such taxable year, over

''(II) $70,000 ($110,000 in the case of a joint return), bears to

''(ii) $20,000.

''(B) MODIFIED ADJUSTED GROSS INCOME.—For purposes of paragraph (1), the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

''(2) LIMITATION BASED ON AMOUNT OF TAX.—In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this subpart (other than this section and section 23) for the taxable year.

''(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) FIRST-TIME HOMEBUYER.—

''(A) IN GENERAL.—The term 'first-time homebuyer' has the same meaning as when used in section 72(t)(8)(D)(i).

''(B) ONE-TIME ONLY.—If an individual is treated as a first-time homebuyer with respect to any principal residence, such individual may not be treated as a first-time homebuyer with respect to any other principal residence.

''(C) MARRIED INDIVIDUALS FILING JOINTLY.—In the case of married individuals who file a joint return, the credit under this section is allowable only if both individuals are first-time homebuyers.

''(D) OTHER TAXPAYERS.—If 2 or more individuals who are not married purchase a principal residence—

''(i) the credit under this section is allowable only if each of the individuals is a first-time homebuyer, and

''(ii) the amount of the credit allowed under subsection (a) shall be allocated among such individuals in such manner as the Secretary may prescribe.

''(2) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 121.

''(3) PURCHASE.—

''(A) IN GENERAL.—The term 'purchase' means any acquisition, but only if—

''(i) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only the individual's spouse, ancestors, and lineal descendants), and

''(ii) the basis of the property in the hands of the person acquiring it is not determined—

''(I) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

''(II) under section 1014(a) (relating to property acquired from a decedent).

''(B) CONSTRUCTION.—A residence which is constructed by the taxpayer shall be treated as purchased by the taxpayer.

''(4) PURCHASE PRICE.—The term 'purchase price' means the adjusted basis of the principal residence on the date of acquisition (within the meaning of section 72(t)(8)(D)(iii)).

''(d) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowed under any other provision of this chapter.

''(e) RECAPTURE IN THE CASE OF CERTAIN DISPOSITIONS.—In the event that a taxpayer—

''(1) disposes of the principal residence with respect to which a credit is allowed under subsection (a), or

''(2) fails to occupy such residence as the taxpayer's principal residence,

at any time within 24 months after the date on which the taxpayer purchased such residence, then the remaining portion of the credit allowed under subsection (a) shall be disallowed in the taxable year during which such disposition occurred or in which the taxpayer failed to occupy the residence as a principal residence, and in any subsequent taxable year in which the remaining portion of the credit would, but for this subsection, have been allowed.

''(f) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section with respect to the purchase of any residence, the basis of such residence shall be reduced by the amount of the credit so allowed.

''(g) PROPERTY TO WHICH SECTION APPLIES.—The provisions of this section shall apply to a principal residence if the taxpayer's date of acquisition of the residence (within the meaning of section 72(t)(8)(D)(iii)) and date of settlement on such residence are during the period beginning on the date of the enactment of this section and ending on the date that is 1 year after such date.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 24(b)(3)(B) of the Internal Revenue Code of 1986 is amended by striking ''and 25B'' and inserting '', 25B, and 25E''.

(2) Section 25(e)(1)(C)(ii) of such Code is amended by inserting ''25E,'' after ''25D,''.

(3) Section 25B(g)(2) of such Code is amended by striking ''section 23'' and inserting ''sections 23 and 25E''.

(4) Section 25D(c)(2) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(5) Section 26(a)(1) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(6) Section 904(i) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(7) Subsection (a) of section 1016 of such Code is amended by striking ''and'' at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting '', and'', and by adding at the end the following new paragraph:

''(38) to the extent provided in section 25E(f).''.

(8) Section 1400C(d)(2) of such Code is amended by striking ''and 25D'' and inserting ''25D, and 25E''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25D the following new item:

''Sec. 25E. Purchase of principal residence by first-time homebuyer.''.

Mr. CARDIN. I now yield to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. ENSIGN. Mr. President, I wish to applaud the Senator from Maryland, Mr. CARDIN, for his great work. It has been a pleasure working with his staff and with him personally on this very important amendment.

We are trying to help the housing situation in the United States. My State, Nevada, leads in foreclosures. I saw a statistic the other day that, after a record month of foreclosures in February, foreclosures in March were up another 50 percent over February. So it is a huge problem. There are a lot of young people out there—first-time home buyers—who want to get into the marketplace to try to participate in the American dream. That is what this amendment is about. It is targeted right at those young people, or the single person, who is trying to buy a home for the first time. And maybe they might even be a little older but have never been able to afford a home until now. This might be the economic incentive to get them into owning their home for the first time.

There are so many benefits to home ownership. There is more of a sense of community when you are paying property taxes; you care more about the schools; you care more about where those taxes are going.

So this is an excellent amendment at a great time when we are trying to help the housing market. But we will also be helping individual Americans with this tax credit at the same time. I wish to applaud the leadership of Senator CARDIN on this. We worked together well when we were both on the Ways and Means Committee in the House of Representatives. This is another example of what bipartisanship can be about. It is about putting the country before your party and looking for solutions that actually work. So I am proud to cosponsor this amendment and be the lead Republican on it. I hope this amendment can be adopted as part of the final package.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. Mr. President, let me say to my colleague again from Nevada, the two of us did work together very closely in the other body, and now it is a real pleasure to serve together in this body. It is a great honor.

I think the comments the Senator has made about home ownership are so important. Home ownership is critically important to our country. We know where there is home ownership, schools are better, the crime is less.

One of the statistics I found very interesting was a study in Chicago that there was a distinct relationship in a neighborhood between the number of foreclosures and the rise of violent crime. This is an issue that should involve all of us.

I also wish to thank Senator DODD. He has done a great service to our Nation in being able to bring forward a bill that has bipartisan support. That is not easy today; it is very difficult. We now have the opportunity to move forward.

I was explaining to Senator DODD that one of my constituents a little bit earlier this evening said: You know, we are so encouraged that Democrats and Republicans could come together on a housing bill, that there is now hope we can act quickly.

What he said to me is interesting. He said: You know, there are a lot of good things in this bill. I think I could have done it better. There are some things I would like to have seen in there. But what I like is you are able to move, you are able to get something done. It is a real signal to this country that Congress is engaged on the housing crisis and wants to do something to help that person who today is in danger of losing his or her home because of a foreclosure, or is in danger of walking away.

One of the things I found amazing is 50 percent of people walk away from their homes; they do not even try. This bill will give them hope that the Government is on their side. It can provide some additional financing, it is going to provide some additional help and counseling, it is going to provide an opportunity for that person to maintain the American dream.

The American dream is about being able to succeed in this country. The most visible sign is owning a home. A lot of people are going to lose their homes as a result of this recession. This legislation will make it possible for more Americans to save their homes.

The amendment Senator ENSIGN and I are offering is a way in which we believe, I think our colleagues believe, that this body has a responsibility to help build our economy. One of the ways we can do it is by encouraging more home ownership.

This amendment, by providing a tax credit, is saying: The Government is on your side. Go now, buy a home, we will help you hedge against the potential risk and make it a little more affordable for you to own a home.

I encourage my colleagues to accept that amendment.

I yield the floor.

Mr. ISAKSON. Would the Senator yield for a question?

Mr. CARDIN. I yield.

Mr. ISAKSON. Mr. President, I wish to ask the Senator from Maryland a point of clarification for the Members. This amendment is an additional tax credit in addition to the one that is already in the bill; is that correct?

Mr. CARDIN. That is correct.

Mr. ISAKSON. So what you are doing, you leave targeted the stimulus

to absorb the foreclosed properties, but you add a stimulus for first-time home buyers in the marketplace?

Mr. CARDIN. The Senator is correct.

Mr. ISAKSON. I wanted to make sure that is reflected in the RECORD.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I wish to thank my colleague from Maryland for his generous comments about the effort and to also commend him and Senator ENSIGN and others who are working on these ideas to provide some relief and some opportunity for people. I think he said it well.

It becomes almost axiomatic, maybe it is becoming overused, but it certainly captures what all of us feel. That is, there is no greater wealth creator, there is nothing more to stabilize a family or a community, there is nothing that does more for families than having a stable, reliable home. It sounds maybe silly to some people.

I am old enough to remember when this issue was never a partisan issue. In fact, some of the strongest advocates of affordable shelter came from some of the most conservative Members of this body historically. Going back, I recall as a young man growing up listening to the distinguished Senators from Alabama and others, they were ''Mr. Housing'' in those days. They made a huge difference. This was an issue where we all worked together to see to it that families and individuals had the opportunity to have affordable shelter.

So our colleague from Maryland is absolutely correct. In fact, you could make the case even more so today. And to watch what has happened over the last relatively short period of time, values decreasing, prices falling, which has been good news to some degree, except that obviously as supply increases demand and neighborhoods deteriorate—we were talking about the city of Baltimore.

I do not know if my colleague heard me talking about Bridgeport, CT, the other day. I have a new mayor that got elected, Bill Finch, former State Senator in Connecticut. He got elected to be mayor in my biggest city in Connecticut. He walks in to be mayor, he has got between 5,000 and 6,000 foreclosures in a city in Fairfield County, one of the most affluent counties in America, hearing as many as 6,000 families could be losing their homes in the coming days.

So his point here about how to make sure we rehabilitate, provide opportunity, create those ideas and thoughts that will make it possible for people to move into a home, to acquire a home, is critically important.

I commend him for that, thank him for his generous comments about the effort here tonight.

Mr. CARDIN. Let me thank again the Senator from Connecticut. The circumstances in Baltimore, in Maryland, in June we ranked 40th in the Nation in foreclosures. We now rank in the teens, 18th in foreclosures. The number of foreclosures in communities where we never thought we would see foreclosures is recordbreaking. That is not the type of records we want to have.

So as the Senator knows, it not only affects that homeowner who is going to potentially lose his or her home, it affects every house in the community. I was talking with some of the housing authority people, some of the people from the nonprofit community who work with these neighborhoods, and the cost to the neighborhood is staggering when you have foreclosed properties. So we are going to have to do something about that.

But it would be a lot better investment that we prevent the foreclosures for those who are financially able to stay in their homes. I think that is what your legislation does. I applaud you for that. Every person we can keep in the home who can afford to stay there will benefit many more people in that community. By the way, it is good for local Government. It will help their property tax revenues. It is good for local governments; I think it will reduce their costs. I think it is a win-win situation. So I congratulate you for bringing forward a bill we can act on quickly, in order to save homes for people who otherwise are likely to lose their homes and to strengthen neighborhoods that would otherwise be suffering as a result of those foreclosures.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, I wish to first extend my appreciation to the Senator in the chair for the courtesy he extended to me earlier with regard to the duties of the Presiding Officer. The Senator from Vermont is very kind.

Later on, I will be offering an amendment with Senator COLEMAN, and we think this is an amendment that will possibly be accepted. So I am going to wait and not offer the amendment until Senator COLEMAN is able to be here.

But I wish to go on and set the record of what this amendment would be. Under current law, if a person has a 401(k) retirement plan and they want to buy a house and it is to be their principal residence, they can take up to $10,000 out of their retirement plan for the purchase of that house and not pay the penalty under law for taking assets out of their retirement plan.

Now, since that is available to us under current law, would it not make sense for a person, if they are about to lose their home, their principal residence, to be able to take money out of their retirement plan in order to save their home from foreclosure, if it were done in a limited period of time, if it were the principal residence for them, not to have to pay that 10-percent penalty?

So that is the essence of the amendment. It would allow a person, under these circumstances, and this would only be available for 2 years, given the fact that now is the time of the foreclosure crisis, that the homeowner, on their principal residence, could then take $25,000 out of their retirement plan without having to pay that penalty.

Now, of course, if they keep it out, they are then going to have to pay income tax on that, which has up to that point been nontaxable because it has been in the retirement plan. But if they put it back in within a 3-year period, they would avoid the income tax.

So we are trying to make it available under the theory that if it is going to purchase a home and to give someone a break by going into their retirement savings, then it ought to be good public policy to help them save their home from foreclosure by going into their retirement savings in order to save their home.

That is why we think, at least from the early signals from the staff on both sides of the aisle, this would be a salutary amendment that may get some serious consideration to accept.

This benefit is limited to 2 years, so it is not going to be permanent. So it will address the situation here. Why? Because in most instances, for Americans, their home is the single source of wealth for those Americans. So it makes sense, it makes common sense, to allow homeowners to use every tool available to stay in their own home and avoid foreclosure and save their greatest investment.

So I am certainly encouraging my colleagues to support this amendment, and at the appropriate time, with the approval of the chairman of the committee, we will actually offer the amendment.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DODD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I ask unanimous consent that at 7:40 tonight, the Senate proceed to vote in relation to the following two amendments, with no amendments in order to the amendments prior to the vote; that if a point of order is raised against any of the amendments covered in this agreement for tonight and Friday and a motion to waive the appropriate point of order is made, then there be 2 minutes of debate with respect to the waiver prior to a vote on the motion to waive, equally divided and controlled in the usual form; and that upon the use or yielding back of the time, the Senate proceed to vote in relation to the amendments in the order listed for today and Friday: Murray-Schumer amendment No. 4397, and the Kyl amendment No. 4407; that when the Senate resumes consideration of the bill on Friday, the Senate then proceed to vote in relation to the following two amendments: Voinovich-

Stabenow amendment No. 4406 and the Landrieu, et al., amendment No. 4389, with no amendment in order to the amendments prior to a vote; that in the sequence of votes for today and Friday, after the first vote, the remaining vote be 10 minutes in duration.

The PRESIDING OFFICER. Is there objection?

Mr. KYL. Mr. President, reserving the right to object, but I will not object, it is my understanding it would be the intention of the majority leader that immediately following the prayer and pledge and the opening of the session, we would begin the votes, that there would not be a long period of leader time taken in speaking by the leaders; is that correct?

The PRESIDING OFFICER. The majority leader.

Mr. REID. I say to my friend, I am always very short in my speeches. But we will have to talk to Senator MCCONNELL. I am happy to set a good example and have about a minute and a half.

Mr. KYL. I appreciate that very much. I do not object, therefore.

Mr. DODD. Mr. President, I said 7:40. Let me modify the request and say 7:30. I was trying to provide a little leeway.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona.

AMENDMENT NO. 4397

Mr. KYL. Mr. President, with respect to Murray-Schumer amendment No. 4397, I make a point of order that the amendment violates section 201(a) of S. Con. Res. 21 of the 110th Congress.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, pursuant to section 201(b) of S. Con. Res. 21 of the 110th Congress, I move to waive the point of order for the consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the order, there are 2 minutes to be equally divided for debate.

The Senator from Washington.

Mrs. MURRAY. Mr. President, what our amendment simply does is provide an additional $100 million for counseling so families do not go into foreclosure. There is $15 billion in spending in this underlying bill, all of which is being declared an emergency. It seems to me that $100 million of it, which is a small additional amount compared to that $15 billion, that we know has a 96-percent success rate of keeping families in their home so they do not go into foreclosure, is a very smart investment.

I think it would be very foolish to block this on a budget point of order because it is one of the few issues in this bill that will actually keep people in their homes and prevent this crisis from getting larger.

I urge my colleagues to vote against the budget point of order.

Mr. President, I ask unanimous consent that Senator JACK REED of Rhode Island be listed as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate on the motion to waive?

The Senator from Alabama.

Mr. SHELBY. Mr. President, Senator DODD and I agreed to provide an additional $100 million for foreclosure counseling. This is already in addition to the $180 million provided for the same purpose earlier.

It is my strong belief that we should conduct some due diligence on the money we have already provided to ensure that it is being spent properly and, most importantly, that it is actually helping people.

In the interest of reaching an accommodation, I agreed to provide an additional $100 million. It is in the amendment. This brings the total spending for counseling for 2008 up to $280 million, an amount that represents a $238 million increase from last year. That is a lot of money.

If there is a gap between what we have provided and what is needed, that need can be addressed through the normal appropriations process.

I think a point of order has already been raised. I hope it will be sustained.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the motion to waive.

The yeas and nays were previously ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from New Mexico (Mr. BINGAMAN), the Senator from California (Mrs. BOXER), the Senator from West Virginia (Mr. BYRD), the Senator from New York (Mrs. CLINTON), the Senator from North Dakota (Mr. CONRAD), the Senator from North Dakota (Mr. DORGAN), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Illinois (Mr. OBAMA), and the Senator from Virginia (Mr. WEBB) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Kentucky (Mr. BUNNING), the Senator from Idaho (Mr. CRAPO), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Arizona (Mr. MCCAIN).

Further, if present and voting, the Senator from Kentucky (Mr. BUNNING) would have voted ''no.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 44, nays 40, as follows:

[Rollcall Vote No. 89 Leg.]

YEAS—44

Akaka	Johnson	Reed
Baucus	Kerry	Reid
Bayh	Klobuchar	Rockefeller
Bond	Kohl	Salazar
Brown	Landrieu	Sanders
Cantwell	Leahy	Schumer
Cardin	Levin	Smith
Carper	Lincoln	Snowe
Casey	McCaskill	Specter
Coleman	Menendez	Stabenow
Collins	Mikulski	Tester
Durbin	Murray	Voinovich
Feingold	Nelson (FL)	Whitehouse
Feinstein	Nelson (NE)	Wyden
Harkin	Pryor	

NAYS—40

Alexander	Dole	Martinez
Allard	Ensign	McConnell
Barrasso	Enzi	Murkowski
Bennett	Graham	Roberts
Brownback	Grassley	Sessions
Burr	Gregg	Shelby
Chambliss	Hagel	Stevens
Coburn	Hatch	Sununu
Cochran	Hutchison	Thune
Corker	Inhofe	Vitter
Cornyn	Isakson	Warner
Craig	Kyl	Wicker
DeMint	Lieberman	
Dodd	Lugar	

NOT VOTING—16

Biden	Conrad	Lautenberg
Bingaman	Crapo	McCain
Boxer	Domenici	Obama
Bunning	Dorgan	Webb
Byrd	Inouye	
Clinton	Kennedy	

The PRESIDING OFFICER. On this vote, the yeas are 44, the nays are 40. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained and the amendment falls.

AMENDMENT NO. 4407

The PRESIDING OFFICER. The question is on agreeing to the Kyl amendment No. 4407.

The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I raise a point of order that the pending amendment violates section 401 of Senate Concurrent Resolution 21 of the concurrent resolution for the budget for fiscal year 2008.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Mr. President, under section 904, I move to waive the Budget Act, and I will ask for the yeas and nays after the presentation by Senator BAUCUS and myself.

The PRESIDING OFFICER. Who yields time on the motion to waive?

Mr. BAUCUS. Mr. President, I will take 30 seconds out of my time.

This is not a proper amendment—

Mr. DODD. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAUCUS. Mr. President, this amendment essentially indexes the capital gains exclusion for the sale of a home. The problem is that homes are decreasing in value, not that they are increasing, and most people who are trying to sell their homes have a much lower market value for their house. Therefore, this is not a necessary provision for them.

This amendment would apply to others who are not subprime candidates who are in good shape and have nothing to do with the subprime issue, and I don't think we want to index for them at this point. It is $50 billion that is the cost. It is unpaid for. This swallows up the housing bill. This is not the proper time, and that is why the point of order should stand because it violates the budget.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Arizona is recognized.

Mr. KYL. Mr. President, this amendment is very simple. We all know that for individuals, there is a $250,000 exclusion from capital gain when you sell your owner-occupied property. For a couple, it is $500,000. But just like the AMT, it is not indexed for inflation. This amendment indexes that for inflation. That is all it does.

Now, to my colleague saying that home values are going down, here are two statistics. I will cite one for the Nation and one for one State. Ten years ago, the median family priced home was $146,000. Today, it is $247,000. That is $100,000. In California, the median price 10 years ago was $186,000, roughly. It was $409,000 in February of this year, an increase of $222,000. The reality is that inflation has caused a tremendous increase in the value of homes, and when they are sold, people are going to have to pay the capital gains tax above $250,000.

Could we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator's time has expired.

Mr. KYL. Well, Mr. President, might I ask unanimous consent for 15 seconds to make the point that the cost of this is $2.1 billion over 5 years, not the number the chairman indicated.

Mr. BAUCUS. Mr. President, on my remaining time, the cost is $15 billion over 10 years.

Mr. KYL. Ten years.

Mr. BAUCUS. We are taking 10-year numbers here. That is all we are talking about is 10 years, $15 billion.

Second, this is not targeted to people who need it the most. Who needs it the most are those people whose homes are declining in value, not those homes that are increasing in value.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the motion to waive the Budget Act.

Mr. KYL. Mr. President, I thought the yeas and nays had been ordered, but I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from California (Mrs. BOXER), the Senator from West Virginia (Mr. BYRD), the Senator from New York (Mrs. CLINTON), the Senator from North Dakota (Mr. CONRAD), the Senator from North Dakota (Mr. DORGAN), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Illinois (Mr. OBAMA), and the Senator from Virginia (Mr. WEBB) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Kentucky (Mr. BUNNING), the Senator from Idaho (Mr. CRAPO), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Arizona (Mr. MCCAIN).

Further, if present and voting, the Senator from Kentucky (Mr. BUNNING) would have voted ''yes.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 41, nays 44, as follows:

[Rollcall Vote No. 90 Leg.]

YEAS—41

Alexander	DeMint	Martinez
Allard	Dole	McConnell
Barrasso	Ensign	Murkowski
Bayh	Enzi	Roberts
Bennett	Graham	Sessions
Bond	Grassley	Shelby
Brownback	Gregg	Smith
Burr	Hagel	Specter
Chambliss	Hatch	Stevens
Coburn	Hutchison	Sununu
Cochran	Inhofe	Thune
Coleman	Isakson	Vitter
Cornyn	Kyl	Wicker
Craig	Lugar	

NAYS—44

Akaka	Johnson	Pryor
Baucus	Kerry	Reed
Bingaman	Klobuchar	Reid
Brown	Kohl	Rockefeller
Cantwell	Landrieu	Salazar
Cardin	Leahy	Sanders
Carper	Levin	Schumer
Casey	Lieberman	Snowe
Collins	Lincoln	Stabenow
Corker	McCaskill	Tester
Dodd	Menendez	Voinovich
Durbin	Mikulski	Warner
Feingold	Murray	Whitehouse
Feinstein	Nelson (FL)	Wyden
Harkin	Nelson (NE)	

NOT VOTING—15

Biden	Conrad	Kennedy
Boxer	Crapo	Lautenberg
Bunning	Domenici	McCain
Byrd	Dorgan	Obama
Clinton	Inouye	Webb

The PRESIDING OFFICER. On this vote, the yeas are 41, the nays are 44. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected, the point of order is sustained, and the amendment falls.

Mr. DODD. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4389, AS MODIFIED

Mr. ROBERTS. Mr. President, I ask unanimous consent that the pending Landrieu amendment be modified to include my amendment No. 4422.

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

The amendment, as modified, is as follows:

At the end add the following:

TITLE __—HURRICANE-RELATED CASUALTY LOSSES

SEC. __01. USE OF AMENDED INCOME TAX RETURNS TO TAKE INTO ACCOUNT RECEIPT OF CERTAIN HURRICANE-RELATED CASUALTY LOSS GRANTS BY DISALLOWING PREVIOUSLY TAKEN CASUALTY LOSS DEDUCTIONS.

Notwithstanding any other provision of the Internal Revenue Code of 1986, if a taxpayer claims a deduction for any taxable year with respect to a casualty loss to a personal residence (within the meaning of section 121 of such Code) resulting from Hurricane Katrina or Hurricane Rita and in a subsequent taxable year receives a grant under Public Law 109-148, 109-234, or 110-116 as reimbursement for such loss from the State of Louisiana or the State of Mississippi, such taxpayer may elect to file an amended income tax return for the taxable year in which such deduction was allowed and disallow such deduction. If elected, such amended return must be filed not later than the due date for filing the tax return for the taxable year in which the taxpayer receives such reimbursement or the date that is 4 months after the date of the enactment of this Act, whichever is later. Any increase in Federal income tax resulting from such disallowance shall not be subject to any penalty or interest under such Code if such amended return is so filed.

TITLE __—GO ZONE PROPERTY

SEC. __01. WAIVER OF DEADLINE ON CONSTRUCTION OF GO ZONE PROPERTY ELIGIBLE FOR BONUS DEPRECIATION.

(a) IN GENERAL.—Subparagraph (B) of section 1400N(d)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

''(B) without regard to 'and before January 1, 2009' in clause (i) thereof,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

TITLE __—DISASTER TAX RELIEF ASSISTANCE

SEC. _____. TEMPORARY TAX RELIEF FOR KIOWA COUNTY, KANSAS AND SURROUNDING AREA.

The following provisions of or relating to the Internal Revenue Code of 1986 shall apply, in addition to the areas described in such provisions, to an area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (FEMA-1699-DR, as in effect on the date of the enactment of this Act) by reason of severe storms and tornados beginning on May 4, 2007, and determined by the President to warrant individual or individual and public assistance from the Federal Government under such Act with respect to damages attributed to such storms and tornados:

(1) SUSPENSION OF CERTAIN LIMITATIONS ON PERSONAL CASUALTY LOSSES.—Section 1400S(b)(1) of the Internal Revenue Code of 1986, by substituting ''May 4, 2007'' for ''August 25, 2005''.

(2) EXTENSION OF REPLACEMENT PERIOD FOR NONRECOGNITION OF GAIN.—Section 405 of the

Katrina Emergency Tax Relief Act of 2005, by substituting ''on or after May 4, 2007, by reason of the May 4, 2007, storms and tornados'' for ''on or after August 25, 2005, by reason of Hurricane Katrina''.

(3) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY MAY 4 STORMS AND TORNADOS.—Section 1400R(a) of the Internal Revenue Code of 1986—

(A) by substituting ''May 4, 2007'' for ''August 28, 2005'' each place it appears,

(B) by substituting ''January 1, 2008'' for ''January 1, 2006'' both places it appears, and

(C) only with respect to eligible employers who employed an average of not more than 200 employees on business days during the taxable year before May 4, 2007.

(4) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED ON OR AFTER MAY 5, 2007.—Section 1400N(d) of such Code—

(A) by substituting ''qualified Recovery Assistance property'' for ''qualified Gulf Opportunity Zone property'' each place it appears,

(B) by substituting ''May 5, 2007'' for ''August 28, 2005'' each place it appears,

(C) by substituting ''December 31, 2008'' for ''December 31, 2007'' in paragraph (2)(A)(v),

(D) by substituting ''December 31, 2009'' for ''December 31, 2008'' in paragraph (2)(A)(v),

(E) by substituting ''May 4, 2007'' for ''August 27, 2005'' in paragraph (3)(A),

(F) by substituting ''January 1, 2009'' for ''January 1, 2008'' in paragraph (3)(B), and

(G) determined without regard to paragraph (6) thereof.

(5) INCREASE IN EXPENSING UNDER SECTION 179.—Section 1400N(e) of such Code, by substituting ''qualified section 179 Recovery Assistance property'' for ''qualified section 179 Gulf Opportunity Zone property'' each place it appears.

(6) EXPENSING FOR CERTAIN DEMOLITION AND CLEAN-UP COSTS.—Section 1400N(f) of such Code—

(A) by substituting ''qualified Recovery Assistance clean-up cost'' for ''qualified Gulf Opportunity Zone clean-up cost'' each place it appears, and

(B) by substituting ''beginning on May 4, 2007, and ending on December 31, 2009'' for ''beginning on August 28, 2005, and ending on December 31, 2007'' in paragraph (2) thereof.

(7) TREATMENT OF PUBLIC UTILITY PROPERTY DISASTER LOSSES.—Section 1400N(o) of such Code.

(8) TREATMENT OF NET OPERATING LOSSES ATTRIBUTABLE TO STORM LOSSES.—Section 1400N(k) of such Code—

(A) by substituting ''qualified Recovery Assistance loss'' for ''qualified Gulf Opportunity Zone loss'' each place it appears,

(B) by substituting ''after May 3, 2007, and before on January 1, 2010'' for ''after August 27, 2005, and before January 1, 2008'' each place it appears,

(C) by substituting ''May 4, 2007'' for ''August 28, 2005'' in paragraph (2)(B)(ii)(I) thereof,

(D) by substituting ''qualified Recovery Assistance property'' for ''qualified Gulf Opportunity Zone property'' in paragraph (2)(B)(iv) thereof, and

(E) by substituting ''qualified Recovery Assistance casualty loss'' for ''qualified Gulf Opportunity Zone casualty loss'' each place it appears.

(9) TREATMENT OF REPRESENTATIONS REGARDING INCOME ELIGIBILITY FOR PURPOSES OF QUALIFIED RENTAL PROJECT REQUIREMENTS.—Section 1400N(n) of such Code.

(10) SPECIAL RULES FOR USE OF RETIREMENT FUNDS.—Section 1400Q of such Code—

(A) by substituting ''qualified Recovery Assistance distribution'' for ''qualified hurricane distribution'' each place it appears,

(B) by substituting ''on or after May 4, 2007, and before January 1, 2009'' for ''on or after August 25, 2005, and before January 1, 2007'' in subsection (a)(4)(A)(i),

(C) by substituting ''qualified storm distribution'' for ''qualified Katrina distribution'' each place it appears,

(D) by substituting ''after November 4, 2006, and before May 5, 2007'' for ''after February 28, 2005, and before August 29, 2005'' in subsection (b)(2)(B)(ii),

(E) by substituting ''beginning on May 4, 2007, and ending on November 5, 2007'' for ''beginning on August 25, 2005, and ending on February 28, 2006'' in subsection (b)(3)(A),

(F) by substituting ''qualified storm individual'' for ''qualified Hurricane Katrina individual'' each place it appears,

(G) by substituting ''December 31, 2007'' for ''December 31, 2006'' in subsection (c)(2)(A),

(H) by substituting ''beginning on June 4, 2007, and ending on December 31, 2007'' for ''beginning on September 24, 2005, and ending on December 31, 2006'' in subsection (c)(4)(A)(i),

(I) by substituting ''May 4, 2007'' for ''August 25, 2005'' in subsection (c)(4)(A)(ii), and

(J) by substituting ''January 1, 2008'' for ''January 1, 2007'' in subsection (d)(2)(A)(ii).

VOTE EXPLANATIONS

Mr. DURBIN. Mr. President, my colleague from Delaware, Senator BIDEN, was unable to get back to the Capitol in time for the two rollcall votes tonight.

He is a cochair of the Congressional Fire Services Caucus and, at the time of the votes tonight, he was addressing his many friends in the fire service who were attending the 20th Annual National Fire and Emergency Services Dinner.

Mrs. BOXER. Mr. President, had I been present for the vote today to table the Durbin amendment to help families save their homes in bankruptcy, I would have cast a vote of nay. I am a cosponsor and strong supporter of the Durbin proposal, which could have helped more than 600,000 of these financially troubled families keep their homes by allowing them to modify their mortgages in bankruptcy.

Mr. ROBERTS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. DODD. Mr. President, I ask unanimous consent that the Senate proceed to a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

HONORING OUR ARMED FORCES

SERGEANT FIRST CLASS LANCE S. CORNETT

Mr. MCCONNELL. Mr. President, I rise today to speak for a soldier from Kentucky who has fallen in the war on terror. SFC Lance S. Cornett of London, KY, was killed while engaging the enemy in a firefight near Ramadi, Iraq, on February 3, 2006. He was 33 years old.

As a special operations soldier, Sergeant First Class Cornett was among the most elite of the men and women who make up our fighting forces. A veteran of nearly 15 years, he received many awards, medals, and decorations throughout his career, including nine Army Achievement Medals, four Army Commendation Medals, the Joint Service Commendation Medal, the Defense Meritorious Service Medal, the Purple Heart, and three Bronze Star Medals for Valor.

As a highly trained member of a special operations team, Sergeant First Class Cornett also earned the prestigious Ranger and Sapper tabs.

''He was a very dedicated soldier, loving husband, and devoted father and grandfather,'' says Lance's wife, Sandra. ''Lance lived by and died by the words 'Don't Ever Give Up.' He taught us all to do the same.''

Lance's 10-year-old daughter, Cheyenne, adds simply, ''I hope to follow in my dad's footsteps one day, and it was truly an honor to be his daughter. He was a true American soldier.''

Lance's father, Rhudell Cornett, served as a Marine for 22 years, rising to the rank of master gunnery sergeant. But having a Marine sergeant for a father did not stop young Lance from sometimes getting into trouble. I'll let his mother, Karen McMullen, explain.

''While Lance's father was in the Marines, when Lance was three and his sister was four, and we were temporarily assigned to a base in Albany, GA, Lance decided to use the neighbor's golf cart and take his sister for a ride,'' she says. ''They went through the side of a trailer.''

Growing up, young Lance loved to camp, fish, ski, and go caving. He enjoyed outdoor sports. He collected dragon figurines. ''Eye of the Tiger,'' from the movie ''Rocky III,'' was his favorite song.

Lance's sister, Cristal Chesnut, has fond memories of her brother. ''He was my best friend,'' Cristal says. ''We went to school together. We worked together at McDonald's and we did everything together.''

Lance went on to graduate from London's Laurel County High School. Following in the footsteps of his father and other veteran relatives, Lance enlisted in the U.S. Army as an infantryman in August 1991.

He made the Army his career and sought to advance as far as he could, eventually becoming a special operations soldier. Special operations soldiers serve as the tip of the spear in our country's war on terrorism. Sergeant First Class Cornett had to endure rigorous military training to earn that position.

That training included successful completion of the air assault course, the basic airborne course, the sniper

course, the special forces diving supervisor course, and the military freefall jumpmaster course.

I mentioned earlier that Sergeant First Class Cornett also earned his Ranger and Sapper tabs. That meant he had successfully completed combat leadership training at the Army's Ranger school and in a Sapper leader course.

Lance was eventually assigned to the HHC Company, U.S. Army Special Operations Command, based in Fort Bragg, NC. His father, Rhudell, bought Lance a huge sword with a skull and crossbones on it that became his unit's official team logo.

Even while remaining the consummate soldier, Lance never lost sight of the simple pleasures of helping others. His wife, Sandra, tells us one story that illustrates this.

''We were in London one winter and it was really cold outside and snowing,'' Sandra recalls. ''We passed a homeless man. Lance went down the street and went back until he found [him and] he gave him the coat off of his back and all of the money he had. He was that type of person.''

His mother, Karen, tells another story that reveals the same sense of caring and compassion in the man everyone else called ''Lance,'' but she called ''Lanny.''

''Lance came home on leave before he was married,'' she says. ''His uncle Rayne Smith wanted to build a brick firepit in his back yard. He asked Lanny to help him. They went to buy the bricks and then Rayne said, 'I don't know how many to get.'

''Lanny said, 'Let's put it together here in the parking lot and then we'll know for sure.' They built the entire firepit in the parking lot before bringing the bricks home.''

Lance got married on February 10, 1996, to Sandra S. Cornett at the Laurel County Courthouse. Together they raised three wonderful children, Brandy Hart Rudy, Christopher Hart, and Breanna Cheyenne Cornett.

When Lance was home with his family, he would enjoy their company, and get down on the floor to play with his children. One time his mother asked him, ''How do you do what you do?''

Lance said to her, ''I turn my baseball cap the right way when I'm home and backwards when I'm not. I separate my work from my life.'' But whether at home or at work, Lance excelled at and was loved in both.

Lance was buried in Manchester, KY, and his uncle Rayne delivered the eulogy at the funeral. In London, England, they also held a memorial service. This was because Lance's special operations unit had once served alongside a British unit, and Lance earned so much respect from these men that they created a memorial to him and just this last November 11, Veterans Day, placed a wreath there to honor his life.

Recently, Lance's family received a visit from a soldier who was with Lance the day he died. This soldier stayed with Lance for 45 minutes after he had been shot, covering him and sheltering him in a ditch until he could be recovered.

He received the Silver Star for his heroic efforts. ''He is a wonderful man,'' Lance's mother Karen said about the warrior who became like a brother to her son on his last day on this Earth.

Mr. President, my prayers are with the Cornett family after the tragic loss of their husband, father, brother and son. We are thinking today of his wife, Sandra S. Cornett; his daughter, Breanna Cheyenne Cornett; his stepchildren, Christopher Hart and Brandy Hart Rudy and her husband, Benjamin Rudy; his mother, Karen McMullen; his sister, Cristal Chesnut and her husband, Jimmy, and their son, Jesse; his step-grandchildren, Logan and Taylor Rudy; his grandmother, Mary Lou Egan his uncle Rayne Smith, along with his wife Pam and their family; his uncle Warren ''Jopo'' Egan, along with his wife Patti and their family; and many other beloved family members and friends. Since Lance's passing, his father, Rhudel Cornett, has also sadly left us.

I have tried to describe Lance Cornett as best I can, Mr. President, but his mother, Karen, knows and understands her son more than I could ever hope to. So I will let her have the closing words.

''He was and is the finest man I've ever known, and it was an honor to be his mom,'' she says.

It is also an honor for this U.S. Senate to pay tribute to SFC Lance S. Cornett's lifetime of service. He gave his life in the performance of that service. Our Nation is richer today for the sacrifice he made on behalf of freedom's cause.

SMALL BUSINESS HEALTH OPTIONS PROGRAM (SHOP) ACT

Mr. DURBIN. Mr. President, yesterday I introduced a bipartisan bill with Senator SNOWE, Senator LINCOLN, and Senator COLEMAN to make health coverage more accessible and affordable for small businesses and the self-employed.

In Illinois and across the Nation, families and individuals agonize over the availability and rising cost of health insurance. Those who don't have health insurance desperately want it. And those who have health coverage realize how easily they could lose it.

Health insurance premiums continue to rise faster than wages and the rate of inflation, placing a great strain on businesses and family budgets.

We are seeing the consequences. People are less likely to receive health coverage through their employer today than in 2000. And the number of uninsured Americans has soared to 47 million, largely because of this drop in employer-sponsored coverage.

While everyone is struggling with rising health costs and reduced health coverage, small businesses and the self-employed experience these problems most acutely.

Workers in the smallest businesses are almost three times as likely to be uninsured as those who work for the largest businesses.

And when you look at who makes up the uninsured, you find that over 60 percent are either self-employed or work for business with fewer than 100 employees.

This disparity is not because small businesses don't want to offer health insurance. It occurs because small businesses face more obstacles than large employers when they seek coverage.

Administrative costs for health insurance are higher for small businesses than larger businesses. About 20–25 percent of a small business's premium goes to administrative expenses, compared to about 10 percent for large employers. Small businesses are less able to spread the risk of someone getting sick than large employers. Even a single employee with a serious medical condition can cause a dramatic increase in a small business's health insurance premium. Small businesses are also more likely to have lower wages and narrower profit margins than large businesses, making it more difficult for employers and employees to cover the cost of health coverage. Our bill addresses each of these problems. This is not comprehensive health care reform. We leave that to the next President.

But our legislation addresses one of the most serious weaknesses in our current health coverage system, by making health coverage more accessible and affordable for small businesses and the self-employed.

More than a year ago, Senator LINCOLN and I reached out to the National Federation of Independent Business and the National Association of Realtors to see if it was possible to find common ground on an issue that previously could not move forward in a closely divided Senate. We indicated a willingness to make changes to the approach we took during the previous Congress, and they expressed a desire to work with us to try to find a middle ground that would allow us to move forward in a bipartisan manner.

Over the course of many months, we have succeeded in finding that middle ground. With the contributions of Senators SNOWE and COLEMAN, we have developed a bill that provides practical solutions to the very real problems small businesses and the self-employed face in today's health insurance system.

Our bill has three core elements: purchasing pools for small businesses and the self-employed; health insurance rating reforms; and tax credits.

Our bill would create incentives for States to establish purchasing pools and would create a national pool that we call SHOP, the Small Business Health Options Program, for small businesses with up to 100 employees

and for the self-employed. Purchasing pools will lower administrative costs, provide more private health insurance plans for employers and employees to choose from, and enhance competition by making it easier to compare those plans and pick the one that best meets particular needs.

Our bill would prohibit insurers from setting premiums based on health status in both the national SHOP pool and in States' small group markets. Over time, the rating rules in SHOP would reduce insurers' ability to use other factors in setting premiums in order to reduce the wide variation in premiums that often exists today. The bill would provide incentives for states to adopt similar rating rules. These rating changes will make premiums more stable from year to year and make coverage more affordable for those who need it most.

To lower the cost of health coverage, our bill would provide a tax credit to small businesses with up to 50 workers who pay at least 60 percent of their employees' premiums. The size of the tax credit would be targeted to the size of the business. The full tax credit of $1,000 for self-only coverage and $2,000 for family coverage would be available to the smallest businesses, with the value of the tax credit phased down as the size of the employer increases. Employers who cover more than 60 percent of the premium would be rewarded with a bonus credit.

In addition, we would begin moving to a system where individual employees would be able to choose their own health plan instead of having their employer choose. Where rating rules permit it, each worker would be able to enroll in the health plan in SHOP that best meets his or her needs.

The bill we have introduced reflects our commitment to find reasonable compromises and address the challenges faced by small employers and the self-employed.

I am pleased that the National Federation of Independent Business and the National Association of Realtors support the bill.

I am also delighted that this is a bipartisan bill. We reached out to Senator SNOWE last year, and she has made valuable contributions to this bill. We are pleased that Senator COLEMAN also has joined us as a cosponsor of the bill.

I am also glad to say the Service Employees International Union is supporting our bill. It is a true sign of our ability to find a reasonable middle ground that such a diverse group has come together to support this bill.

We recognize that other Senators, on both sides of the aisle, have a sincere interest in addressing the problems small businesses and the self-employed are facing. We are committed to working with them to see if an even broader consensus can be found.

I hope my colleagues will take a close look at what we have developed so far and join with us in the fight to expand small businesses' access to affordable health insurance.

SMALL BUSINESS HEALTH PLAN ACT OF 2008

Mr. ENZI. Mr. President, I wish to discuss the cost of health care and what the Senate can do this year to make health care more affordable for America's working families.

Last summer I introduced a bill, Ten Steps to Transform Healthcare in America, which if enacted would provide every American with private health insurance. To help spread the word and get some suggestions and comments from the people of Wyoming, I took it on the road and headed throughout our State, making 10 stops to talk about my bill, Ten Steps to Transform Healthcare in America.

I designed Ten Steps to be an evolving product, something that could be moved in pieces. I have found that Congress isn't very successful doing things in a revolutionary way. I believe we can have success and accomplish real health care reform in an evolutionary fashion.

In just over 3 days we traveled over 1,200 miles, visited 10 towns, and met with hundreds of Wyoming folks. They all had one message for us—they are worried about their health care, and so am I. Of all of the Ten Steps, one in particular created a host of comments and support: Step No. 4, Small Business Health Plans. You see, 70 percent of the people in Wyoming work for small businesses. They experience firsthand the challenges of finding affordable health insurance and keeping it.

So today I am introducing Step 4 of my Ten Steps bill, the Small Business Health Plans Act of 2008, to give a special level of focus to the need to find a way to help small businesses stem the tide of rising health care costs. They simply cannot keep up with the increases and are clamoring for us in the Senate to do something, anything, to help. And do it now.

Small Business Health Plans is something I have been working on for a while with my friend, Senator BEN NELSON. I want to thank Senator NELSON for his leadership and expertise in this matter and for his steadfast support.

Step 4, the Small Business Health Plans Act, will reduce the cost of health care, especially for America's small business owners and working families. Today, of the 46 million people without health insurance in this country, 12 million people own or work for small businesses or live in families that depend on small business wages. Another 5 million are self-employed. That makes 17 million people who can't afford decent health insurance right now and would be helped by this bill.

Small Business Health Plans, SBHPs, will allow business and trade associations to band their members together across State lines and offer group health coverage to their employees. By banding groups of small businesses together on a regional or national basis, SBHPs create real purchasing power that small businesses could never have on their own. This purchasing power will allow them to negotiate for better prices and greater benefits. Just like big businesses do.

A report prepared by an independent analyst found that Small Business Health Plans would reduce health insurance costs for small business by 12 percent—in today's dollars, about $1,000 per employee—and would reduce the number of uninsured in working families by 8 percent, or approximately 1 million people. That is real relief.

The American people overwhelmingly support giving small businesses the same power that big companies have to negotiate for better benefits and better prices. And small business owners for years have been asking for the power that big businesses have, so they can secure affordable health care for their employees and their families.

Every day, emergency rooms treat more than 30,000 uninsured Americans who work for or depend on small businesses. That is at least 30,000 reasons why we need to get something done now to help create affordable, market-based choices for America's small businesses and working families.

I am a former small business owner, and I know something about the struggle to provide affordable health coverage to my own family and to my ''work family.'' And Senator NELSON is a former State insurance commissioner, so he knows something about the importance of protecting consumers.

I also want to thank Senator GREGG for his leadership on this issue. Senator GREGG has worked very hard to help find relief for small businesses, and I very much appreciate his support and thank him for being a cosponsor of this important legislation.

Let's take the first step toward more affordable health care for all Americans by giving small business owners the power to create Small Business Health Plans for themselves, their families, and their workers. Let's give them the change they are seeking instead of ''more of the same'' or more excuses for not acting.

I believe we can agree on 80 percent of the issues and on 80 percent of each issue. If we focus on that 80 percent, we can get things done. I have been and will continue to work with my colleagues and stakeholders to find that 80 percent on Small Business Health Plans to provide real relief for America's working families. The time for action is now.

DHS APPOINTMENT FLEXIBILITY

Mr. AKAKA. Mr. President, I rise to support a bill offered by my good friend Senator VOINOVICH to treat the appointment of the chief Human Capital Officer, CHCO, at the Department of Homeland Security, DHS, the same as all other CHCO appointments.

As part of the Homeland Security Act of 2002, Congress established CHCOs at Federal agencies to improve

workforce planning so agencies could better meet their omissions. Agencies were given the discretion whether to designate the position as a political appointment or career civil servant. However, the act required the CHCO at DHS to be a political appointee nominated by the President. Where most agencies can select political or career positions without having to go through an external source, DHS has to go outside its walls to have the President select a person for this position.

Throughout the Federal Government, the mix of political and career CHCOs is almost equal. The important factor is that each agency has the discretion to choose whether the CHCO position best fits into the framework of the agency and its human capital strategy as a political or civilian employee. DHS by statute does not have this flexibility. As such, we believe that DHS should be treated like all other Federal agencies and have the discretion whether to make the position a political or career civil service job. Our bill would make the requirements for the CHCO position uniform for all agencies.

DHS has faced many management challenges and integration issues. The DHS CHCO office has been working diligently to address the human capital challenges within DHS and through the CHCO Council. The DHS CHCO has partnered with other agencies to discover best practices and tackle difficult issues of succession planning, administration transition planning, hiring strategies, and workforce flexibilities. CHCOs' work is critical to the support of effective government management and strategic workforce planning. Given DHS's critical mission and the fact that it continues to remain on the Government Accountability Office High-Risk List, it is important to give DHS the same flexibility as other Federal agencies in appointing its CHCO.

I urge my colleagues to support this bill.

THE MATTHEW SHEPARD ACT OF 2007

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 strengthen and 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 the night of January 21, 2008, in Charleston, SC, Adolphus Simmons was shot to death on the steps of his apartment. According to reports, Simmons had been dressed as a woman when the attack occurred. Friends say that Simmons, an 18-year-old transgender person, often dressed in women's clothes. Sadly, the suspect charged with Simmons' murder is only 15 years old. Baffled by this seemingly unprovoked attack, investigators are not ruling out that Simmons may have been targeted based on his sexual orientation.

I believe that the Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. Federal laws intended to protect individuals from heinous and violent crimes motivated by hate are woefully inadequate. This legislation would better equip the Government to fulfill its most important obligation by protecting new groups of people as well as better protecting citizens already covered under deficient laws. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

COMMENDING THE PEACE CORPS

Mr. CONRAD. Mr. President, I would like to take a moment to commend the Peace Corps and its volunteers for 47 years of service to our country.

In 1960, John F. Kennedy challenged students to dedicate a portion of their lives to serving their country overseas in the cause of peace. A year later, as President, he established the Peace Corps. And now, after 47 years, the Peace Corps shines as a beacon of our commitment to the world.

Created to extend the volunteerism of the American people abroad, the Peace Corps has sent more than 190,000 citizens to nearly 140 countries as grassroots ambassadors of American goodwill. They have made lasting contributions in fields like agriculture, education, health care, and the environment.

Twenty-seven North Dakotans currently serve in the Peace Corps. I know many individuals who volunteered their service. What I have heard of their experiences is truly remarkable.

President Kennedy challenged us to ask what we can do for our country. The men and women of the Peace Corps rise to that challenge. Through their service, they demonstrate to the world that America and her people truly do care.

HONORING MARY LANGSTON TAYLOR

Mr. HATCH. Mr. President, thank you for the opportunity today to pay tribute to a wonderful woman, dedicated public servant and loyal friend—Ms. Mary Langston Taylor. Mary is retiring from my staff on May 1, 2008, after 31 years of dedicated service.

Mary has been with me from the beginning. She joined my staff on January 1, 1977, the first week I was in office. You could say we have literally grown up in this job together. I believe the very first assignment I ever gave her was to take dictation for letters I wanted to send to all of my new colleagues. She didn't miss a word then and is still one of the fastest people I know at shorthand—a vanishing talent I might add.

In the early days of my Senate career, Mary was instrumental in the beginnings of all aspects of running a U.S. Senate Office. She drafted and implemented the initial quality control procedures for all office documents, and correspondence. She managed the ''conversion'' of the office from typewriters to computers—hard to fathom knowing what equipment we now have at our fingertips. She also helped spearhead the first Utah Women's Conference, an annual event Elaine and I have the pleasure of hosting for women across Utah. From its beginnings with Jihan Sadat as the first keynote speaker to today, this conference has served a vital purpose to bring together women from diverse backgrounds to discuss the issues most important to their health and well-being. Her innovation and hard work, along with many others, has made this annual event the huge success that it is.

Mary has worn many hats during her years of service: personal secretary, office manager, legislative assistant, special assistant, and currently constituent services representative. In fact, she was even kind enough to wheel me to the Capitol for votes after I severed my Achilles tendon. She got pretty fast with my wheelchair.

In her current position Mary helps solve hundreds of constituent cases each year that are brought to my attention by Utahns needing help working with the Federal Government. Mary's areas of expertise include: veterans and military affairs, transportation issues, and the U.S. Postal Service. While working with constituents, Mary has always conveyed her warmth and deep caring for each person. Perhaps her work is summed up best in the words of gratitude expressed to Mary by a happy constituent: ''What would we have done without you? You are our hero. I want to thank you for never giving up. . .Thank you for making all the difference in the world to my mom and us.''

Even in the face of severe adversity, she always came to work each day with a smile on her face and a willingness to get the job done. I have always admired Mary for her courage and fortitude. As a single mother for many years, she raised three wonderful boys—Robby, David, and James. She has taught them well and has sacrificed many things for the happiness of her children. Mary is not only the proud mother of these three boys but the loving stepmother to five children she was fortunate to inherit when she wed Brian Taylor. They have formed a wonderful partnership and it is always a pleasure to see them together.

In addition to her Senate service, Mary has been a tireless advocate for conservative ideals, and women's issues. She has served as the president of the Professional Republican Women of Utah, is a member of the Women's State Legislative Council, and is currently finishing her term as the president of the Salt Lake Council of

Women. In this position Mary spearheaded the Hall of Fame to honor outstanding women who have provided service to the community. She also created a special committee on domestic abuse to help others learn to spot indicators and educate women on what resources are available to those in need.

Mr. President. I am truly grateful for the service Mary Taylor has given to me, to our community, and to Utah. I will miss Mary tremendously but know that life holds many exciting and wonderful new opportunities for her to enjoy. When I think of the best way to describe Mary, the word ''loyal'' just seems to fit. Mary is a loyal friend, mother, wife, and has been a tremendously loyal staff member for 31 years. Someone once said: ''Loyalty cannot be blueprinted. It cannot be produced on an assembly line. In fact, it cannot be manufactured at all, for its origin is the human heart.'' This is Mary—her heart is pure and she is loyal to all.

I want to wish Mary the very best in retirement and want her to know that I will pray for her continued good health, success and happiness. May God bless Mary and her family for her wonderful service.

CELEBRATING THE MANGINOS' DIAMOND ANNIVERSARY

Ms. SNOWE. Mr. President, I rise today to honor and recognize the sixtieth wedding anniversary of Antonio and Rose Ann Mangino of Portland, ME on April 4, 2008.

Originally born in Lewiston, ME, Antonio, Tony, graduated from Portland High School in 1942. He was the son of Camillo and Antoinette Mangino, who owned a small grocery store in Portland. He had two brothers and three sisters. From 1943–1945, Tony served in the United States Army in the Third Armored Division, where he was one of the brave men who landed on the beaches of Normandy, 13 days after D–Day. Tony went on to fight the Nazi army in Normandy, France and in Germany. And he is one of the proud members of the ''greatest generation'' who can say they fought in the Battle of the Bulge.

Having served his Nation courageously, placing his own life on the line, Tony returned home to Maine where he met Rose Ann Atripaldi, a 1947 graduate of Portland High School and the daughter of Vincent and Marie and one of five sisters and three brothers. In 1948 Tony proposed to Rose, and they got married at St. Peter's Catholic Church in Portland. Preferring not to return to the family grocery business, Tony worked for the United States Postal Service as a letter carrier, and he was actively involved in his union and worked at the Postal Service until he retired. At the same time, Tony enjoyed selling real estate, and worked as a part-time broker with Deering Realty in Portland, helping to sell property in areas of North Deering in Portland.

Although Rose Ann was a full-time mother, raising two daughters—Judy Fox of Portland, ME and Camilla McCannell of Gray, ME—she remained civically involved by volunteering for the Maine Democratic Party, one of the highlights of which was riding in a motorcade when President John F. Kennedy visited Portland, ME. In addition, Rose Ann volunteered at the St. Vincent De Paul soup kitchen and was known for her weekly trips to Brunswick, ME to make her famous meatball recipe for Vincenzo's, a restaurant owned by her brother Andy.

With a marriage that is an enduring inspiration to us all and a standing testament to their mutual devotion and love, Tony and Rose Mangino today are the proud grandparents of three grandchildren, Christopher McCannell of Washington, DC, Michael Fox of Denver, CO, and Jennifer Fox, also of Denver. They are also blessed with two great-grandchildren, Zack and Coby Fox, sons of Michael and his wife Eileen Fox. I couldn't be more pleased to join with the McCannell and Fox families in wishing Tony and Rose Mangino a happy diamond anniversary.

TRIBUTE TO MAJOR PERRY JEFFERSON

Mr. ALLARD. Mr. President, I rise today to pay tribute to Major Perry Jefferson. On April 3, 1969, Major Jefferson was an aerial observer on board an O–1G Bird Dog observation aircraft conducting a reconnaissance mission in the Ninh Thuan Province of Vietnam when the aircraft crashed. After an extensive search, Major Jefferson's body was not recovered and he was subsequently listed Missing in Action. However, in 2001, after 32 years, a Vietnamese national turned over remains that were identified to be that of Major Jefferson. Today, Major Jefferson was finally laid to rest in our nation's most hallowed grounds in a moving ceremony at Arlington National Cemetery.

While growing up in Colorado, Major Jefferson developed a love for geology, wilderness and the mines of Colorado; so much so, that his code word was Geneva Creek, after a tributary of the North Fork South Platte River in central Colorado. A graduate of Southern Methodist University, Major Jefferson joined the Colorado Air National Guard as a technician and intelligence officer with the 120th Tactical Fighter Squadron when it was mobilized to Vietnam in 1968. Major Jefferson was a committed patriot. While in Vietnam, he served his Nation with great distinction. Major Jefferson embodies the spirit and character of Colorado, and I commend his service and sacrifice.

The return of his remains brings closure to his family and friends. I am grateful to have this opportunity and I hope that the 96,000 Americans missing and unaccounted for while serving their country will eventually receive a similar honor.

THE SAVE LIVES FIRST ACT OF 2008

Mr. COBURN. Mr. President, 5 years ago, Africa was in crisis and in despair. HIV/AIDS was decimating whole communities. Some countries, such as Botswana, were literally on a path to extinction, with rates of HIV infection among pregnant women in some locations reaching as high as 40 and even 50 percent. In South Africa, while a third of pregnant woman were infected with the virus, the country's political leaders were actually denying that AIDS was caused by HIV infection, an ominous sign that little help was on the way for the over 4 million South Africans—over 10 percent of the population—dying of AIDS.

In 2003, if a woman in sub-Saharan Africa was infected with HIV, the familiar story was all too oft-repeated. She would very likely watch her husband die first, and then her youngest children would also become infected either at birth or through breastfeeding, as she languished under her own death sentence. Within a short time, her children would be orphans, left to fend for themselves in the streets and slums of Nairobi, or Soweto, often getting sick with their own HIV infections and dying alone, without food or shelter or medicine.

The sheer numbers at the time were staggering. The disease affected well over 20 million people in sub-Saharan Africa by the year 2000, roughly equivalent to the total number of American children under 6 years old. The problem seemed overwhelming, indeed hopeless.

What was the world doing to stop the carnage? Were there armies of doctors sweeping in with the miracle drugs that had been saving lives in America and other rich countries for nearly a decade? No. The U.S. was spending under $200 million a year on HIV/AIDS overseas, mostly on report-writing, some condom marketing, and ''capacity-building'' programs that never actually used any of the capacity supposedly built and that had no measurable impact on the devouring epidemic.

Treatment was the demand of most global health activists of the day. An indignant group gathered in South Africa in 2002. ''While a necessary component of the response to HIV/AIDS, prevention will never be enough,'' insisted Winston Zulu of the Network of Zambian People Living with HIV/AIDS (NZP+). ''When will the world wake up to the fact that the 16 million Africans that have already died of HIV/AIDS? This is only the beginning if we continue down the prevention-only path. This movement will make treatment, which we all know strengthens prevention efforts, our priority demand.'' Domestic and international chapters of ACT-UP and others were heckling U.S. officials at international health conferences, demanding antiretroviral treatment for people with HIV/AIDS in the developing world, especially in Africa.

And then something remarkable happened. On a cold January night in

Washington, DC, far from the overcrowded, underequipped clinics of Africa, an American president made a promise—a $15 billion promise to provide treatment to millions of Africans, within 5 years.

Anti-retroviral drugs can extend life for many years. And the cost of those drugs has dropped from $12,000 a year to under $300 a year—which places a tremendous possibility within our grasp. Ladies and gentlemen, seldom has history offered a greater opportunity to do so much for so many...tonight I propose the Emergency Plan for AIDS Relief—a work of mercy beyond all current international efforts to help the people of Africa. This comprehensive plan will prevent 7 million new AIDS infections, treat at least 2 million people with life-extending drugs, and provide humane care for millions of people suffering from AIDS, and for children orphaned by AIDS.—President George W. Bush, State of the Union Address, Jan. 28, 2003.

Glimmers of hope ignited around the world that night, as the U.S. policy against providing treatment in a foreign aid program came to an abrupt and inspiring end. The Congress took up the challenge, and passed a bill a few months later that was groundbreaking, a seismic shift in current policy and funding levels. The first and perhaps most dramatic policy shift was the statutory requirement that over half, a full 55 percent of all $15 billion of the program's funding be spent on life-saving medical treatment for people with HIV/AIDS.

People said it couldn't be done. The naysayers said that Africans would not be able to adhere to complex drug regimens. They said that there simply wasn't the capacity to absorb all those dollars and build new clinics and expand hospital wings. They said people wouldn't come from miles around to get tested and treated. We wouldn't be able to use mopeds and bicycles to deliver drugs to the rural hinterlands. There weren't enough doctors. There wasn't sufficient logistic ability to store so many drugs. These arguments are being repeated today. They were uninspired and uninformed in 2003 and they still are today. The President's Emergency Plan for AIDS Relief, PEPFAR, has proven them all wrong.

Since PEPFAR started, over 1.4 million people who would either be dead or dying today have received life-saving antiretroviral treatment. That's millions of children who didn't become orphans. Millions of parents who get to see their children grow up. Millions of moms whose babies were protected from infection. Countless communities across the plains and prairies, streets and slums of Africa and the Caribbean, where hope has taken a foothold. Where once stigma and despair kept people from even getting tested, people now come out by the thousands on HIV testing days in Kampala and elsewhere.

PEPFAR is a comprehensive program, investing heavily in prevention and care as well as treatment. However, the majority of the funds have been spent on treatment. The true nature of PEPFAR, the appeal of the program, the miracle that has raised millions from the dead is the program's commitment to life-saving antiretroviral treatment. If you ask Africans what PEPFAR is, they'll tell you it's about AIDS treatment. It is the treatment component of PEPFAR that has made it the most successful U.S. humanitarian effort in history because it has literally saved the lives of millions, preserved families and communities, and rescued countless babies from being born with an AIDS death sentence.

Five years later, the American people stand at a crossroads. PEPFAR is expiring and the true test of our commitment to life-saving treatment is before us. We have a choice. Will we lose heart? Will we lose our focus? Will we allow a program that was ambitious, inspiring, targeted and tangibly and measurably effective at saving lives become diluted, vague, ill-defined and lose its life-saving impact? Will we allow partisanship and competing priorities and even some good intentions cloud and subvert the long-term success of PEPFAR? Will we turn PEPFAR into just another bloated, unmeasured and unmeasurable foreign aid program with no accountability and no real impact, a program that tries to do too much and accomplishes too little? As funding increases and rhetoric builds, will we, in this moment of testing, betray our historic commitment to Africa and the lives of millions of its inhabitants?

It is embarrassing to admit that we find ourselves on a direct path to that shameful outcome. The once loud and indignant voices demanding treatment for Africans have found other priorities, it would seem. Inexplicably and inexcusably, the House and Senate PEPFAR reauthorization bills, negotiated with the approval of the Administration, reverse what was undoubtedly the most important element of PEPFAR the requirement that the majority of funding be spent on HIV/AIDS treatment. What's more, the bills more than triple PEPFAR funding, but only increase treatment targets by 50 percent. Despite their $50 billion pricetags, the House-passed bill and the Senate committee-reported bill would only add an additional one million people, of the many more millions in need, to the treatment rolls over the next five years. It seems that, after five years focusing on helping people with HIV/AIDS, the focus of the program under these proposed reauthorizations would shift to helping the foreign aid ''industrial complex'' of USAID contractors based in the U.S. and European capitals. The proposed reauthorization bills would prioritize literally every possible development cause except HIV diagnosis and treatment.

It is this glaring policy reversal that is the impetus for S. 2749, the ''Save Lives First Act of 2008.'' The bill reinstates the current policy requiring at least 55 percent of funding to go to life-saving medical treatment for people infected with HIV/AIDS. It also allocates a small percentage of funding for the critical diagnostic screening that must be ramped up dramatically if we are to locate and treat every infected person in the countries where PEPFAR operates. Finally, the bill acknowledges that every baby infected with HIV by her mother during birth or breastfeeding is a largely preventable tragedy that should be eliminated.

Although we have grave concerns about many other policies in the House and Senate reauthorization bills, including the prevention policy, the expansion of funding to rich countries, the ''mission creep'' that diverts funding from high-priority HIV/AIDS programs to lower-priority development programs, and others, we chose to focus in the Save Lives First Act on the critical problem of the House and Senate bills' betrayal of the President's and the 108th Congress' historic commitment to life-saving HIV/AIDS treatment.

There is no question that PEPFAR has been the most successful foreign aid program since the Marshall Plan. The structural reason for its success is that it approaches and addresses AIDS for what it is—a viral epidemic. Though much may have changed in the past four years, this simple fact has not, and will not, change.

Regardless of location, demography, mode of transmission, and so forth, the basic method of combating an epidemic, any epidemic, is the same: find the infected, provide them care, and help them prevent transmission to others. There are 33 million people living with HIV, and only they can prevent the transmission of the disease. If we find the people with HIV, we could not only treat them, but yes, prevent new infections as well. That's why treatment and testing are critical to prevention efforts. They are not the whole story—behavior change programs are needed—but diagnosis and treatment are two of the foundations of disease control. What's more, prevention through education is far less costly than treatment. Uganda's success in the 1990s proved that with the proper message and political leadership, behavior change that reduces transmission rates dramatically can be achieved fairly inexpensively. The current PEPFAR program and its original authorizing legislation are appropriately structured on this foundation of diagnosis, treatment and successful prevention.

So what are the mechanics of treating people? First, you must diagnose those who are infected. That is why this bill designates specific funding for performing rapid tests, and sets testing target goals. If we test 1 billion people over the next 5 years, we will discover the vast majority of all those living with HIV. However, experience shows that people will not get tested, no matter how much they may want to, without an incentive to know their status.μ It cannot be disputed that people

known to be HIV positive suffer enormous stigma and discrimination throughout the world, and therefore need an incentive strong enough to overcome this.

The incentive is treatment. If people know that, should they be found to be HIV positive, there is hope and health in their future, they will have an incentive to get tested. The promise of a longer and healthier life is necessary to overcome the stigma—and, in a self-reinforcing loop, the presence of treatment, and the effect of people literally returning from the dead, goes a long way to reduce HIV stigma. That is one of the reasons why the Save Lives First Act maintains the 55 percent allocation of PEPFAR funding for treatment, and seeks to increase the number of people treated proportionally to the increase in overall funding.

The AIDS drug nevirapine, which costs only $4 per treatment, can dramatically reduce the likelihood that a newborn will become infected with HIV. Yet a new U.N. report delivers the news that only a quarter of HIV-positive pregnant women in poorer countries are receiving the medication needed to prevent baby AIDS. Furthermore, the number of AIDS orphans in poorer countries continues to increase, and in sub-Saharan Africa an estimated 12.1 million children in 2007 had lost one or both parents to HIV.

By sticking to the fundamental disease control methods of testing and treatment, new infections are prevented. First, we have seen here in the U.S. that people who know their HIV status are less likely to engage in risky behavior—they seek to protect themselves and their partners. The Centers for Disease Control and Prevention reports that the 25 percent of Americans who don't know their HIV status transmit 50–75 percent of new infections. What's more, a recent study has suggested that increased testing in the U.S. reduced infection. Further, people who are receiving treatment have less of the virus in them, and are less infectious. There is increasing evidence documenting this phenomenon. Behavior change programs targeted to the general population, most of whom are uninfected, may help reduce infection rates to a point, but it is hard to think of a more direct preventive measure than rendering an HIV positive person less infectious and less likely to infect others.

Therefore, claims that the bill does not address prevention are simply untrue. First, billions and billions of dollars not dedicated to treatment and testing are available for prevention in the House and Senate bills. After spending 55 percent of the $50 billion in the bills on lifesaving treatment, there will still be $27.5 billion left over from which prevention programs could be funded, dramatically more programs than under the current, $15 billion program. Second, and to an important extent, testing and treatment are part of an effective prevention approach.

In addition, some have claimed that the Save Lives First Act significantly increases costs, anywhere from $13–$17 billion. These claims miss the point of the Save Lives First Act—which is not to add to costs, but to prioritize how authorized funds are spent. As the attached treatment cost analysis shows, the total dollar amount for all drugs, test kits, and prevention-of-mother-to-child-transmission materials needed to meet the goals in the bill is just over $11 billion (using conservative assumptions about costs that are likely to be lower in reality due to government discounts). A reauthorization bill containing $50 billion plus numerous ''such sums'' authorities, such as the bills under current consideration in the House and Senate, would contain sufficient money to meet these goals as well as procure the infrastructure necessary to deliver these drugs and diagnostic tests. These costs are not added on top of the proposed reauthorization spending levels, as some have claimed. Rather, the Save Lives First Act takes the first 55 percent of all funding in any reauthorization bill—whatever the ultimate amount of funding turns out to be—$30 billion, $50 billion or more (as is actually likely given the current appropriations frenzy in the Congress)—and directs it to treatment costs. If meeting the heroic targets in our bill—adding 5 million new people to treatment (in addition to the 2 million already in treatment), conducting a billion HIV tests, and saving babies from being infected by their moms—ends up costing more than 55 percent of PEPFAR funding, we challenge any critic to think of a better use of funds. However, as the attached chart demonstrates, there will be plenty of money in a $50 billion bill left for prevention and care after meeting the requirements of the Save Lives First Act.

The current alternative to this approach, as embodied by the House and Senate bills containing no money dedicated to testing and treatment—is that millions of people will die for lack of treatment. In addition, the vast majority of people with HIV will remain ignorant of their status, and will continue to unknowingly infect others, continuing the cycle that led to the devastating epidemic we now face. Letting people die, and keeping people ignorant of their status, is not the way to end this epidemic. We recognize this truth here in the U.S., where we spend 11 percent annually on prevention, but 67 percent on treatment out of a total budget of $23.3 billion spent on AIDS domestically.

Some have argued that a heroic American commitment to testing and treatment such as the targets in the Save Lives First Act will discourage other donors from supporting diagnosis and treatment. The truth is that other donors have yet to demonstrate substantial commitment to bilateral treatment programs. Most other donors prefer to fund treatment through their contributions to the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, a multilateral organization affiliated with the United Nations, to which the U.S. is the largest (by far) contributor. That is what the Global Fund is for—to create efficiencies of scale and allow smaller donors to contribute to those more efficient programs rather than reinventing the wheel and starting up their own bilateral programs. When other donors do invest in bilateral efforts, it is almost always on the prevention side—funding needle exchanges for drug users, condom and ''empowerment'' programs for prostitutes, and other prevention efforts in Africa, Asia and eastern Europe, usually based on behavior change programs. This is all the more reason why one donor, the U.S., needs to focus on diagnosis and treatment—the rest of the donor community is not as committed to these programs compared to other approaches. But let's say that other donors want to support treatment—great! We welcome their participation. There is so much to do—between 7 and 8.4 million people still need treatment today. PEPFAR certainly can't treat everyone in a given year, and will have to rely on the efforts of others going forward, if we want to bring hope to everyone affected by this dreadful disease.

We are proud of PEPFAR and the millions of miracles it has created already in its first four years of operation. The American people can look at PEPFAR and, unlike what they'll find with most government programs, they can see measurable and tangible results in the faces of the millions saved and cared for with U.S. funding. PEPFAR isn't ''broken,'' and it doesn't require ''fixing'' in its reauthorization—it's a stunning success. The burden of proof is on those who want to radically change PEPFAR policies, not on those of us who want to preserve them. We look forward to working with the President and House and Senate leaders to ensure that PEPFAR continues its successful, miraculous, lifesaving track record.

Bertha, a 23-year-old PEPFAR treatment client in Tanzania speaks for millions when she says, ''If it is not these ARVs, I think I was dead long time ago because I use and I am still using these drugs. Now I can do anything. I'm healthy and I'm strong.''

Mr. President, I ask unanimous consent that my endnotes and graph be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Estimated PEPFAR Treatment, Testing, and PMTCT Costs and Benchmarks for FY 2009 Though FY 2013

Adult ARVs and rapid HIV test prices are based on those listed by SCMS (SCMS is a PEPFAR procurement partner).
(http://scms.pfscm.org/scms/ecatalog)

ARV Cost is based on the average price of the most commonly used triple combination therapies (based on PEPFAR and WHO purchases) and includes average prices for PEPFAR approved second-line ARVs for the estimated 10% of patients in need of second-line treatment.
(See pages 71 and 72 of the 2007 PEPFAR Report to Congress and page 47 of the 2008 report.)
(For second-line estimate see page 6 of MSF 9th Edition Price Guide, http://www.accessmed-msf.org/resources/key-publications/ and see, http://www.africaaction.org/resources/docs/BigPharmaBigProfits0807.pdf)

Pediatric ARV Prices were obtained from a summary report of the *WHO Global Price Reporting Mechanism* based on ARV purchases from January through October of 2007 (http://www.who.int/hiv/amds/GPRMsummaryReportOct07.pdf).

"PMTCT Cost" is based on the average cost for PMTCT based on WHO/UNICEF prices for ARV PMTCT prophylaxis (estimated at $168).
(http://www.wpro.who.int/sites/hsi/psm_ipr.htm)
The pediatric treatment goal is equal to the estimated number of children in need of ARV treatment (780,000).
(Towards Universal Access: Scaling up priority HIV/AIDS interventions in the health sector, WHO/UNAIDS, April 2007, page 6, http://www.who.int/hiv/mediacentre/univeral_access_progress_report_en.pdf)

The 2.1 million goal for PMTCT is the estimated number of pregnant women living with HIV/AIDS in developing countries.
(See: Towards Universal Access, page 31.)

	End of FY 2009	End of FY 2010	End of FY 2011	End of FY 2012	End of FY 2013	*Total Over 5 Years*
ARV Cost	$994,331,544	$1,331,700,158	$1,669,068,772	$2,006,437,386	$2,343,806,000	***$8,345,343,860***
Total Number Treated	3,000,000	4,000,000	5,000,000	6,000,000	7,000,000	
Adult 1st-Line	2,475,280	3,236,460	3,997,640	4,758,820	5,520,000	
Adult 2nd-Line	300,000	400,000	500,000	600,000	700,000	
Pediatric 1st-Line	202,248	327,186	452,124	577,062	702,000	
Pediatric 2nd-Line	22,472	36,354	50,236	64,118	78,000	

	End of FY 2009	End of FY 2010	End of FY 2011	End of FY 2012	End of FY 2013	*Total Over 5 Years*
HIV Rapid Tests Cost	$326,000,000	$326,000,000	$326,000,000	$326,000,000	$326,000,000	***$1,630,000,000***
Number of Tests	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	***1,000,000,000***

	End of FY 2009	End of FY 2010	End of FY 2011	End of FY 2012	End of FY 2013	*Total Over 5 Years*
PMTCT Cost	$100,293,520	$162,895,140	$225,496,760	$288,098,380	$350,700,000	***$1,127,483,800***
Number of PMTCT Treatments	600,560	975,420	1,350,280	1,725,140	2,100,000	

	Total for FY 2009	Total for FY 2010	Total for FY 2011	Total for FY 2012	Total for FY 2013	*Total Over 5 Years*
Total Cost	***$1,420,625,064***	***$1,820,595,298***	***$2,220,565,532***	***$2,620,535,766***	***$3,020,506,000***	***$11,102,827,660***

Summary of Appendix I (see page 2)

Avg. Adult 1st-Line	$197
Avg. Adult 2nd-Line	$1,472
Avg. Rapid Test	$1.63

Avg. Pediatric 1st-Line	$154
Avg. Pediatric 2nd-Line	$1,511
PMTCT	$168

Appendix I: Prices and Averages of Individual ARVs and HIV Rapid Tests

All ARV Prices Listed as Per Patient Per Year (with the exception of the single treatment cost for PMTCT)

Adult 1st-Line

3TC+D4T+NVP	$88.80
3TC+AZT+NVP	$162.00
3TC+AZT+EFV	$347.40
3TC+D4T+EFV	$190.00
Average	**$197**

Adult 2nd-Line

LPV/r+ABC+ddi	$1,107.60
IDV/r+ABC+ddi	$1,252.00
SQV/r+ABC+ddi	$2,055.00
Average	**$1,472**

Pediatric 1st Line

	5kg Child Price
3TC+D4T+NVP	$141
3TC+AZT+NVP	$171
3TC+D4T+EFV	$175
3TC+AZT+EFV	$205
	10kg Child Price
3TC+D4T+NVP*	$66*
3TC+AZT+NVP	$103
3TC+D4T+EFV	$135
3TC+AZT+EFV	$150
Average (5kg+10kg)	**$154**

**Price for Fixed Dose Combination (Triomune).*

Pediatric 2nd-Line

	5kg Child Price
ABC+ddI+LPV/r	$1,256
ABC+ddi+NFV	$2,483
	10kg Child Price
ABC+ddI+LPV/r	$987
ABC+ddi+NFV	$1,316
Average (5kg+10kg)	**$1,511**

PMTCT

Zidovudine	$108.81
Lamivudine	$24.16
Nevirapine	$33.49
Zidovudine Syrup	$1.16
Nevirapine Syrup	$0.02
Cost	**$168**

Rapid HIV Test

	(Price Per Test)
Uni-Gold HIV	$1.60
Stat-Pak HIV 1/2	$1.45
Precise HIV	$0.96
Bioline HIV 1/2	$1.88
Bio-Lytical INSTI**	$2.25**
Average	**$1.63**

***Rapid test used in AIDS Healthcare Foundation (AHF) HIV testing field usage in Uganda. Price includes shipping.*

ADDITIONAL STATEMENTS

IN CELEBRATION OF REBECCA WOOD WATKIN

● Mrs. BOXER. Mr. President, I am pleased and honored to salute my dear friend Rebecca, Becky, Wood Watkin as she celebrates her 95th birthday.

Born on April 4, 1913 in Portland, OR, Becky graduated from Bryn Mawr College in 1933 and went on to the University of Pennsylvania to study architecture. Undeterred by the fact that the architecture department did not accept female students at that time, Becky completed all required courses, and became the first woman graduate in architecture from the University of Pennsylvania in 1937. That same year, Becky relocated to San Francisco and applied at a variety of architectural firms, none of which wanted a woman in the drafting room. Despite her difficulties with finding employment in the male-dominated workforce, Becky persevered, earning her California architectural license in 1944.

A vanguard for aspiring women professionals everywhere, Becky opened her own architectural practice in Marin County in 1951. In the midst of these professional milestones, Becky also gave birth to three wonderful children. As a working mother, Becky looked for ways to use her personal and professional talents to help those in need, becoming a tremendous source of support and energy to causes that she believed helped the community, including the Ecumenical Housing Association and Planned Parenthood.

Mr. President, 1948 saw Becky enter the political realm for the first time, by fundraising for Roger Kent, a local Democratic candidate for Congress. This initial political activity 60 years ago spearheaded a lifelong involvement with Democratic politics, a passion of Becky's that allowed her to work on the presidential campaigns for Adlai Stevenson, John Kennedy, Eugene McCarthy, George McGovern, and Jimmy Carter.

Inspired by Becky's trailblazing story and her fervent belief in good government, I first met Becky in the 1960s as we worked together to end the Vietnam war. As a young working mother myself, Becky quickly became a deeply admired mentor. As the years passed and our friendship grew, she was instrumental in helping me move up the political ladder from the board of supervisors to the House of Representatives and then to the Senate.

As we celebrate the 95th year of her remarkably courageous and passionate life, I remain in admiration of Becky's strong sense of civic duty, honesty, integrity, and perseverance. Along with hundreds of her family, friends, and admirers, I wish her many more years of continued happiness.●

EL MALPAIS CONSERVATION AREA

● Mr. DOMENICI. Mr. President, the turn of the year marked the 20th year the El Malpais Conservation area in western New Mexico has had the benefit of special Federal protection. Two decades ago with the help of the delegation, Congress passed legislation to ensure the protection of this culturally and geographically significant portion of New Mexico, while an amendment of mine allowed the nearby native tribes to continue to utilize the area for their traditional religious and cultural activities.

Located just south of Grants, between State highways 53 and 117, the El Malpais conservation area is unlike any other in the United States. This unique area is an important cultural resource for the pueblos of Acoma, Laguna, Zuni, and Ramah Navajo. El Malpais, meaning ''the badlands,'' describes the hardened lava plains where molten rock once flowed thousands of years ago. The uneven cooling of these lava flows created many lava tube caves throughout the designation which now provide for a unique hiking experience. This exceptional conservation area also contains the West Malpais and Cebolla Wilderness areas, spectacular sandstone cliffs and canyons, and a habitat for a multitude of desert vegetation such as aspen, pine, juniper, fir, grasses and cacti. The El Malpais conservation area offers visitors guided tours, picnicking, camping, biking, and horseback riding in designated areas.

Last year I was able to help secure $250,000 for the purchase of 200 acres of inholdings at the El Malpais national conservation area. This additional acreage is an important additional step to preserving the history and consolidating the varied landscapes contained within this one of a kind conservation area.

Our public lands are truly national treasures, and as such, they demand our most thoughtful management. The outdoors in New Mexico reminds us all of the things we hold so dear. I am proud to have played a role in ensuring the expansion and continued protection of El Malpais. This New Mexico treasure remains much the same as it did as so many years ago, and I am glad this will be the case for generations to come.●

35TH ANNIVERSARY OF THE CENTER FOR DISABILITIES

● Mr. JOHNSON. Mr. President, today I congratulate the University of South Dakota School of Medicine and Health Sciences Center for Disabilities in Vermillion, SD, which will celebrate its 35th anniversary in 2008.

Started in September of 1973 as the Developmental Disabilities Evaluation Center, the Center for Disabilities has a long and distinguished history of providing training, service, information, and research not only to South Dakota but to the entire region. My wife Barbara worked on the DDEC staff during those initial years. Thirty-five years later, the school continues to serve those needs of South Dakota through current projects, such as the Autism and Related Disorders Program, Birth to 3 Connections, Cheyenne River Reservation Rural Health Outreach Project, Deaf-Blind Program, Dietetic Internship, the Upper Midwest Public Health Training Center, and the Pine Ridge Developmental Clinic, which was established in 2008. The Center for Disabilities is also working with other States to provide service in projects such as the Four-State Consortium on Studies in the Prevention of Fetal Alcohol Syndrome/Fetal Alcohol Effect and the Upper Midwest Public Health Training Center.

Over the last 35 years, the University of South Dakota School of Medicine and Health Sciences Center for Disabilities has provided quality services to the people of South Dakota. Their goal, to help those with disabilities live without limitations, has been demonstrated through the citizens with whom they have worked. Those ideals have also been carried out by the students who have graduated and gone on to excel in their careers.

Not only has this center encouraged learning and research, but the University of South Dakota School of Medicine and Health Sciences Center for Disabilities also strives to bring together communities. Indeed, one of the core functions of the center is community education. The center works to provide training and assistance, not only to individuals with disabilities and their families, but also to professionals, paraprofessionals, policymakers, students, and any member of the community who chooses to get involved.

I am proud to honor the University of South Dakota School of Medicine and Health Sciences Center for Disabilities for its 35 years of outstanding service. It is an honor for me to share with my colleagues the exemplary leadership and strong commitment to education and research the University of South Dakota School of Medicine and Health Sciences Center for Disabilities has provided. I strongly commend their years of hard work and dedication, and I am very pleased that their substantial efforts are being publicly honored and celebrated.●

UNIVERSITY OF SOUTH DAKOTA WOMEN'S BASKETBALL TEAM

● Mr. JOHNSON. Mr. President, today I wish to publicly commend the University of South Dakota women's basketball team for their great season, and their 2nd place finish in the 2008 NCAA Division II Women's Basketball tournament.

The USD women's basketball team has worked especially hard this last year, to reach the Division II championship game. All South Dakotans are extremely proud of their wonderful efforts and achievements in going so far.

They finished with a 33–2 record, won the North Central Conference with a

perfect 12–0 record and won the North Central Region title for the first time in school history. They then won two out of three games in the Elite Eight Championship and finished in second place.

These young women represented USD and South Dakota in an extraordinary fashion. Their hard work is representative of South Dakota values and was rewarded with a great season. I would like to give credit to the coaches, parents, supporters and organizers, and especially the hard work and dedication of these young players. I would like all of South Dakota to recognize the hard work, dedication, and sportsmanship this team has shown on their way through the tournament.

I recognize Head Coach Chad Lavin, Assistant Coach Becky Flynn-Jensen for their guidance and support to help make this year's team so successful. I also congratulate all of this year's team members: Natalie Carda, Shannon Daly, Michelle Dirks, Anne Doshier, Kelli Fargen, Amber Hegge, Jeana Hoffman, Jenna Hoffman, Kara Iverson, Jasmine Mosley, Amy Robinette, Ashley Robinette, Annie Roche, Kendra Schomer, Bridget Yoerger, and Maggie Youngberg for their dedication and commitment this great season.

Again, congratulations to the University South Dakota Coyotes women's basketball team on fighting their way to the championship game.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Neiman, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 11:28 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5501. An act to authorize appropriations for fiscal years 2009 through 2013 to provide assistance to foreign countries to combat HIV/AIDS, tuberculosis, and malaria, and for other purposes.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 5501. An act to authorize appropriations for fiscal years 2009 through 2013 to provide assistance to foreign countries to combat HIV/AIDS, tuberculosis, and malaria, and for other purposes; to the Committee on Foreign Relations.

MEASURES DISCHARGED

The following measure was discharged from the Committee on Armed Services by unanimous consent, and referred as indicated:

S. 2764. A bill to amend the Servicemembers Civil Relief Act to enhance protections for service-members relating to mortgages and mortgage foreclosures, and for other purposes; to the Committee on Veterans' Affairs.

MEASURES PLACED ON THE CALENDAR

The following bills were read the second time, and placed on the calendar:

S. 2807. A bill to protect the liberty and property of all Americans.

S. 2808. A bill to require that citizens within a National Heritage Area are informed of the designation and that government officials must receive permission to enter private property.

S. 2809. A bill to ensure that there are no adverse effects of a National Heritage Area designation to local communities and home owners.

S. 2810. A bill to require an annual report detailing the amount of property the Federal government owns and the cost of government land ownership to taxpayers.

S. 2811. A bill to require citizens' approval of Federal government land grabs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–5638. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Ferric Citrate; Inert Ingredient; Exemption from the Requirement of a Tolerance'' (FRL No. 8071-2) received on March 31, 2008; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5639. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''S-Abscisic Acid, Temporary Exemption From the Requirement of a Tolerance'' (FRL No. 8357-4) received on March 31, 2008; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5640. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Flonicamid; Pesticide Tolerance'' (FRL No. 8356-7) received on March 31, 2008; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5641. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Dicamba; Pesticide Tolerance'' (FRL No. 8356-6) received on March 31, 2008; to the Committee on Agriculture , Nutrition, and Forestry.

EC–5642. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Acequinocyl; Pesticide Tolerance'' (FRL No. 8356-6) received on March 31, 2008; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5643. A communication from the Secretary of Energy and the Secretary of Defense, transmitting, a report entitled ''National Security and Nuclear Weapons in the 21st Century''; to the Committee on Armed Services.

EC–5644. A communication from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Fitness-for-Duty Programs'' (RIN3150-AF12) received on March 28, 2008; to the Committee on Environment and Public Works.

EC–5645. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; State of Missouri'' (FRL No. 8549-8) received on March 27, 2008; to the Committee on Environment and Public Works.

EC–5646. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; State of Missouri'' (FRL No. 8549-6) received on March 27, 2008; to the Committee on Environment and Public Works.

EC–5647. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''National Perchloroethylene Air Emission Standards for Dry Cleaning Facilities'' ((RIN2060-AO52)(FRL No. 8547-4)) received on March 27, 2008; to the Committee on Environment and Public Works.

EC–5648. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Virginia: Final Authorization of State Hazardous Waste Management Program Revision'' (FRL No. 8548-9) received on March 27, 2008; to the Committee on Environment and Public Works.

EC–5649. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''NESHAP: National Emission Standards for Hazardous Air Pollutants: Standards for Hazardous Waste Combustors; Amendments'' (FRL No. 8549-4) received on March 27, 2008; to the Committee on Environment and Public Works.

EC–5650. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Revision to the California State Implementation Plan, Bay Area Quality Management District'' (FRL No. 8547-6) received on March 27, 2008; to the Committee on Environment and Public Works.

EC–5651. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Alabama: Final Authorization of State Hazardous Waste Management Program Revision'' (FRL No. 8550-3) received on March 31, 2008; to the Committee on Environment and Public Works.

EC–5652. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Delegation of National Emission Standards

for Hazardous Air Pollutants for Source Categories; State of Nevada, Nevada Division of Environmental Protection'' (FRL No. 8550-9) received on March 31, 2008; to the Committee on Environment and Public Works.

EC–5653. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Delegation of New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants for the States of Arizona and Nevada'' (FRL No. 8551-1) received on March 31, 2008; to the Committee on Environment and Public Works.

EC–5654. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Federal Implementation Plan for the Billings/Laurel, Montana, Sulfur Dioxide Area'' ((RIN2008-AA01)(FRL No. 8551-2)) received on March 31, 2008; to the Committee on Environment and Public Works.

EC–5655. A communication from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Final 8-Hour Ozone National Ambient Air Quality Standards Designations for the Early Action Compact Areas'' ((RIN2060-AO83)(FRL No. 8550-1)) received on March 31, 2008; to the Committee on Environment and Public Works.

EC–5656. A communication from the Program Manager, Centers for Medicare and Medicaid Services, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medicare Program; Modification to the Weighting Methodology Used to Calculate the Low-Income Benchmark Amount'' (RIN0938-AP25) received on March 31, 2008; to the Committee on Finance.

EC–5657. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Partnership Audit Techniques Guide—Chapters 1, 2, and 7'' (Docket No. LMSB-04-0208-007) received on March 25, 2008; to the Committee on Finance.

EC–5658. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Coordinated Issue: Cost Sharing Stock Based Compensation'' (Docket No. LMSB-04-0208-005) received on March 25, 2008; to the Committee on Finance.

EC–5659. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Classification of Certain Foreign Entities'' (TD 9388) received on March 25, 2008; to the Committee on Finance.

EC–5660. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Tier I Issue - Foreign Tax Credit Generator Directive'' (Docket No. LMSB-04-0208-003) received on March 25, 2008; to the Committee on Finance.

EC–5661. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the 2008 Annual Report of the Boards of Trustees of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund; to the Committee on Finance .

EC–5662. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Tier I Transfer of Intangibles Offshore/Section 482 Cost Sharing Buy-in Payment Issue Directive No. 2'' (Docket No. LMSB-04-0308-016) received on March 25, 2008; to the Committee on Finance.

EC–5663. A communication from the Assistant Secretary, Office of Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to the Government of Cuba's compliance with several agreements; to the Committee on Foreign Relations.

EC–5664. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, an annual report relative to Federal sector equal employment opportunity complaints filed with the Office during fiscal year 2007; to the Committee on Homeland Security and Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 468. A resolution designating April 2008 as ''National 9–1–1 Education Month''.

By Mr. KENNEDY, from the Committee on Health, Education, Labor, and Pensions, with an amendment in the nature of a substitute:

S. 579. A bill to amend the Public Health Service Act to authorize the Director of the National Institute of Environmental Health Sciences to make grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of nominations were submitted:

By Mr. LEAHY for the Committee on the Judiciary.

Catharina Haynes, of Texas, to be United States Circuit Judge for the Fifth Circuit.

Rebecca A. Gregory, of Texas, to be United States Attorney for the Eastern District of Texas for the term of four years.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. CONRAD (for himself and Ms. STABENOW):

S. 2812. A bill to amend title XVIII of the Social Security Act to improve the provision of telehealth services under the Medicare program; to the Committee on Finance.

By Mr. BUNNING (for himself, Ms. STABENOW, and Mr. BAYH):

S. 2813. A bill to require the Secretary of the Treasury to take action with respect to currency manipulation by the People's Republic of China, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 2814. A bill to authorize the Secretary of the Interior to provide financial assistance to the Eastern New Mexico Rural Water Authority for the planning, design, and construction of the Eastern New Mexico Rural Water System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. KENNEDY (for himself, Mr. SANDERS, Mrs. MURRAY, Mr. DODD, Mr. REED, and Mr. LEVIN):

S. 2815. A bill to amend the Higher Education Act of 1965 in order to increase unsubsidized Stafford loan limits for undergraduate students, provide for a secondary market for FFEL loans, allow for the in-school deferment of PLUS loans, augment the maximum Federal Pell Grant for the lowest income students, and expand the number of students eligible to obtain loans under the lender-of-last-resort program, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. VOINOVICH (for himself and Mr. AKAKA):

S. 2816. A bill to provide for the appointment of the Chief Human Capital Officer of the Department of Homeland Security by the Secretary of Homeland Security; to the Committee on Homeland Security and Governmental Affairs.

By Mr. SALAZAR (for himself, Ms. COLLINS, Mr. BAUCUS, Mr. COLEMAN, and Mr. TESTER):

S. 2817. A bill to establish the National Park Centennial Fund, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ENZI (for himself, Mr. NELSON of Nebraska, and Mr. GREGG):

S. 2818. A bill to amend the Employee Retirement Income Security Act of 1974 and the Public Health Service Act to provide for enhanced health insurance marketplace pooling and relating market rating; to the Committee on Health, Education, Labor, and Pensions.

By Mr. ROCKEFELLER (for himself, Ms. SNOWE, and Mr. KENNEDY):

S. 2819. A bill to preserve access to Medicaid and the State Children's Health Insurance Program during an economic downturn, and for other purposes; to the Committee on Finance.

By Mr. ROCKEFELLER (for himself and Mr. GRAHAM):

S. 2820. A bill to amend part A of title IV of the Social Security Act to extend and expand the number of States qualifying for supplemental grants under the Temporary Assistance for Needy Families program; to the Committee on Finance.

By Ms. CANTWELL (for herself, Mr. ENSIGN, Mr. SALAZAR, Mr. SUNUNU, Ms. STABENOW, Mr. COLEMAN, Mr. SCHUMER, Ms. SNOWE, Mrs. FEINSTEIN, Mr. MARTINEZ, Mr. SANDERS, Mr. GRAHAM, Ms. KLOBUCHAR, Mrs. DOLE, Mr. DODD, Ms. COLLINS, Mrs. BOXER, Mr. CORNYN, Mr. DOMENICI, Mr. CRAIG, Mr. SMITH, Mr. THUNE, Mr. ALLARD, Mr. HATCH, Mr. ROBERTS, Ms. MURKOWSKI, Mr. STEVENS, Mrs. HUTCHISON, and Mr. BIDEN):

S. 2821. A bill to amend the Internal Revenue Code of 1986 to provide for the limited continuation of clean energy production incentives and incentives to improve energy efficiency in order to prevent a downturn in these sectors that would result from a lapse in the tax law; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER (for himself, Mr. WYDEN, and Mr. CASEY):

S. Res. 499. A resolution urging Palestinian Authority President Mahmoud Abbas, who is also the head of the Fatah Party, to officially abrogate the 10 articles in the Fatah Constitution that call for Israel's destruction and terrorism against Israel, oppose any political solution, and label Zionism as racism; to the Committee on Foreign Relations.

By Mr. KENNEDY (for himself and Mr. BAYH):

S. Res. 500. A resolution honoring military children during ''National Month of the Military Child''; to the Committee on Armed Services.

By Mr. KENNEDY (for himself, Mr. REID, Mr. MCCONNELL, Mr. DURBIN, Mr. KYL, Mr. AKAKA, Mr. ALEXANDER, Mr. ALLARD, Mr. BARRASSO, Mr. BAUCUS, Mr. BAYH, Mr. BENNETT, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mrs. BOXER, Mr. BROWN, Mr. BROWNBACK, Mr. BUNNING, Mr. BURR, Mr. BYRD, Ms. CANTWELL, Mr. CARDIN, Mr. CARPER, Mr. CASEY, Mr. CHAMBLISS, Mrs. CLINTON, Mr. COBURN, Mr. COCHRAN, Mr. COLEMAN, Ms. COLLINS, Mr. CONRAD, Mr. CORKER, Mr. CORNYN, Mr. CRAIG, Mr. CRAPO, Mr. DEMINT, Mr. DODD, Mrs. DOLE, Mr. DOMENICI, Mr. DORGAN, Mr. ENSIGN, Mr. ENZI, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HARKIN, Mr. HATCH, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUYE, Mr. ISAKSON, Mr. JOHNSON, Mr. KERRY, Ms. KLOBUCHAR, Mr. KOHL, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. LUGAR, Mr. MARTINEZ, Mr. MCCAIN, Mrs. MCCASKILL, Mr. MENENDEZ, Ms. MIKULSKI, Ms. MURKOWSKI, Mrs. MURRAY, Mr. NELSON of Florida, Mr. NELSON of Nebraska, Mr. OBAMA, Mr. PRYOR, Mr. REED, Mr. ROBERTS, Mr. ROCKEFELLER, Mr. SALAZAR, Mr. SANDERS, Mr. SCHUMER, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH, Ms. SNOWE, Mr. SPECTER, Ms. STABENOW, Mr. STEVENS, Mr. SUNUNU, Mr. TESTER, Mr. THUNE, Mr. VITTER, Mr. VOINOVICH, Mr. WARNER, Mr. WEBB, Mr. WHITEHOUSE, Mr. WICKER, and Mr. WYDEN):

S. Res. 501. A resolution honoring the sacrifice of the members of the United States Armed Forces who have been killed in Iraq and Afghanistan; considered and agreed to.

By Mr. ALLARD:

S. Res. 502. A resolution commemorating the 25th anniversary of the Space Foundation; to the Committee on Commerce, Science, and Transportation.

By Mr. DURBIN (for himself, Mr. SPECTER, Mr. KENNEDY, Mr. DODD, Mr. BROWN, and Mr. VOINOVICH):

S. Res. 503. A resolution recognizing and honoring the 40th anniversary of the Fair Housing Act and the 20th anniversary of the Fair Housing Amendments Act of 1988; considered and agreed to.

By Mr. WYDEN (for himself, Mr. ENZI, Mr. WICKER, Mr. BROWN, and Mr. WHITEHOUSE):

S. Con. Res. 73. A concurrent resolution expressing Congressional support for the goals and ideals of National Health Care Decisions Day; considered and agreed to.

ADDITIONAL COSPONSORS

S. 22

At the request of Mr. WEBB, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 22, a bill to amend title 38, United States Code, to establish a program of educational assistance for members of the Armed Forces who serve in the Armed Forces after September 11, 2001, and for other purposes.

S. 45

At the request of Mr. ENSIGN, the name of the Senator from Vermont (Mr. SANDERS) was added as a cosponsor of S. 45, a bill to amend title XVIII of the Social Security Act to make a technical correction in the definition of outpatient speech-language pathology services.

S. 206

At the request of Mrs. FEINSTEIN, the name of the Senator from Minnesota (Ms. KLOBUCHAR) was added as a cosponsor of S. 206, a bill to amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

S. 329

At the request of Mr. CRAPO, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 329, a bill to amend title XVIII of the Social Security Act to provide coverage for cardiac rehabilitation and pulmonary rehabilitation services.

S. 406

At the request of Mrs. HUTCHISON, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 406, a bill to ensure local governments have the flexibility needed to enhance decision-making regarding certain mass transit projects.

S. 439

At the request of Mr. REID, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 439, a bill to amend title 10, United States Code, to permit certain retired members of the uniformed services who have a service-connected disability to receive both disability compensation from the Department of Veterans Affairs for their disability and either retired pay by reason of their years of military service or Combat-Related Special Compensation.

S. 459

At the request of Ms. SNOWE, the name of the Senator from Illinois (Mr. OBAMA) was added as a cosponsor of S. 459, a bill to require that health plans provide coverage for a minimum hospital stay for mastectomies, lumpectomies, and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations.

S. 582

At the request of Mr. VITTER, his name was added as a cosponsor of S. 582, a bill to amend the Internal Revenue Code of 1986 to classify automatic fire sprinkler systems as 5-year property for purposes of depreciation.

S. 773

At the request of Mr. WARNER, the name of the Senator from Vermont (Mr. SANDERS) was added as a cosponsor of S. 773, a bill to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums.

S. 1223

At the request of Ms. LANDRIEU, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 1223, a bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to support efforts by local or regional television or radio broadcasters to provide essential public information programming in the event of a major disaster, and for other purposes.

S. 1243

At the request of Mr. KERRY, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 1243, a bill to amend title 10, United States Code, to reduce the age for receipt of military retired pay for nonregular service from 60 years of age to 55 years of age.

S. 1954

At the request of Mr. BAUCUS, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 1954, a bill to amend title XVIII of the Social Security Act to improve access to pharmacies under part D.

S. 1995

At the request of Mr. SALAZAR, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 1995, a bill to amend the Internal Revenue Code of 1986 to reduce the tax on beer to its pre-1991 level.

S. 2029

At the request of Mr. GRASSLEY, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 2029, a bill to amend title XI of the Social Security Act to provide for transparency in the relationship between physicians and manufacturers of drugs, devices, or medical supplies for which payment is made under Medicare, Medicaid, or SCHIP.

S. 2042

At the request of Ms. STABENOW, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2042, a bill to authorize the Secretary of Health and Human Services to conduct activities to rapidly advance treatments for spinal muscular atrophy, neuromuscular disease, and other pediatric diseases, and for other purposes.

S. 2240

At the request of Mr. VITTER, his name was added as a cosponsor of S. 2240, a bill to prohibit termination of employment of volunteer firefighters and emergency medical personnel responding to emergencies, and for other purposes.

S. 2384

At the request of Mr. SALAZAR, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 2384, a bill to authorize the Chief of Engineers to conduct a feasibility

study relating to the construction of a multipurpose project in the Fountain Creek watershed located in the State of Colorado.

S. 2386

At the request of Mrs. FEINSTEIN, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 2386, a bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act, to authorize temporary mortgage and rental payments.

S. 2388

At the request of Mrs. FEINSTEIN, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 2388, a bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act, to increase the maximum amount of assistance to individuals and households.

S. 2485

At the request of Mr. TESTER, the name of the Senator from Tennessee (Mr. CORKER) was added as a cosponsor of S. 2485, a bill to amend the Public Health Service Act to provide for the participation of physical therapists in the National Health Service Corps Loan Repayment Program, and for other purposes.

S. 2521

At the request of Mr. LIEBERMAN, the name of the Senator from Vermont (Mr. SANDERS) was added as a cosponsor of S. 2521, a bill to provide benefits to domestic partners of Federal employees.

S. 2602

At the request of Mr. SALAZAR, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 2602, a bill to amend the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2008, to terminate the authority of the Secretary of the Treasury to deduct amounts from certain States.

S. 2674

At the request of Mr. BURR, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 2674, a bill to amend titles 10 and 38, United States Code, to improve and enhance procedures for the retirement of members of the Armed Forces for disability and to improve and enhance authorities for the rating and compensation of service-connected disabilities in veterans, and for other purposes.

S. 2715

At the request of Mr. INHOFE, the names of the Senator from Kentucky (Mr. BUNNING) and the Senator from North Carolina (Mrs. DOLE) were added as cosponsors of S. 2715, a bill to amend title 4, United States Code, to declare English as the national language of the Government of the United States, and for other purposes.

S. 2719

At the request of Mrs. DOLE, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 2719, a bill to provide that Executive Order 13166 shall have no force or effect, and to prohibit the use of funds for certain purposes.

S. 2722

At the request of Mrs. DOLE, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 2722, a bill to prohibit aliens who are repeat drunk drivers from obtaining legal status or immigration benefits.

S. 2729

At the request of Mr. CORNYN, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 2729, a bill to amend title XVIII of the Social Security Act to modify Medicare physician reimbursement policies to ensure a future physician workforce, and for other purposes.

S. 2731

At the request of Mr. BIDEN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2731, a bill to authorize appropriations for fiscal years 2009 through 2013 to provide assistance to foreign countries to combat HIV/AIDS, tuberculosis, and malaria, and for other purposes.

S. 2736

At the request of Mr. KOHL, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 2736, a bill to amend section 202 of the Housing Act of 1959 to improve the program under such section for supportive housing for the elderly, and for other purposes.

S. 2743

At the request of Mr. CASEY, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2743, a bill to amend the Internal Revenue Code of 1986 to provide for the establishment of financial security accounts for the care of family members with disabilities, and for other purposes.

S. 2766

At the request of Mr. NELSON of Florida, the names of the Senator from Georgia (Mr. CHAMBLISS) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 2766, a bill to amend the Federal Water Pollution Control Act to address certain discharges incidental to the normal operation of a recreational vessel.

S.J. RES. 29

At the request of Mr. WYDEN, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S.J. Res. 29, a joint resolution expressing Congressional support for the goals and ideals of National Health Care Decisions Day.

S. RES. 470

At the request of Mr. FEINGOLD, the names of the Senator from New Jersey (Mr. MENENDEZ), the Senator from Ohio (Mr. VOINOVICH), the Senator from Delaware (Mr. BIDEN), the Senator from New York (Mrs. CLINTON), the Senator from Connecticut (Mr. DODD), the Senator from Georgia (Mr. ISAKSON), the Senator from Florida (Mr. NELSON), the Senator from Minnesota (Ms. KLOBUCHAR), the Senator from Louisiana (Ms. LANDRIEU) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. Res. 470, a resolution calling on the relevant governments, multilateral bodies, and non-state actors in Chad, the Central African Republic, and Sudan to devote ample political commitment and material resources towards the achievement and implementation of a negotiated resolution to the national and regional conflicts in Chad, the Central African Republic, and Darfur, Sudan.

S. RES. 498

At the request of Mr. DODD, his name was added as a cosponsor of S. Res. 498, a resolution designating April 8, 2008, as ''National Cushing's Syndrome Awareness Day''.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CONRAD (for himself and Ms. STABENOW):

S. 2812. A bill to amend title XVIII of the Social Security Act to improve the provision of telehealth services under the Medicare program; to the Committee on Finance.

Mr. CONRAD. Mr. President, today I rise with my colleague, Senator STABENOW, to introduce an important piece of legislation for Medicare beneficiaries living in rural areas. The Medicare Telehealth Improvement Act will ensure that rural beneficiaries have access to health care services by connecting remote areas to the services often only available in large urban centers.

Fifteen years ago, I cofounded the Congressional Steering Committee on Telemedicine and Health Care Informatics to bring more attention to this technology and its potential. I took an interest in this technology because in large, rural, medically underserved States like mine, telemedicine provides access to care that is simply unavailable otherwise. In many areas of North Dakota, routine check-ups with a specialist can require a 200 mile round trip journey. That's fine for a young person on a nice spring day. But it doesn't work for seniors in the middle of a North Dakota blizzard.

That's why in 1997, we fought to provide Medicare coverage of telemedicine services. But access to this benefit was strictly limited. For example, the telehealth service must be provided in a health professional shortage area or county not classified as a metropolitan statistical area. In addition, only consultations, office visits, individual psychotherapy and pharmacologic management are covered services. Moreover, reimbursement, which is the same as the current physician fee schedule amount, is limited to physicians, nurse practitioners, physician assistants, nurse midwives, clinical nurse specialists, clinical psychologists, clinical social workers, and registered dieticians. Finally, only physician offices, hospitals, rural health

clinics, and Federally-qualified health centers are eligible to be originating sites and receive the ''facility fee.''

While this benefit has been helpful to seniors in rural areas, the adoption of telemedicine in the Medicare program has been slow. That is because we had to place too many restrictions on the benefit to control the estimated costs o covering these services. However, experience has shown that the use of telemedicine does not dramatically increase spending. In fact, it can actually save money.

That is why Senator STABENOW and I are introducing the Medicare Telehealth Improvement Act today. More seniors need to have access to this technology in all areas of health care, and our bill makes important changes in Medicare coverage.

First, the Medicare Telehealth Improvement Act would increase the number of originating sites eligible to receive the facility fee to include nursing homes, dialysis facilities and community mental health centers. Moreover, it would allow any other site that has telecommunications systems to be an originating site, but these sites would not be eligible for the facility fee.

Second, the bill allows more providers to participate. For a number of years, we have advocated to include physical therapists, occupational therapists, audiologists, and speech-language pathologists. This bill would make that change.

Finally, we would improve the Medicare process for updating the list of eligible services. Despite widespread support for the inclusion of new codes, CMS has not sufficiently updated the list of covered services in recent years. In response, our bill creates an advisory panel that would give recommendations on the addition or deletion of services.

Senator STABENOW and I have worked to garner support from a variety of stakeholders. In fact, the bill we are introducing today has the support of the American Telemedicine Association, the National Council on Community Behavioral Healthcare, the American Health Care Association, the American Health Information Management Association, the Center for Aging Services Technologies, the National Association for the Support of Long Term Care, and the National Center for Assisted Living.

This bill is a meaningful step to further adoption of telehealth in the Medicare program. It will allow seniors to seek care in the comfort of their communities, instead of having to drive hundreds of miles. I urge my colleagues to support this initiative to ensure that every senior has access to the care they need.

Mr. President, I ask unanimous consent that letters of support be printed in the RECORD.

There being no objection, the material was ordered to be placed in the RECORD, as follows:

AMERICAN TELEMEDICINE ASSOCIATION,
Washington, DC, March 12, 2008.

Hon. KENT CONRAD,
U.S. Senate,
Washington, DC.

DEAR SEN. CONRAD: I am pleased to express the strong support of the American Telemedicine Association for your proposed legislation, the Medicare Telehealth Improvement Act of 2008.

This legislation would improve the current Medicare telehealth program in three significant ways. First, it would increase the number of eligible sites by adding skilled nursing facilities, dialysis centers and community mental health centers to the list of approved originating sites. These are areas where telemedicine is proven to improve quality and reduce costs.

Second, this bill would expand the list of eligible providers under the Medicare telehealth program. This is not only appropriate but necessary as more and more health professions develop their telemedicine capabilities.

Finally, your legislation would improve the process used for updating covered Medicare telehealth services by creating an advisory committee of telemedicine practitioners to advise CMS on the appropriate addition of deletion of telehealth services. This committee, made up of physician and non-physician providers, will improve the process by providing the perspective of those directly involved in the provision of telehealth services.

The ATA is the leading resource and advocate promoting access to medical care for consumers and health professionals via telecommunications technology. ATA seeks to bring together groups from traditional medicine, academic medical centers, technology and telecommunications companies, e-health, medical societies, government and others to overcome barriers to the advancement of telemedicine through the professional, ethical and equitable improvement in health care delivery.

ATA is happy to support your proposed bill, the Medicare Telehealth Improvements Act of 2008.

Sincerely,

JONATHAN D. LINKOUS,
Executive Director.

MARCH 18, 2008.

Hon. KENT CONRAD,
Chairman, Senate Budget Committee, Hart Senate Office Building, U.S. Senate, Washington, DC.

DEAR CHAIRMAN CONRAD: Our coalition of long term care and health information technology organizations is pleased to support your efforts to expand the use of telehealth to skilled nursing facilities and other care settings serving Medicare patients. Telehealth will enhance the quality of care for those with chronic illnesses, permanent disabilities, or terminal illnesses and will improve the communication and information exchange between caregivers and patients.

According to the June 2007 Centers for Medicare & Medicaid Services Statistics report, roughly 1.8 million persons received Medicare-covered care in skilled nursing facilities in 2005. Long term care is a critical stakeholder in the adoption of health information technology and the use of telehealth to ensure continuous quality of care to our patients and residents.

Your recognition of the importance of telehealth in the long term care setting will go a long way toward bringing the benefits of this technology to millions of Medicare patients. Your legislation will facilitate the adoption of technologies that can save lives, reduce administrative costs, and provide better medical care, and we support your efforts wholeheartedly.

We look forward to continuing to work with you to secure passage of legislation to accelerate the adoption of telehealth to increase quality and safety for patients.

Sincerely,

AMERICAN HEALTH CARE ASSOCIATION.
AMERICAN HEALTH INFORMATION MANAGEMENT ASSOCIATION.
CENTER FOR AGING SERVICES TECHNOLOGIES.
NATIONAL CENTER FOR ASSISTED LIVING.
NATIONAL ASSOCIATION FOR THE SUPPORT OF LONG TERM CARE.

NATIONAL COUNCIL FOR COMMUNITY BEHAVIORAL HEALTHCARE,
Rockville, MD, March 31, 2008.

Hon. KENT CONRAD,
Hart Senate Office Bldg.,
Washington, DC.
Hon. DEBBIE STABENOW,
Hart Senate Office Bldg.,
Washington, DC.

DEAR SENATOR CONRAD AND SENATOR STABENOW: On behalf of the National Council on Community Behavioral Healthcare—representing 1,400 Community Mental Health Centers and other community mental health and substance abuse agencies serving over 6 million low-income Americans with mental illnesses and addiction disorders—I am writing to express our strong support for the Conrad/Stabenow Medicare Telehealth Improvement Act.

The National Council is particularly pleased that you included provisions designating CMHCs as originating sites, thereby authorizing to seek reimbursement directly from Medicare for tele-mental health services in rural areas.

Such proposals have long enjoyed strong bipartisan support. As an illustration, President George W. Bush's New Freedom Commission on Mental Health stated: ''Telehealth—using electronic information and telecommunications technologies to provide long-distance clinical care and consultation, patient and professional health-related education, public health and health administration—is a greatly underused resource for mental health services.'' The Commission went on to note that tele-mental health can increase access to care for patients in remote geographic areas, and is especially important for individuals with multiple chronic conditions, people with severe mental illnesses, underserved populations, children and the frail elderly [Achieving the Promise: Transforming Mental Health Care in America, pg. 80, July 2003].

Like other safety net providers in rural America, CMHCs struggle to recruit skilled medical staff in health professional shortage areas. The only practical means of expanding access to mental health services in these regions is through the application of new technologies—including tele-mental health care.

The National Council is committed to working with both of your offices to secure passage of the Medicare Telehealth Improvement Act.

Sincerely,

LINDA ROSENBERG,
President & CEO.

Ms. STABENOW. I am pleased to join with my good friend, Senator KENT CONRAD, in introducing the Medicare Telehealth Improvement Act, which improves access for many Medicare beneficiaries by expanding telehealth services.

As Senator CONRAD has noted, this legislation makes a number of technical corrections to promote telehealth. First, this bill would expand the number of sites that provide telehealth services under Medicare to include nursing homes, dialysis facilities, and community mental health centers. Also, it would expand the list of providers to include physical therapists, occupational therapists, speech-language pathologists, and other providers determined appropriate by the Secretary of Health and Human Services. Lastly, this bill would require the Centers for Medicare and Medicaid Services to update the list of covered telehealth services, along with the creation of a permanent advisory committee made up of physicians and nonphysicians to provide recommendations to the Secretary and continue expansions of telehealth services forward.

Michigan providers have been very innovative in using telehealth, often out of necessity because of geographic isolation. Telehealth allows providers to collaborate across great distances and share, rather than duplicate, services. This helps save money and improve patient access. One innovation is the use of tele-mental health services. Many Michigan community mental health centers have made tremendous strides in their ability to monitor patients and provide clinical consultations long distance.

I am very pleased that both the Michigan Association of Community Mental Health Boards and the National Council on Community Behavioral Healthcare support this legislation.

I believe that the Medicare Telehealth Improvement Act will build upon already successful initiatives happening in my home State of Michigan and across the country. I urge my colleagues to join with me and Senator CONRAD in expanding upon this promising technology.

Mr. President, I ask unanimous consent that a letter of support be printed in the RECORD.

There being no objection, the material was ordered to be placed in the RECORD, as follows:

MICHIGAN ASSOCIATION OF COMMUNITY MENTAL HEALTH BOARDS,
Lansing, Mi, March 28, 2008.

Hon. DEBBIE STABENOW,
U.S. Senator; SH–133 Hart Senate Office Bldg., Washington, DC.

DEAR SENATOR STABENOW: On behalf of the Michigan Association of Community Mental Health Boards (MACMHB)—representing county administered community mental health and substance abuse agencies serving low-income people with mental illnesses and addiction disorders statewide—I am writing to express our strong support for the Stabenow/Conrad Medicare Telehealth Improvement Act.

MACMHB is particularly pleased that you included provisions designating CMHCs as originating sites, thereby authorizing these agencies to seek reimbursement directly from Medicare for tele-mental health services.

As you well know, we have consistently struggled to expand access to mental health care in the vast northern reaches of Michigan for many years. In the best of times, MACMHB member agencies have fought to retain skilled professional staff, but the current economic challenges that our state confronts make personnel recruitment and retention along with services delivery in rural areas—even more difficult. By contrast, telemental health care can partially compensate for these staff shortages and, furthermore, we believe that these services can be successfully implemented and expanded in highly urbanized communities including metropolitan Detroit.

Passage of the Stabenow/Conrad telehealth improvement legislation would be of greatest benefit to individuals eligible for both Medicare and Medicaid—who compose roughly one-third of the combined caseload of our member agencies. This patient population is likely to have multiple chronic conditions in addition to severe mental illnesses, and they generally reside in underserved communities. The expansion of tele-mental health services will substantially improve our ability to provide long distance clinical consultation and health status monitoring for these ''dually eligible'' persons.

Senator Stabenow, we deeply appreciate your support. You can count on MACMHB and the National Council of Community Behavioral Healthcare to fight for passage of the Medicare Telehealth Improvement Act.

Sincerely,
DAVID A, KAKMIA, L.M.S.W.,
Executive Director.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 2814. A bill to authorize the Secretary of the Interior to provide financial assistance to the Eastern New Mexico Rural Authority for the planning, design, and construction of the Eastern New Mexico Rural Water System, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BINGAMAN. Mr. President, today, I am introducing a bill, with Senator DOMENICI's support, that would authorize the Bureau of Reclamation to help communities in eastern New Mexico develop the Eastern New Mexico Rural Water System, ENMRWS. The water supply and long-term security to be made available by this project is absolutely critical to the region's future. I look forward to working with my colleagues here in the Senate to help make this project a reality.

This is the third time this bill has been introduced. In June 2004, it was the subject of a hearing before the Water & Power Subcommittee of the Energy & Natural Resources Committee. At that hearing, the Bureau of Reclamation raised a number of issues that needed to be addressed by the Project sponsors prior to securing Reclamation's support. Last August, the Energy & Natural Resources Committee conducted a field hearing on the project in Clovis, New Mexico, and it was clear that the sponsors have worked diligently to address the issues raised by Reclamation. Given that progress and the broad support that exists for the project, it is time to move forward with Federal authorization under Reclamation's rural water program.

The source of water for the ENMRWS is Ute Reservoir, a facility constructed by the State of New Mexico in the early 1960s. In 1966, Congress authorized Reclamation to study the feasibility of a project that would utilize Ute Reservoir to supply water to communities in eastern New Mexico, P.L. 89–561. Numerous studies were completed, but it was not until recently that several communities, concerned about their reliance on declining and degraded groundwater supplies in the area, began to plan seriously for the development of a regional water system that would make use of the renewable supply available from Ute Reservoir.

As part of that process, the Eastern New Mexico Rural Water Authority was formed to carry out the development of the ENMRWS. The Authority consists of six communities and two counties in eastern New Mexico, and has been very effective in securing local funds and State funding to support the studies and planning necessary to move the project forward. To date, the State of New Mexico has provided approximately $7.5 million to develop the ENMRWS.

Mr. President, this is a very important bill to the citizens of New Mexico. It has the broad support of the communities in the region as well as financial support from the State of New Mexico. There is no question that completion of the ENMRWS will provide communities in Curry and Roosevelt counties with a long-term renewable source of water that is needed to sustain current economic activity and support future development in the region. I hope my colleagues will support this legislation and help address one of the many pressing water needs in the rural West.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2814

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 ''Eastern New Mexico Rural Water System Authorization Act''.

SEC. 2. DEFINITIONS.

In this Act:

(1) AUTHORITY.—The term ''Authority'' means the Eastern New Mexico Rural Water Authority, an entity formed under State law for the purposes of planning, financing, developing, and operating the System.

(2) ENGINEERING REPORT.—The term ''engineering report'' means the report entitled ''Eastern New Mexico Rural Water System Preliminary Engineering Report'' and dated October 2006.

(3) PLAN.—The term ''plan'' means the operation, maintenance, and replacement plan required by section 4(b).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(5) STATE.—The term ''State'' means the State of New Mexico.

(6) SYSTEM.—

(A) IN GENERAL.—The term ''System'' means the Eastern New Mexico Rural Water

System, a water delivery project designed to deliver approximately 16,500 acre-feet of water per year from the Ute Reservoir to the cities of Clovis, Elida, Grady, Melrose, Portales, and Texico and other locations in Curry, Roosevelt, and Quay Counties in the State.

(B) INCLUSIONS.—The term ''System'' includes the major components and associated infrastructure identified as the ''Best Technical Alternative'' in the engineering report.

(7) UTE RESERVOIR.—The term ''Ute Reservoir'' means the impoundment of water created in 1962 by the construction of the Ute Dam on the Canadian River, located approximately 32 miles upstream of the border between New Mexico and Texas.

SEC. 3. EASTERN NEW MEXICO RURAL WATER SYSTEM.

(a) FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary may provide financial and technical assistance to the Authority to assist in planning, designing, conducting related preconstruction activities for, and constructing the System.

(2) USE.—

(A) IN GENERAL.—Any financial assistance provided under paragraph (1) shall be obligated and expended only in accordance with a cooperative agreement entered into under section 5(a)(2).

(B) LIMITATIONS.—Financial assistance provided under paragraph (1) shall not be used—

(i) for any activity that is inconsistent with constructing the System; or

(ii) to plan or construct facilities used to supply irrigation water for irrigated agricultural purposes.

(b) COST-SHARING REQUIREMENT.—

(1) IN GENERAL.—The Federal share of the total cost of any activity or construction carried out using amounts made available under this Act shall be not more than 75 percent of the total cost of the System.

(2) SYSTEM DEVELOPMENT COSTS.—For purposes of paragraph (1), the total cost of the System shall include any costs incurred by the Authority or the State on or after October 1, 2003, for the development of the System.

(c) LIMITATION.—No amounts made available under this Act may be used for the construction of the System until—

(1) a plan is developed under section 4(b); and

(2) the Secretary and the Authority have complied with any requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) applicable to the System.

(d) TITLE TO PROJECT WORKS.—Title to the infrastructure of the System shall be held by the Authority or as may otherwise be specified under State law.

SEC. 4. OPERATION, MAINTENANCE, AND REPLACEMENT COSTS.

(a) IN GENERAL.—The Authority shall be responsible for the annual operation, maintenance, and replacement costs associated with the System.

(b) OPERATION, MAINTENANCE, AND REPLACEMENT PLAN.—The Authority, in consultation with the Secretary, shall develop an operation, maintenance, and replacement plan that establishes the rates and fees for beneficiaries of the System in the amount necessary to ensure that the System is properly maintained and capable of delivering approximately 16,500 acre-feet of water per year.

SEC. 5. ADMINISTRATIVE PROVISIONS.

(a) COOPERATIVE AGREEMENTS.—

(1) IN GENERAL.—The Secretary may enter into any contract, grant, cooperative agreement, or other agreement that is necessary to carry out this Act.

(2) COOPERATIVE AGREEMENT FOR PROVISION OF FINANCIAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary shall enter into a cooperative agreement with the Authority to provide financial assistance and any other assistance requested by the Authority for planning, design, related preconstruction activities, and construction of the System.

(B) REQUIREMENTS.—The cooperative agreement entered into under subparagraph (A) shall, at a minimum, specify the responsibilities of the Secretary and the Authority with respect to—

(i) ensuring that the cost-share requirements established by section 3(b) are met;

(ii) completing the planning and final design of the System;

(iii) any environmental and cultural resource compliance activities required for the System; and

(iv) the construction of the System.

(b) TECHNICAL ASSISTANCE.—At the request of the Authority, the Secretary may provide to the Authority any technical assistance that is necessary to assist the Authority in planning, designing, constructing, and operating the System.

(c) BIOLOGICAL ASSESSMENT.—The Secretary shall consult with the New Mexico Interstate Stream Commission and the Authority in preparing any biological assessment under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) that may be required for planning and constructing the System.

(d) EFFECT.—Nothing in this Act—

(1) affects or preempts—

(A) State water law; or

(B) an interstate compact relating to the allocation of water; or

(2) confers on any non-Federal entity the ability to exercise any Federal rights to—

(A) the water of a stream; or

(B) any groundwater resource.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In accordance with the adjustment carried out under subsection (b), there is authorized to be appropriated to the Secretary to carry out this Act an amount not greater than $327,000,000.

(b) ADJUSTMENT.—The amount made available under subsection (a) shall be adjusted to reflect changes in construction costs occurring after January 1, 2007, as indicated by engineering cost indices applicable to the types of construction necessary to carry out this Act.

(c) NONREIMBURSABLE AMOUNTS.—Amounts made available to the Authority in accordance with the cost-sharing requirement under section 3(b) shall be nonreimbursable and nonreturnable to the United States.

(d) AVAILABILITY OF FUNDS.—At the end of each fiscal year, any unexpended funds appropriated pursuant to this Act shall be retained for use in future fiscal years consistent with this Act.

By Mr. KENNEDY (for himself, Mr. SANDERS, Mrs. MURRAY, Mr. DODD, Mr. REED, and Mr. LEVIN):

S. 2815. A bill to amend the Higher Education Act of 1965 in order to increase unsubsidized Stafford loan limits for undergraduate students, provide for a secondary market for FFEL loans, allow for the in-school deferment of PLUS loans, augment the maximum Federal Pell Grant for the lowest income students, and expand the number of students eligible to obtain loans under the lender-of-last-resort program, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. KENNEDY. Mr. President, Americans are facing economic challenges at every turn. They see jobs disappearing, homes being foreclosed, debts soaring, and benefits worth less and less. Now families are finding that the loans they rely on to afford the high cost of college may also be at risk.

Some lenders have stopped making private student loans, and others have even temporarily stopped making loans under the Federal program. We can't allow problems in the credit market to prevent students from going to college.

We have been working with the Secretary of Education to take steps to see that all Federal backstops are in place and operational in order to protect students from these problems.

Today, I am introducing legislation for additional steps to protect students by reducing their reliance on loans, and by improving the existing Federal student loan programs to give them better terms and conditions.

The legislation does three things. It increases grant aid for the neediest students. It expands options for students and parents under the Federal loan programs so that fewer of them will have to turn to higher cost private loans. It takes steps to shore up the reliability of the current Federal loan programs so that families will have timely and reliable access to Federal loans.

Over 6 million students relied on Federal loans last year. It is essential to make sure this support is there for them when they need it. In the past 20 years, the cost of college has tripled, and more and more students are relying on student loans to afford a college education. In 1993, less than half of all graduates took out loans, but in 2004, nearly ⅔ did so.

The average U.S. student now graduates with more than $19,000 of student loan debt. As a result, they are under increasing pressure to give up lower-paying jobs and careers they may prefer, due to the burden of repaying their loan debts.

Legislation was enacted last year that increased grant aid and made Federal loans cheaper for students by reducing interest rates. We also provided that no graduates should have to pay more than 15 percent of their income in monthly loan payments, and that those who enter public service will have their loans completely forgiven. But these benefits will be meaningless if students cannot obtain the loans needed to gain a degree.

In recent weeks, the credit market crisis has made it more difficult for lenders to obtain capital for student loans. As a result, some lenders are leaving the student loan market and those operating outside the Federal loan program are cutting back on loans to high risk borrowers.

So far, because of the attractiveness of the Federal guarantee in the Federal loan program, other lenders are stepping in to fill the gaps in that program.

Since the interest rates in that program are capped, students are protected from inflated interest costs.

But students who need to go beyond the Federal loan program will have a more difficult time finding lenders, and their rates will go up.

Also, parents who traditionally had various options for borrowing to finance college for their children are seeing those options disappear. Some no longer have access to low-cost home equity lines of credit. Others are being turned down for additional loans as they struggle to pay their own mortgages.

As I mentioned, we are already taking action to ensure that programs already in place to protect students and families from credit market disruptions are fully operational.

I have urged Secretary Spellings to make it as easy as possible for colleges and families to participate in the existing loan program that allows students and parents to borrow directly from the Federal Government, without going through a bank. This Direct Loan program uses Treasury funds. It does not rely on capital from the private financial markets, so it's insulated from the market disruptions now taking place.

I have also urged the Secretary to put in place a plan to activate the ''Lender-of-Last-Resort'' program, which enables the Secretary to advance capital to designated lenders and guaranty agencies, so they can help students who are having trouble finding loans through other banks.

These programs are now in the law, and nearly 2,000 colleges are already signed up to use the Direct Loan Program.

We're also taking steps to help students and parents who must borrow outside the Federal loan program, since they are the ones most likely to be affected by the credit market decline.

Currently, however, many students and parents don't know about their Federal options. According to Department of Education estimates, between 40 and 60 percent of students who turn to high-cost private loans are not actually taking full advantage of Federal grants and loans first.

We're taking steps to correct that problem in the Higher Education Reauthorization bill that's in conference now.

But there is much more we can do to reduce families' reliance on high-cost private loans. The legislation I am offering today will increase access for students and families to low-cost Federal loans. It will also strengthen the backstops in the Federal program, to ensure students and families will continue to have access to Federal loans.

The legislation cuts back in several ways on the number of private loans that families have to take out:

It increases Pell Grant aid for the lowest income students.

It increases the amount that students can borrow under the Federal loan program.

It makes Federal loans for parents more attractive by enabling parents to defer payments on the loans while students are in college just as students can defer payments on their own loans.

It also takes steps to shore up the Federal loan program to ensure there are no disruptions in access for students.

It makes it easier for schools to use the ''Lender-of-Last-Resort'' program when students or schools have problems finding lenders.

It provides an additional backstop to give lenders access to the capital they need for new loans, if the situation worsens.

I will take a moment to describe each of these provisions.

The best way to help students and families afford college is to increase grant aid. More aid up front means fewer loans and less debt on graduation day. That is why the Democratic Congress delivered on our promise last year to raise the Pell Grant. The maximum grant will increase to $5,400 by 2012—an increase of $1,350 over the level at which it had stagnated under the current administration.

This increase in up-front aid means that students eligible for the maximum Pell grant will have to borrow $6,000 less in loans over the course of their college career.

The legislation I am introducing builds on that progress, and focuses on students who need it most. Currently, over 2.6 million students—half of all Pell Grant recipients—come from families whose income, under the Federal formula, makes them eligible for the maximum amount of Federal assistance because they are determined to be unable to contribute to their children's college bills. Still, after all grant aid, these families face an average unmet need of $5,600, which they are forced to borrow in order to pay for college. This bill brings additional assistance to these students, by increasing the maximum Pell Grant for these students by up to $750.

Because Federal grant aid has not kept pace with the rising cost of college in recent decades, many students have been forced to turn to loans. The bill helps students who still need to borrow for college by guaranteeing their access to additional low-cost federal loans, rather than forcing them to turn to the more expensive private loan market.

Currently, undergraduate students who are dependents of their parents can take out loans of between $3,500 and $5,500 annually, depending what year of college they're in. The total amount they can borrow is $23,000. Independent students can borrow about double that amount.

Consider what this means for a middle-class family in Massachusetts struggling to send a child to college.

Here is a family that makes $68,700—the median income in our State. On average, these families will spend $17,424 a year for college. Based on the federal formula, the parents are expected to contribute between $8,000 and $10,000 a year from their earnings with the rest to be obtained through grants and loans. After accounting for all federal, state, and institutional aid, this family still faces over $2,600 in unmet costs each year—on top of their expected family contribution. The estimate is conservative, because many parents don't have the $8,000–10,000 they're expected to contribute.

To make up the difference, many families can take out federal parent ''PLUS'' loans at a 7.9 percent interest rate. If they don't qualify for such loans because of poor credit, their children may have to turn to higher cost private loans.

The bill increases eligibility for Federal student loans in order to give students a better, lower-cost option than relying on private lenders.

It allows undergraduates dependent on their parents to borrow up to $1,000 more a year. It tracks current law by allowing independent students to borrow twice that amount. It also allows students whose parents are not able to borrow under the Federal parent loan program because of poor credit to borrow an additional $2,000 per year.

In addition, the bill increases the total amount that students can borrow over the course of their college career. Dependent students will be able to borrow up to $29,500. Independent students, and students whose parents don't have access to PLUS parent loans, can borrow up to $57,500.

Further, the legislation makes federal parent loans more attractive. Currently, most parents have the option of borrowing low-cost federal loans—up to the cost of attendance—for their children. In the 2006–2007 school year, 600,000 parents borrowed approximately $8 billion in PLUS loans, and the average loan was $13,600.

Many parents in recent years have not taken advantage of PLUS loans, because they had other options, such as home equity lines of credit, or private loans with good terms and conditions. This year, for the first time in a decade, the number of PLUS loan borrowers declined—by about 160,000. At the same time, student and parent dependence on private loans has increased. In the 2006–2007 school year, over $17 billion in private student loans were used to finance higher education.

With the credit crunch making it harder and more expensive for parents to borrow from private sources, this legislation will make it easier for parents to obtain Federal loans. Specifically, it allows parents to defer payment on those loans until their children graduate from school—just as students are able to do under their own Federal loans.

This provision protects parents from having to make any payments over the next few years, and allows them to use that time to meet other financial obligations, such as getting their mortgages back on track.

In addition to these provisions that significantly reduce families' need to turn to the private loan market, the legislation also takes two important steps to strengthen the backstops in the Federal loan program, to ensure that students and parents can continue to have timely, uninterrupted access to Federal loans.

First, it makes it easier for students and schools to participate in the ''Lender-of-Last-Resort'' program. Current law requires designated lenders to make loans to students who are having trouble finding a Federal student loan elsewhere. But the program requires individual students to demonstrate that they can't find a loan before they can turn to a ''lender of last resort.''

If the current market worsens, more lenders may stop making Federal student loans, and this ''lender-of-last-resort'' process will become untenable. Nationally, 18 million students are enrolled in colleges and universities. We can't require each of them to demonstrate they can't find another lender before using this safety net.

The legislation instead allows financial aid officers and colleges to make this determination on behalf of all their students, so that students can easily obtain a loan through a ''lender of last resort.'' Consider the difference this would make at state universities, some of which enroll more than 50,000 college and graduate students and generally rely on one or two primary lenders.

The Clinton Administration enacted such a policy in 1998—the last time lenders threatened to leave the program. The legislation requires the Secretary to make clear that colleges have this option should they need it.

Finally, many lenders who have announced they will not be able to make loans for this college year have had to make that decision because they cannot obtain capital for those loans through their traditional sources in the private financial markets.

Many of these lenders sell the loans they originate in order to replenish their capital and make new loans. But these so-called ''secondary markets'' have begun to close because of the credit crunch.

Some lenders can't find a buyer for their loans. They are stuck with the loans now on their books, and have no capital for new loans in the fall. Over the past month, this has caused some lenders to announce that they will stop making new Federal loans.

This legislation provides a back-up plan for lenders who need it, in case the private credit markets are unavailable to lenders. It allows the Secretary of Education to act as a ''secondary market of last resort,'' by buying the loans that lenders are currently holding on their books and cannot sell.

This will not cause students any greater complexity—under the program established by this legislation, student loans will continue to be serviced under the same terms and conditions that the borrower signed up for. The Department can contract with the same loan servicers that private banks use, and the transition will be seamless for borrowers.

We hope that these additional protections for students and families will not be needed. But given the uncertainties in the overall economy and the credit markets, Congress has an obligation to shore up programs on which millions of students heavily depend. Few things are more important than ensuring that families can afford a college degree for their children, and the goal of this legislation is to make that possible. I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2815

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 ''Strengthening Student Aid for All Act''.

SEC. 2. INCREASING UNSUBSIDIZED STAFFORD LOAN LIMITS FOR UNDERGRADUATE STUDENTS.

(a) AMENDMENTS.—Section 428H(d) of the Higher Education Act of 1965 (20 U.S.C. 1078–8(d)) is amended—

(1) in paragraph (1), by striking ''paragraphs (2) and (3)'' and inserting ''paragraphs (2) through (5)''; and

(2) by adding at the end the following:

''(4) ANNUAL AND AGGREGATE LIMITS FOR UNDERGRADUATE DEPENDENT STUDENTS.—

''(A) ANNUAL LIMITS.—The maximum annual amount of loans under this section an undergraduate dependent student (except an undergraduate dependent student whose parents are unable to borrow under section 428B or the Federal Direct PLUS Loan Program) may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the sum of the amount determined under paragraph (1), plus $1,000.

''(B) AGGREGATE LIMITS.—The maximum aggregate amount of loans under this section a student described in subparagraph (A) may borrow shall be $29,500. Interest capitalized shall not be deemed to exceed such maximum aggregate amount.

''(5) ANNUAL AND AGGREGATE LIMITS FOR UNDERGRADUATE INDEPENDENT STUDENTS.—

''(A) ANNUAL LIMITS.—The maximum annual amount of loans under this section an undergraduate independent student, or an undergraduate dependent student whose parents are unable to borrow under section 428B or the Federal Direct PLUS Loan Program, may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the sum of the amount determined under paragraph (1), plus—

''(i) in the case of such a student attending an eligible institution who has not completed such student's first 2 years of undergraduate study—

''(I) $6,000, if such student is enrolled in a program whose length is at least one academic year in length; or

''(II) if such student is enrolled in a program of undergraduate education which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in clause (i) as the length of such program measured in semester, trimester, quarter, or clock hours bears to one academic year;

''(ii) in the case of such a student at an eligible institution who has successfully completed such first and second years but has not successfully completed the remainder of a program of undergraduate education—

''(I) $7,000; or

''(II) if such student is enrolled in a program of undergraduate education, the remainder of which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as such remainder measured in semester, trimester, quarter, or clock hours bears to one academic year; and

''(iii) in the case of such a student enrolled in coursework specified in sections 484(b)(3)(B) and 484(b)(4)(B), $6,000 for coursework necessary for enrollment in an undergraduate degree or certificate program.

''(B) AGGREGATE LIMITS.—The maximum aggregate amount of loans under this section a student described in subparagraph (A) may borrow shall be $57,500. Interest capitalized shall not be deemed to exceed such maximum aggregate amount.''.

(b) CONFORMING AMENDMENTS.—Section 428H(d) of the Higher Education Act of 1965 (as amended by subsection (a)) (20 U.S.C. 1078–8(d)) is further amended—

(1) in paragraph (2)—

(A) in the paragraph heading, by striking ''INDEPENDENT, GRADUATE,'' and inserting ''GRADUATE'';

(B) in the matter preceding subparagraph (A), by striking ''an independent student'' and all that follows through ''Program)'' and inserting ''a student who is a graduate or professional student'';

(C) by striking subparagraphs (A) and (B);

(D) in subparagraph (D)—

(i) in the matter preceding clause (i), by inserting ''graduate'' before ''student'';

(ii) in clause (i), by striking ''$4,000'' and all that follows through ''degree,''; and

(iii) in clause (ii), by striking ''in the case'' and all that follows through ''degree,''; and

(E) by redesignating subparagraphs (C) and (D) (as amended by subparagraph (D)) as subparagraphs (A) and (B), respectively; and

(2) in the paragraph heading of paragraph (3), by striking ''INDEPENDENT, GRADUATE,'' and inserting ''GRADUATE''.

SEC. 3. IN-SCHOOL DEFERMENT OF PLUS LOANS.

Section 428B(d)(1) of the Higher Education Act of 1965 (20 U.S.C. 1078–2(d)(1)) is amended—

(1) by striking ''deferral during'' and inserting ''deferral—

''(B) during''; and

(2) by inserting before subparagraph (B) (as added by paragraph (1)) the following:

''(A) in the case of the parents of a dependent student, until the student ceases to be enrolled in an undergraduate program of study at an institution of higher education on at least a half-time basis; or''.

SEC. 4. SECONDARY MARKET OF LAST RESORT.

(a) IN GENERAL.—Part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) is amended by adding at the end the following:

''SEC. 440B. SECONDARY MARKET OF LAST RESORT.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act and subject to subsections (b), (c), and (d), the Secretary—

''(1) shall serve as the secondary market of last resort for loans under section 428, 428B, 428C, or 428H;

''(2) shall buy any such loan that an eligible lender wishes to sell to the Secretary, at a price equal to the sum of—

''(A) the total of the outstanding principal of such loan and any accrued, unpaid interest due on such loan; and

''(B) a premium in the amount equal to the cost of originating a similar loan under part D;

''(3) shall hold and service such loan under section 428, 428B, 428C or 428H in the same manner as the Secretary holds and services similar loans under part D; and

''(4) may not alter the terms and conditions of a promissory note of such loan under section 428, 428B, 428C, or 428H except as necessary to comply with paragraphs (1) through (3), and shall not require the execution of a new promissory note.

''(b) REPRESENTATIVE SUBSET OF LOANS.—An eligible lender that wishes to sell to the Secretary loans under section 428, 428B, 428C, or 428H, that do not represent 100 percent of all loans under such sections that are held by the lender, shall offer for sale to the Secretary a subset of the loans under such sections held by the lender that is representative (including representative with respect to risk of default) of the lender's total portfolio of loans under such sections.

''(c) SUNSET PROVISION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the authority provided to the Secretary under subsection (a) shall expire on July 1, 2009.

''(2) EXTENSION.—If the Secretary determines that economic circumstances necessitate extending the authority provided under subsection (a) in order to continue to ensure timely, uninterrupted access to student loans, the Secretary may extend the sunset provision under paragraph (1). The Secretary may make multiple extensions under this paragraph, except that each such extension may not be for a period of more than 12 months.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act.

SEC. 5. NEGATIVE EXPECTED FAMILY CONTRIBUTION.

(a) DEPENDENT STUDENTS.—Section 475 of the Higher Education Act of 1965 (20 U.S.C. 1087oo) is amended—

(1) in subsection (b)(3)—

(A) in subparagraph (C)—

(i) by striking ''dividing the assessment resulting under paragraph (2)'' and inserting ''if the amount of the assessment resulting under paragraph (2) is a positive number, dividing such assessment''; and

(ii) by striking the semicolon and inserting a period; and

(B) by striking the matter following subparagraph (C); and

(2) in subsection (g)(6), by inserting ''and the absolute value of the amount of the lowest assessment of adjusted available income in the table described in section 475(e) (or a successor table prescribed by the Secretary under section 478),'' after ''subsection (c)(1)''.

(b) INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.—Section 476 of the Higher Education Act of 1965 (20 U.S.C. 1087pp) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking ''dividing the sum resulting under paragraph (1)'' and inserting ''if the sum resulting under paragraph (1) is a positive number, dividing such sum''; and

(B) in the matter following paragraph (3)(B), by striking ''less than zero'' and inserting ''less than the amount of the lowest assessment of adjusted available income in the table described in section 477(d) (or a successor table prescribed by the Secretary under section 478)''; and

(2) in paragraph (b)(5), by inserting before the period at the end '', except that in no case shall the assessed amount be less than the amount of the lowest assessment of adjusted available income in the table described in section 477(d) (or a successor table prescribed by the Secretary under section 478).''.

(c) INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—Section 477(a) of the Higher Education Act of 1965 (20 U.S.C. 1087qq(a)) is amended—

(1) in paragraph (3), by striking ''dividing the assessment resulting under paragraph (2)'' and inserting ''if the amount of the assessment resulting under paragraph (2) is a positive number, dividing such assessment'';

(2) in paragraph (4)(B), by striking the semicolon and inserting a period; and

(3) by striking the matter following paragraph (4)(B).

(d) ASSESSMENT SCHEDULES AND RATES.—Section 478(e)(1) of the Higher Education Act of 1965 (20 U.S.C. 1087rr(e)(1)) is amended by striking ''increasing'' and inserting ''adjusting''.

(e) SIMPLIFIED NEEDS TESTS.—

(1) SIMPLIFIED NEEDS TESTS.—Section 479(c) of the Higher Education Act of 1965 (20 U.S.C. 1087ss) is further amended—

(A) in the subsection heading, by striking ''EXPECTED''; and

(B) in the matter preceding paragraph (1), by striking ''equal to zero'' and inserting ''equal to the amount of the lowest assessment of adjusted available income in the table described in section 477(d) (or a successor table prescribed by the Secretary under section 478)''.

(2) CONFORMING AMENDMENTS TO THE COLLEGE COST REDUCTION AND ACCESS ACT.—

(A) AMENDMENT.—Section 602(a)(3) of the College Cost Reduction and Access Act (Public Law 110–84) is amended in the quoted material inserted by subparagraph (C), by striking ''zero expected family contribution'' and inserting ''expected family contribution under this subsection.''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect on July 1, 2009, as if enacted on the date of enactment of the College Cost Reduction and Access Act (Public Law 110–84).

(f) FEDERAL PELL GRANTS.—Section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)) is amended by inserting after paragraph (7) the following:

''(8) INCREASED AMOUNT FOR STUDENTS WITH NEGATIVE EXPECTED FAMILY CONTRIBUTION.—

''(A) IN GENERAL.—Notwithstanding paragraph (2)(A) and any other provision of law and subject to subparagraph (B) and (C), in the case of a student whose expected family contribution is a negative number, such student shall be eligible for a Federal Pell Grant under this section in the amount equal to the sum of—

''(i) the maximum Federal Pell Grant for which a student shall be eligible during an award year, as specified in the last enacted appropriation Act applicable to that award year;

''(ii) the Federal Pell Grant increase described in paragraph (9) applicable to that award year; and

''(iii) an additional amount equal to the absolute value of the student's expected family contribution.

''(B) COST OF ATTENDANCE LIMIT.—Notwithstanding paragraph (3), in the case of a student whose expected family contribution is a negative number, the student's Federal Pell Grant under this subpart, as calculated under subparagraph (A), shall not exceed the student's cost of attendance at such institution, and if the amount of the student's Federal Pell Grant exceeds such cost of attendance for that year, such amount shall be reduced accordingly.

''(C) FORMULA OTHERWISE UNAFFECTED.—Except as provided in subparagraphs (A) and (B), nothing in this paragraph shall be construed to alter the requirements of this section, or authorize the imposition of additional requirements, for the determination and allocation of Federal Pell Grants under this section.''.

SEC. 6. LENDER-OF-LAST-RESORT.

(a) IN GENERAL.—Section 428(j) of the Higher Education Act of 1965 (20 U.S.C. 1078(j)) is amended—

(1) in the first sentence of paragraph (1), by striking ''part.'' and inserting ''part or who attend an institution of higher education in the State that is designated under paragraph (4).'';

(2) in paragraph (2)(B), by inserting '', in the case of students applying for loans under this subsection because of an inability to otherwise obtain loans under this part,'' after ''lender, nor'';

(3) in paragraph (3)(C)—

(A) in the first sentence, by inserting ''or designates an institution of higher education for participation in the program under this subsection under paragraph (4),'' after ''under this part''; and

(B) in the third sentence, by inserting ''or to eligible borrowers who attend an institution in the State that is designated under paragraph (4)'' after ''problems''; and

(4) by adding at the end the following:

''(4) INSTITUTION-WIDE STUDENT QUALIFICATION.—Upon the request of an institution of higher education, the Secretary shall designate such institution for participation in the lender-of-last-resort program under this paragraph in the State where the institution is located. If the Secretary designates an institution under this paragraph, the guaranty agency shall make loans, in the same manner as such loans are made under paragraph (1), to students of the designated institution who are eligible to receive interest benefits paid on the students' behalf under subsection (a) of this section, regardless of whether the students are otherwise unable to obtain loans under this part.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act.

SEC. 7. MANDATORY ADVANCES.

(a) IN GENERAL.—Section 421(b) of the Higher Education Act of 1965 (20 U.S.C. 1071(b)) is amended—

(1) in paragraph (4), by striking ''programs, and'' and inserting ''programs,'';

(2) in paragraph (5), by striking ''agencies.'' and inserting ''agencies, and''; and

(3) by adding at the end the following:

''(6) there is authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the purpose of carrying out section 427(c)(7).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act.

SEC. 8. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this Act shall take effect on July 1, 2008.

BY Mr. VOINOVICH (for himself and Mr. AKAKA):

S. 2816. A bill to provide for the appointment of the Chief Human Capital Officer of the Department of Homeland Security by the Secretary of Homeland Security; to the Committee on Homeland Security and Governmental Affairs.

Mr. VOINOVICH. Mr. President, I rise today to introduce legislation to

correct what I perceive to be an anomaly in the law. I am grateful to be joined in my efforts by my good friend and partner in human capital reform, Senator AKAKA.

The enabling statute of the Department of Homeland Security requires the Chief Human Capital Officer, or CHCO, to be appointed by the President. This differs from all other departments and agencies where the head of the agency designates the CHCO. Using that authority, agency heads have varied in appointing Chief Human Capital Officers who are political appointees as well as career employees.

This bill would strike the provision of statute that requires the Chief Human Capital Officer to be appointed by the President. Therefore, the Department would be covered by section 1401 of title 5, which directs the head of each agency to appoint the CHCO. Of the 23 agencies that make up the Chief Human Capital Officers Council, 11 are career employees.

As the Department prepares for its first transition between administrations, it is imperative that there are able and capable individuals in place to continue its important mission and all related functions. Key to a successful Department of Homeland Security is a well trained workforce. I believe central to this smooth transition would be a career Chief Human Capital Officer. While I have no intention of mandating that position be a career position, I believe the Secretary of the Department of Homeland Security should have the flexibility and authority to hire a career employee to that position, just as all other agency heads do, and I urge my colleagues to support this bill.

By Mr. SALAZAR (for himself, Ms. COLLINS, Mr. BAUCUS, Mr. COLEMAN, and Mr. TESTER):

S. 2817. A bill to establish the National Park Centennial Fund, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. SALAZAR. Mr. President, today I am proud to introduce the National Park Centennial Fund Act, a bill that will help restore the grandeur of our national parks in preparation for the 100th birthday of the National Park System in 2016. I am pleased to introduce this bill with Senator COLLINS, Senator BAUCUS, Senator COLEMAN, and Senator TESTER. I want to thank them for their work and for their support of this bill, which I hope we can pass this year.

Nearly a century ago, following the extraordinary vision of leaders whose dreams were ahead of their time, we as Americans pledged to protect our Nation's most special lands and treasures. At places like Yellowstone, Yosemite, Mesa Verde, and Gettysburg we have set aside for permanent protection those landscapes that conjure the sublime, those historic treasures that tell the American story, and those cultural sites that help define us as a people.

In 2016, we will celebrate the 100th anniversary of the National Park System. The centennial celebration will be an opportunity to resurrect the spirit that drove people like Enos Mills, one of the founders of Rocky Mountain National Park, to work tirelessly to protect our Nation's crown jewels for future generations. ''In years to come when I am asleep beneath the pines,'' Mills proclaimed in 1909, ''thousands of families will find rest and hope in this park.'' He was right. Thanks to the excellent work of the Park Service and its employees over the past 90 years, the 3.2 million visitors that come to Rocky Mountain National Park each year experience the same wild lands and spectacular vistas that our ancestors enjoyed.

The coming of the 2016 centennial of the National Park System is an opportunity to restore the luster of our national parks and inspire future generations to protect these national treasures.

Secretary Kempthorne took an important step in this direction when, in August 2006, he announced that the National Park Service will undertake the Centennial Initiative to prepare for the 100th anniversary of the Park System in 2016. As part of the Centennial Initiative, Secretary Kempthorne proposed the creation of a partnership between: the federal government; the private, philanthropic sector; and other non-federal sources. The goal of this partnership would be to increase philanthropic contributions to the parks by providing Federal matching funds for donations made by Americans for projects that improve the parks and visitor experiences. This program is called the Centennial Challenge.

When Secretary Kempthorne presented this proposal to the Senate Energy and Natural Resources Committee last year, I offered my strong support for the concept. However, the legislation offered by the Administration to put the Centennial Challenge into action suffered from a number of deficiencies—namely, a lack of a spending offset and an unclear delineation of the public's and Congress' role in the program. There were also concerns about the bill's effect on other Park Service accounts, friends groups, and existing philanthropic initiatives.

The National Park Centennial Fund Act that we are introducing today answers many of these questions and, I believe, is a legislative package that is worthy of bipartisan support and passage.

This bill takes Secretary Kempthorne's Centennial Challenge proposal from vision to reality by establishing the Centennial Challenge Fund, a matching donation fund in the federal treasury that will provide up to $100 million a year to the national parks in support of signature ''Centennial projects and programs.'' This would allow supporters of the parks to match their contributions with federal dollars to carry out a program or a project at a national park unit, provided that the project or program is approved by the Park Service and Congress.

This bill provides $100 million in mandatory spending for each of the fiscal years from 2008 to 2017 to carry out special, select Centennial projects throughout the National Park System. Non-federal philanthropic participation is encouraged, but not required, for a project to be executed with Federal money from the Centennial Fund.

To ensure that Congress has the opportunity to review and approve the proposed project list, the bill requires the Secretary oflnterior to submit to Congress, as part of the President's annual budget submission, a list of proposed Centennial projects. The yearly project lists are to be developed by the Secretary with input from the public and National Park Service employees.

Projects must meet specific criteria set forth in the bill. All projects must be consistent with Park Service policies and adopted park planning documents and be representative of the breadth of the national park system. The bill also requires that project proposals fall into one of seven categories or ''initiatives'' defined in the bill: Education, Diversity, Supporting Park Professionals, Environmental Leadership, Natural Resource Protection, Cultural Resource Protection, and Visitor Enjoyment and Health, and Construction. No more than 30 percent of the amounts available in the fund in any fiscal year may be spent on construction activities.

The National Park Centennial Fund Act also specifies that the Federal dollars made available from the Centennial Fund shall supplement and not replace annual Park Service expenditures, and that adequate permanent staffing levels must be maintained. The Secretary is required to submit a report to Congress each year detailing Centennial Fund accounting, results, and Park Service staffing levels.

The National Park Centennial Fund Act bill proposes to pay for the Centennial Fund by establishing a new conservation royalty from unanticipated off-shore oil and gas revenues in the Gulf of Mexico that the Federal Government is now collecting. In 2008, offshore oil and gas lease sales have already generated more than $4 billion in revenue above Department of Interior projections. Rather than returning all these revenues—which were generated from the depletion of a natural resource—to the Federal treasury, the National Park Centennial Fund Act reinvests up to $1 billion in the Centennial Fund and the permanent protection of our national treasures.

Moreover, the bill supplements the funding from this conservation royalty with revenues that would be generated through the sale of a new postage stamp celebrating the 100th anniversary of the National Park System.

I want to again thank my colleagues, Senator COLLINS, Senator BAUCUS, Senator COLEMAN, and Senator TESTER, for their support and for their work on this

bill. This is an effort that is worthy of broad, bipartisan support, and it is a bill which I hope we will pass this year.

Finally, I would like to note that I see another bill that I have introduced, S. 2194, as complementary to this effort. The National Park Ranger School Partnership Act, which I introduced with Senator CONRAD, would provide greater opportunities for our kids to experience and learn from the tremendous resources in our national parks by establishing partnerships between NPS and local schools under the No Child Left Behind Act. The bill would also create a pilot grant program aimed at getting more school children into the national parks.

I look forward to working with my colleagues to pass both of these bills.

Ms. COLLINS. Mr. President, I am proud to join Senator SALAZAR in introducing the National Park Centennial Fund Act. This bill celebrates the 100th anniversary of the National Park System by infusing our parks with $1 billion over 10 years, which will be matched by an additional $1 billion in private donations. This challenge fund adds to efforts to increase the operations budget of the National Park Service by $1 billion over the next decade.

We Americans love our National Parks. In fact, in a December 2007 Harris Interactive Poll, the National Park Service ranked as the most popular Federal Government service.

In 1872, Congress designated Yellowstone as the world's first national park, and in 1916 the National Park Service formally was created to manage what had become a 6 million acre system of national protected areas.

Today the National Park System protects more than 84 million acres. National Parks conserve our culture and our places of natural beauty and value. They also provide recreation opportunities for more than 270 million visitors each year.

My State of Maine is home to the first National Park east of the Mississippi River, Acadia National Park, a true gem on Maine's rocky coast. Visitors enjoy granite mountain tops, sparkling lakes, forested valleys, meadows, marshes, and a spectacular coastline. They can hike up Cadillac Mountain, the tallest mountain on the east coast, which offers amazing views of Porcupine Islands and Frenchman Bay.

The National Park Centennial Fund Act will maintain and improve all of our parks for the next century of enjoyment. The bill establishes a mandatory annual fund of $100 million, which will be matched by private donations for projects in parks around the country.

Eligible projects will be prioritized through input from both the public and a broad cross-section of National Park Service employees. Centennial challenge projects may fall into one of these categories: education, diversity, supporting park professionals, environmental leadership, natural resource protection, cultural resources protection or visitor enjoyment and health.

For example, at Acadia National Park, officials are undertaking an environmental leadership project to make Acadia virtually car-free by providing a variety of public transportation options within the park. This partnership with the local community will include providing a central parking and bus boarding area for park visitors to use the Island Explore bus system. Since 1999, these low-emissions propane vehicles have carried more than 1.5 million riders. In doing so, they removed 424,000 vehicles from the park and reduced pollution by 24 tons.

We propose two offsets in the National Park Centennial Fund Act. The first is a postal stamp for National Parks, estimated to raise about $10 million annually.

The second offset is from unanticipated revenues from offshore oil and gas leases. Thus far for fiscal year 2008, bids and royalties from offshore oil and gas leases are $4.2 billion higher than CBO anticipated. The National Park Centennial Fund Act bill would take these revenues that were not anticipated each year and dedicate them into the centennial fund until the total in the fund reaches $1 billion. If we are depleting one natural resource, I believe we should return part of the revenues to the protection of other natural resources like our National Parks.

Mr. President, I thank Senator SALAZAR for his leadership on this bill and Senators BAUCUS, COLEMAN and TESTER for their support. I urge all my colleagues to consider joining us on this important legislation.

By Mr. ROCKEFELLER (for himself, Ms. SNOWE, and Mr. KENNEDY):

S. 2819. A bill to preserve access to Medicaid and the State Children's Health Insurance Program during an economic downturn, and for other purposes; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, I rise today with my esteemed colleagues—Senator OLYMPIA SNOWE of Maine and Senator EDWARD KENNEDY of Massachusetts—to introduce a timely and vital piece of legislation, the Economic Recovery in Health Care Act of 2008. This bill will preserve access to health care for our most vulnerable citizens during this time of economic uncertainty.

Earlier this week, Federal Reserve Chairman Ben Bernanke confirmed what we have all long-suspected—that the U.S. economy could be headed for a protracted recession. The tell-tale warning signs of recession have been visible in the states for at least a full quarter now. According to the National Governors Association, the recent economic downturn has left 18 States with budget shortfalls totaling $14 million in 2008, and 21 States project shortfalls totaling more than $32 million in 2009. If the current downturn follows the path of most recessions, between 35 and 40 States will face severe budget shortfalls in 2009.

As a former Governor, who survived the tough times of the 1980s, I can attest to the enormous budget pressures States face when the economy slows. State revenues often evaporate rapidly during an economic downturn. Unlike the Federal Government, States cannot borrow infinite amounts of debt from China and other countries. By law, 49 States—including West Virginia—are required to balance their budgets and, in times of economic downturn, this task becomes significantly more difficult.

Some of my colleagues may be wondering why health care is such a big deal when we have all these other problems to worry about—the mortgage crisis, the credit crunch, and a weak dollar. Well, I would say to my colleagues that we don't have to look very far for an answer to this very question. As we saw during the economic downturn of 2001–2003, decreased access to health care coverage was a huge crisis for working families.

There was a huge loss in private health care coverage. Data from the Center for Studying Health System Change indicates that the proportion of the under-65 population with employer-sponsored coverage fell from 67 percent in 2001 to 63.4 percent in 2003. After adjusting for population growth, this means that nearly 9 million fewer people were covered by employer-sponsored health insurance during the recession than would have been the case if coverage rates remained unchanged.

Medicaid also didn't fare very well during the last recession. It is consistently the first program slated for cuts during a state budget squeeze. According to the Kaiser Commission on Medicaid and the Uninsured, between fiscal years 2002 and 2005, the loss of revenue led all 50 States to reduce Medicaid provider payment rates and implement prescription drug cost controls, 38 States to reduce Medicaid eligibility and 34 States to reduce benefits.

These cuts placed a huge burden on Medicaid providers and the working families who depend on Medicaid to meet their health care needs. While Congress did ultimately respond to the last economic downturn by providing $20 billion in State fiscal relief in 2003, and this relief went a long way to preserve health care coverage for millions of working families, we cannot discount the fact that one million low-income people had already lost Medicaid coverage because we waited two years into the recession to act.

In response to this current downturn, state legislatures are already beginning to limit access to Medicaid and CHIP in preparation for the harsh economic times ahead. According to the Center on Budget and Policy Priorities, at least 10 states have implemented or are considering budget cuts that will reduce access to Medicaid or CHIP for working families. For example, Nevada has capped the State's CHIP program

at its approximate current number of enrollees. As a result, hundreds of children will be denied coverage. California has proposed increasing co-payments and premiums for children enrolled in CHIP and reducing CHIP dental services. I want to remind my colleagues that it was only 1 year ago that millions across the country mourned the death of 12-year-old Deamonte Driver, whose lack of dental care led to fatal brain infection.

At least four States are cutting or proposing to cut Medicaid services for the elderly or disabled, or significantly increasing the cost of these services. For example, Maine has proposed cuts that will remove 7,000 mentally ill and poor adults from Medicaid; and Rhode Island is requiring low-income elderly people to pay more for adult daycare.

Several States have proposed reductions in or delayed payments to providers. For example, New Jersey has proposed a reduction in funding for hospital charity of 15 percent, which will impact hospitals' ability to care for some of the State's most vulnerable residents.

There is no question that our States are in economic peril. However, children don't stop getting sick just because the economy slows. Seniors don't suddenly stop needing long-term care services simply because the economy slows. Instead, the need for access to Medicaid and CHIP grows during times of economic uncertainty, and we must act to ensure that Medicaid and CHIP coverage is available when families need it the most.

The Economic Recovery in Health Care Act provides the timely, targeted, and temporary Federal response necessary to avoid a health care crisis during this current economic slowdown. Our legislation accomplishes this objective in two ways.

First, our bill responds to the Medicaid administrative regulations recently proposed by the administration, which, if allowed to go into effect, would further aggravate the impact of the economic downturn on States and working families. The Congressional Budget Office estimates that these regulations would reduce Federal Medicaid matching payments by approximately $18 billion over 5 years and $42 billion over 10 years. However, State reports to the House Oversight Committee indicate that the cost shift to States could be far greater.

Now is a time when States need greater financial support from the Federal Government, not less financial support and more restrictions that make providing quality care to those most in need nearly impossible.

Our bill will preserve access to Medicaid for seniors, pregnant women, individuals with disabilities, and children during the economic downturn by temporarily extending—through April 1, 2009—the Medicaid moratoria on payments to public providers, graduate medical education, school-based services, and rehabilitative services that Congress has already enacted. The Economic Recovery in Health Care Act would also preserve access to Medicaid by delaying—through April 1, 2009—implementation of the following additional Medicaid regulations, which are already in effect or scheduled to go into effect in the near future: targeted case management, allowable provider taxes, outpatient clinic and hospital services, and the Departmental Appeals Board rule. Our bill would also preserve access to CHIP for low-income children by implementing a 1-year moratorium on the August 17 CHIP guidance.

The second major component of our legislation is targeted State fiscal relief. Leading economists have found that targeted State aid would generate increased economic activity of $1.36 for each dollar of cost. Our legislation provides approximately $12 billion in targeted State fiscal relief, equally divided between an increase in Federal Medicaid matching payments and targeted grants to States.

Unlike the State fiscal relief provided in 2003 and previous fiscal relief proposals offered this year, each State must meet certain criteria in order to qualify for an increase in federal matching payments and the targeted grants. The criteria would be based on the average of State ranks in unemployment, food stamp participation, and foreclosures. These three economic indicators closely align with State budget deficits and would allow us to more appropriately target State fiscal relief to the States with the most need.

I urge my colleagues to strongly support this important legislation. Medicaid is a Federal-State partnership, and the Federal Government bears the primary responsibility for ensuring that the Federal guarantee of health benefits is not denied to eligible working families, particularly during an economic downturn. With all the worries that working American families are currently facing, they should not have to add health care to their growing list of concerns.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2819

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 ''Economic Recovery in Health Care Act of 2008''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) State and local governments are an integral part of our national economic engine. They provide health care and a wealth of social services to millions of Americans, particularly when the economy is weak.

(2) During the last economic downturn, the number of uninsured Americans would have been millions more if Medicaid and the State Children's Health Insurance Program (CHIP) had not responded to the twin challenges of an economic downturn and a sharp drop-off in private health insurance coverage.

(3) In the last year, our unemployment rate has increased to 5.0 percent with nearly 900,000 more Americans without jobs. Because the majority of Americans get their health insurance through their jobs, the loss of a job often results in a simultaneous loss of health insurance coverage.

(4) Medicaid fills the gap for working families when they lose access to private coverage. For every 1 percent increase in the unemployment rate, Medicaid enrollment increases by 2,000,000 to 3,000,000 people.

(5) States experience enormous budget pressures when the economy slows. By law, 49 States are required to balance their budgets and, in times of economic downturn, this task becomes significantly more difficult.

(6) According to the National Governors Association, 18 States already face budget shortfalls totaling $14,000,000,000 in 2008, and 21 States project shortfalls totaling more than $32,000,000,000 in 2009. If the current downturn follows the path of most recessions, between 35 and 40 States will face severe budget shortfalls in 2009.

(7) A critical factor in helping States sustain Medicaid enrollment during the last economic downturn was the $20,000,000,000 in State fiscal relief that Congress enacted in 2003.

(8) Not only should Congress enact a similar State fiscal relief provision in 2008, but Congress should also delay the implementation of administrative regulations that would reduce Federal Medicaid matching payments at a time when States need greater Federal resources.

(9) There is no question that health care is economic stimulus.

(10) Keeping Medicaid and CHIP whole shores up the safety net for vulnerable working families. People who are able to get the health services they need are more likely to be able to continue working and contribute to the economy as it recovers.

(11) Leading economists have found that targeted State aid would generate increased economic activity of $1.36 for each dollar of cost. The increase in Federal dollars to States generates business activity, jobs, and wages that States would not otherwise see.

SEC. 3. PRESERVING ACCESS TO MEDICAID AND CHIP DURING AN ECONOMIC DOWNTURN.

(a) PROHIBITION.—Effective on the date of enactment of this Act, notwithstanding any other provision of law, the Secretary of Health and Human Services shall not finalize, implement, enforce, or otherwise take any action to give effect to the following administrative actions (or to any administrative actions relating to the same subject matters that are similar to the following administrative actions or that reflect the same or similar policies set forth in the following administrative actions) prior to April 1, 2009:

(1) The proposed and final rule entitled ''Medicaid Program; Health-Care Related Taxes'', published, respectively, on March 23, 2007, on pages 13726 through 13734 of volume 72, Federal Register, and on February 22, 2008, on pages 9685 through 9699 of volume 73, Federal Register, with the exception of the proposed amendments to sections 433.56(a)(8) and 433.68(f)(3)(i) of title 42, Code of Federal Relations.

(2) The proposed rule entitled ''Medicaid Program; Graduate Medical Education'', published on May 23, 2007, on pages 28930 through 28936 of volume 72, Federal Register.

(3) The State Health Official Letter 07-001, dated August 17, 2007, issued by the Director of the Center for Medicaid and State Operations in the Centers for Medicare & Medicaid Services regarding certain requirements under the State Children's Health Insurance Program (CHIP) relating to the prevention of the substitution of health benefits

coverage for children (commonly referred to as ''crowd-out'') and the enforcement of medical support orders. Any change made on or after August 17, 2007, to a Medicaid or CHIP State plan or waiver to implement, conform to, or otherwise adhere to the requirements or policies in such letter shall not apply prior to April 1, 2009.

(4) The proposed rule entitled ''Medicaid Program; Clarification of Outpatient Clinic and Hospital Facility Services definition and Upper Payment Limit'', published on September 28, 2007, on pages 55158 through 55166 of volume 72, Federal Register.

(5) The interim final rule entitled ''Medicaid Program; Optional State Plan Case Management Services'', published on December 4, 2007, on pages 68077 through 68093 of volume 72, Federal Register.

(6) The proposed rule entitled ''Revisions to Procedures for the Departmental Appeals Board and Other Departmental Hearings'', published on December 28, 2007, on pages 73708 through 73720 of volume 72, Federal Register.

(b) EXTENSION OF PRIOR MORATORIA.—

(1) MORATORIUM RELATING TO THE COST LIMIT FOR PROVIDERS OPERATED BY UNITS OF GOVERNMENT AND PROVISIONS TO ENSURE THE INTEGRITY OF FEDERAL-STATE FINANCIAL PARTNERSHIP.—Section 7002(a)(1) of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 (Public Law 110–28) is amended by striking ''the date that is 1 year after the date of enactment of this Act'' and inserting ''April 1, 2009''.

(2) MORATORIA RELATING TO REHABILITATION SERVICES, SCHOOL-BASED ADMINISTRATION AND SCHOOL-BASED TRANSPORTATION.—Section 206 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110–173) is amended by striking ''June 30, 2008'' and inserting ''April 1, 2009''.

SEC. 4. TEMPORARY, TARGETED STATE FISCAL RELIEF.

(a) DEFINITIONS.—In this section:

(1) ROUND ONE QUALIFYING STATE.—

(A) IN GENERAL.—Subject to subparagraph (B), the term ''Round One Qualifying State'' means with respect to a State that is 1 of the 50 States or the District of Columbia, a State that has 1 of 28 highest averages of the State rankings for each of the following 3 qualifying criteria, based on the most recent data available as of April 1, 2008:

(i) REDUCTION IN EMPLOYMENT.—The year-to-year reduction in total employment, based on the average total employment for the State or District in the 3 most recent months compared to the average total employment for the State or District in the same months a year earlier, as determined based on the most recent monthly publications of the Current Employer Statistics Survey of the Bureau of Labor Statistics.

(ii) INCREASE IN FOOD STAMPS PARTICIPATION.—The year-to-year increase in food stamps participation, based on average monthly participation for the State or District in the 3 most recent months compared to the average monthly participation for the State or District in the same months a year earlier, as determined based on the most recent monthly publications of Food and Nutrition Service Data of the Department of Agriculture.

(iii) INCREASE IN THE FORECLOSURE RATE.—The year-to-year increase in the foreclosure rate for the State or District, based on the foreclosure rate for the State or District for the most recent quarter compared to the same quarter a year earlier, as determined by the Mortgage Bankers Association's National Delinquency Survey, as published in most recent report entitled, ''Recent Foreclosure Trends Report for all States''.

(B) COMMONWEALTHS AND TERRITORIES INCLUDED.—Such term includes a commonwealth or territory specified in paragraph (4).

(2) ROUND TWO QUALIFYING STATE.—The term ''Round Two Qualifying State'' means a State that is 1 of the 50 States or the District of Columbia and that—

(A) has 1 of 38 highest averages of the State rankings for the 3 qualifying criteria identified in clauses (i), (ii), and (iii) of paragraph (1)(A), based on the most recent data available as of October 1, 2008; and

(B) is not a Round One Qualifying State.

(3) FMAP.—The term ''FMAP'' means the Federal medical assistance percentage, as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)).

(4) STATE.—The term ''State'' means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa.

(b) ASSISTANCE FOR ROUND ONE QUALIFYING STATES.—

(1) TEMPORARY INCREASE OF MEDICAID FMAP.—

(A) PERMITTING MAINTENANCE OF FISCAL YEAR 2007 FMAP FOR LAST 2 CALENDAR QUARTERS OF FISCAL YEAR 2008.—Subject to subparagraphs (E), (F), (G), and (H), if the FMAP determined without regard to this paragraph for a Round One Qualifying State for fiscal year 2008 is less than the FMAP as so determined for fiscal year 2007, the FMAP for the State for fiscal year 2007 shall be substituted for the State's FMAP for the third and fourth calendar quarters of fiscal year 2008, before the application of this paragraph.

(B) PERMITTING MAINTENANCE OF FISCAL YEAR 2008 FMAP FOR FIRST 3 QUARTERS OF FISCAL YEAR 2009.—Subject to subparagraphs (E), (F), (G), and (H), if the FMAP determined without regard to this paragraph for a Round One Qualifying State for fiscal year 2009 is less than the FMAP as so determined for fiscal year 2008, the FMAP for the State for fiscal year 2008 shall be substituted for the State's FMAP for the first, second, and third calendar quarters of fiscal year 2009, before the application of this paragraph.

(C) GENERAL 1.667 PERCENTAGE POINTS INCREASE FOR LAST 2 CALENDAR QUARTERS OF FISCAL YEAR 2008 AND FIRST 3 CALENDAR QUARTERS OF FISCAL YEAR 2009.—Subject to subparagraphs (E), (F), (G), and (H), for each Round One Qualifying State for the third and fourth calendar quarters of fiscal year 2008 and for the first, second, and third calendar quarters of fiscal year 2009, the FMAP (taking into account the application of subparagraphs (A) and (B)) shall be increased by 1.667 percentage points.

(D) INCREASE IN CAP ON MEDICAID PAYMENTS TO TERRITORIES.—Subject to subparagraphs (E), (F), (G), and (H), with respect to the third and fourth calendar quarters of fiscal year 2008 and the first, second, and third calendar quarters of fiscal year 2009, the amounts otherwise determined for the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa under subsections (f) and (g) of section 1108 of the Social Security Act (42 U.S.C. 1308) shall each be increased by an amount equal to 3.334 percent of such amounts.

(E) SCOPE OF APPLICATION.—The increases in the FMAP for a Round One Qualifying State and the increases in the cap amounts under subparagraph (D) under this paragraph shall apply only for purposes of title XIX of the Social Security Act and shall not apply with respect to—

(i) disproportionate share hospital payments described in section 1923 of such Act (42 U.S.C. 1396r–4);

(ii) payments under title IV or XXI of such Act (42 U.S.C. 601 et seq. and 1397aa et seq.); or

(iii) any payments under XIX of such Act that are based on the enhanced FMAP described in section 2105(b) of such Act (42 U.S.C. 1397ee(b)).

(F) STATE ELIGIBILITY.—

(i) IN GENERAL.—Subject to clause (ii), a Round One Qualifying State is eligible for an increase in its FMAP under subparagraph (C) or an increase in a cap amount under subparagraph (D) only if the eligibility under its State plan under title XIX of the Social Security Act (including any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)) is no more restrictive than the eligibility under such plan (or waiver) as in effect on December 31, 2007.

(ii) STATE REINSTATEMENT OF ELIGIBILITY PERMITTED.—A Round One Qualifying State that has restricted eligibility under its State plan under title XIX of the Social Security Act (including any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)) after December 31, 2007, is eligible for an increase in its FMAP under subparagraph (C) or an increase in a cap amount under subparagraph (D) in the first calendar quarter (and subsequent calendar quarters) in which the State has reinstated eligibility that is no more restrictive than the eligibility under such plan (or waiver) as in effect on December 31, 2007.

(iii) RULE OF CONSTRUCTION.—Nothing in clause (i) or (ii) shall be construed as affecting a Round One Qualifying State's flexibility with respect to benefits offered under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (including any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)).

(G) REQUIREMENT FOR CERTAIN STATES.—In the case of a Round One Qualifying State that requires political subdivisions within the State to contribute toward the non-Federal share of expenditures under the State Medicaid plan required under section 1902(a)(2) of the Social Security Act (42 U.S.C. 1396a(a)(2)), the Round One Qualifying State shall not require that such political subdivisions pay a greater percentage of the non-Federal share of such expenditures for the third and fourth calendar quarters of fiscal year 2008 and the first, second, and third calendar quarters of fiscal year 2009, than the percentage that would have been required by the State under such plan on December 31, 2007.

(H) REQUIREMENTS.—A Round One Qualifying State—

(i) may not use the additional Federal funds paid to the State as a result of this paragraph for purposes of increasing any reserve or rainy day fund maintained by the State; and

(ii) shall expend the additional Federal funds paid to the State as a result of this paragraph within 1 year of the date on which the State receives such funds.

(2) TARGETED GRANTS TO ROUND ONE QUALIFYING STATES.—

(A) APPROPRIATION.—There is authorized to be appropriated and is appropriated for making payments to Round One Qualifying States under this paragraph—

(i) $2,500,000,000 for fiscal year 2008; and

(ii) $2,500,000,000 for fiscal year 2009.

(B) PAYMENTS.—

(i) FISCAL YEAR 2008.—From the amount appropriated under subparagraph (A)(i) for fiscal year 2008, the Secretary of the Treasury shall, not later than the later of the date that is 45 days after the date of enactment of

this Act or the date that a Round One Qualifying State provides the certification required by subparagraph (E) for fiscal year 2008, pay each such State the amount determined for the State for fiscal year 2008 under subparagraph (C).

(ii) FISCAL YEAR 2009.—From the amount appropriated under subparagraph (A)(ii) for fiscal year 2009, the Secretary of the Treasury shall, not later than the later of October 1, 2008, or the date that a Round One Qualifying State provides the certification required by subparagraph (E) for fiscal year 2009, pay each such State the amount determined for the State for fiscal year 2009 under subparagraph (C).

(C) PAYMENTS BASED ON POPULATION.—

(i) IN GENERAL.—Subject to clause (ii), the amount appropriated under subparagraph (A) for each of fiscal years 2008 and 2009 shall be used to pay each Round One Qualifying State an amount equal to the relative population proportion amount described in clause (iii) for such fiscal year.

(ii) MINIMUM PAYMENT.—

(I) IN GENERAL.—No Round One Qualifying State shall receive a payment under this paragraph for a fiscal year that is less than—

(aa) in the case of a Round One Qualifying State that is 1 of the 50 States or the District of Columbia, ½ of 1 percent of the amount appropriated for such fiscal year under subsection (a); and

(bb) in the case of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, or American Samoa, 1/10 of 1 percent of the amount appropriated for such fiscal year under subsection (a).

(II) PRO RATA ADJUSTMENTS.—The Secretary of the Treasury shall adjust on a pro rata basis the amount of the payments to Round One Qualifying States determined under this paragraph without regard to this subclause to the extent necessary to comply with the requirements of subclause (I).

(iii) RELATIVE POPULATION PROPORTION AMOUNT.—The relative population proportion amount described in this clause is the product of—

(I) the amount described in subparagraph (A) for a fiscal year; and

(II) the relative State population proportion (as defined in clause (iv)).

(iv) RELATIVE STATE POPULATION PROPORTION DEFINED.—For purposes of clause (iii)(II), the term ''relative State population proportion'' means, with respect to a Round One Qualifying State, the amount equal to the quotient of—

(I) the population of the State (as reported in the most recent decennial census); and

(II) the total population of all such States (as reported in the most recent decennial census).

(D) USE OF PAYMENT.—

(i) IN GENERAL.—Subject to clause (ii), a Round One Qualifying State shall use the funds provided under a payment made under this paragraph for a fiscal year to—

(I) provide essential government services;

(II) cover the costs to the State of complying with any Federal intergovernmental mandate (as defined in section 421(5) of the Congressional Budget Act of 1974) to the extent that the mandate applies to the State, and the Federal Government has not provided funds to cover the costs; or

(III) compensate for a decline in Federal funding to the State.

(ii) REQUIREMENTS.—A Round One Qualifying State—

(I) may only use funds provided under a payment made under this paragraph for types of expenditures permitted under the most recently approved budget for the State;

(II) may not use the additional Federal funds paid to the State as a result of this paragraph for purposes of increasing any reserve or rainy day fund maintained by the State; and

(III) shall expend the additional Federal funds paid to the State as a result of this paragraph within 1 year of the date on which the State receives such funds.

(E) CERTIFICATION.—In order to receive a payment under this section for a fiscal year, a Round One Qualifying State shall provide the Secretary of the Treasury with a certification that the State's proposed uses of the funds are consistent with subparagraph (D).

(c) ASSISTANCE FOR ROUND TWO QUALIFYING STATES.—

(1) TEMPORARY INCREASE OF MEDICAID FMAP.—

(A) PERMITTING MAINTENANCE OF FISCAL YEAR 2008 FMAP FOR FIRST 3 QUARTERS OF FISCAL YEAR 2009.—Subject to subparagraph (C), if the FMAP determined without regard to this paragraph for a Round Two Qualifying State for fiscal year 2009 is less than the FMAP as so determined for fiscal year 2008, the FMAP for the State for fiscal year 2008 shall be substituted for the State's FMAP for the first, second, and third calendar quarters of fiscal year 2009, before the application of this paragraph.

(B) GENERAL 1.667 PERCENTAGE POINTS INCREASE FOR FIRST 3 CALENDAR QUARTERS OF FISCAL YEAR 2009.—Subject to subparagraph (C), for each Round Two Qualifying State for the first, second, and third calendar quarters of fiscal year 2009, the FMAP (taking into account the application of subparagraph (A)) shall be increased by 1.667 percentage points.

(C) APPLICATION OF REQUIREMENTS FOR ROUND ONE QUALIFYING STATES.—Subparagraphs (E), (F), (G), and (H) of subsection (b)(1) apply to a Round Two Qualifying State receiving an increase in its FMAP under subparagraph (B) in the same manner as such subparagraphs apply to a Round One Qualifying State under such subsection.

(2) TARGETED GRANTS TO ROUND TWO QUALIFYING STATES.—

(A) APPROPRIATION.—There is authorized to be appropriated and is appropriated for making payments to Round Two Qualifying States under this paragraph, $1,000,000,000 for fiscal year 2009.

(B) PAYMENTS.—From the amount appropriated under subparagraph (A) for fiscal year 2009, the Secretary of the Treasury shall, not later than the later of October 1, 2008, or the date that a Round Two Qualifying State provides the certification required by subparagraph (E) of subsection (b)(2) for fiscal year 2009, pay each such State the amount determined for the State for fiscal year 2009 under subparagraph (C).

(C) PAYMENTS BASED ON POPULATION.—

(i) IN GENERAL.—Subject to clause (ii), the amount appropriated under subparagraph (A) for fiscal year 2009 shall be used to pay each Round Two Qualifying State an amount equal to the relative population proportion amount described in clause (iii) for such fiscal year.

(ii) MINIMUM PAYMENT.—

(I) IN GENERAL.—No Round Two Qualifying State shall receive a payment under this paragraph for fiscal year 2009 that is less than ½ of 1 percent of the amount appropriated for such fiscal year under subsection (a).

(II) PRO RATA ADJUSTMENTS.—The Secretary of the Treasury shall adjust on a pro rata basis the amount of the payments to Round Two Qualifying States determined under this paragraph without regard to this subclause to the extent necessary to comply with the requirements of subclause (I).

(iii) RELATIVE POPULATION PROPORTION AMOUNT.—The relative population proportion amount described in this clause is the product of—

(I) the amount described in subparagraph (A) for a fiscal year; and

(II) the relative State population proportion (as defined in clause (iv)).

(iv) RELATIVE STATE POPULATION PROPORTION DEFINED.—For purposes of clause (iii)(II), the term ''relative State population proportion'' means, with respect to a Round Two Qualifying State, the amount equal to the quotient of—

(I) the population of the State (as reported in the most recent decennial census); and

(II) the total population of all such States (as reported in the most recent decennial census).

(D) APPLICATION OF REQUIREMENTS FOR ROUND ONE QUALIFYING STATES.—Subparagraphs (D) and (E) of subsection (b)(2) apply to a Round Two Qualifying State receiving a payment under subparagraph (B) in the same manner as such subparagraphs apply to a Round One Qualifying State under such subsection.

(d) REPEAL.—Effective as of October 1, 2009, this section is repealed.

BY Mr. ROCKEFELLER (for himself and Mr. GRAHAM):

S. 2820. A bill to amend part A of title IV of the Social Security Act to extend and expand the number of States qualifying for supplemental grants under the Temporary Assistance for Needy Families program; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, I rise today to introduce the bipartisan reauthorization and expansion for the Temporary Assistance for Needy Families, TANF, Supplemental Grants with my colleague, Senator LINDSEY GRAHAM of South Carolina.

The TANF Supplemental Grants will expire this year without action. Currently 17 States depend on these grants, but our legislation would expand and improve on the grants. Welfare reform was passed in 1996, and since then neither the basic TANF Block Grant nor the TANF Supplemental Grant has been increased. This means that the value of the TANF funding in constant dollars has declined by almost 20 percent.

In 2010, Congress will need to review the entire TANF program, but between now and then our legislation seeks to provide modest help for States that are struggling to serve vulnerable children in needy families. Our legislation would provide a modest increase for any State which spends less than the national average per underprivileged child on TANF activities of Federal and State resources. This would help States that cannot meet the average ''catch up,'' and provide more services to underprivileged children. To be reasonable, the increase is capped at $10 million or 10 percent of their existing TANF grant for States that have never received a TANF Supplemental Grant. For States that are receiving a TANF Supplemental Grant, they could qualify for up to $2.5 million in additional funding or 2.5 percent of their existing TANF grant.

This is a modest but important effort to help every state provide for vulnerable children who are receiving less

than that national average for an underprivileged child. This proposal should help the most vulnerable at a time when the economic slowdown is creating more obstacles for families to make a successful transition from welfare to work.

In West Virginia, our neediest children are not even receiving the average amount spent on America's underprivileged children, and that is true in too many States. Our children and families are struggling to meet the bold goals of welfare reform with fewer resources and tougher standards. This reauthorization is a chance to help those States that are struggling to achieve the national average for funding. It would be base funding for underprivileged children rather than population growth. It will target resources to vulnerable children.

Mr. GRAHAM. Mr. President, I rise in support of the reauthorization of the TANF Supplemental Grant program. Today Senator ROCKEFELLER and I introduced legislation that would reauthorize these grants and more accurately ensure that the dollars spent on this program are directed to poor children in the States that need it most.

I am committed to ensuring that Federal dollars spent on welfare services and benefits are spent efficiently and provided to our citizens in a way that encourages self-sufficiency. In South Carolina, I am pleased that our Department of Social Services continues to work toward that end. Currently, less than half of States' TANF block grants are spent on welfare checks, and the majority of funding is spent on moving welfare recipients into the workforce. More and more States are using TANF dollars to help beneficiaries purchase services such as childcare, transportation and job training.

However, the neediest States continue to struggle to provide welfare-to-work services to poor families with children. South Carolina can only afford to spend 29 percent of the national average per poor child on TANF services compared to some States that spend well over the national average. It is important that this discrepancy be addressed.

The TANF Supplemental Grant program was created in 1996 to provide additional assistance to States that spend less money per poor person on TANF services. However, many States, like South Carolina, spend well below the national average and do not qualify for this assistance. To date, South Carolina has the lowest spending per poor person of any State in the country that does not receive a supplemental grant. Many States that do receive supplemental grants spend more than twice the TANF funds per poor person than South Carolina.

The Supplemental Grant program will expire on September 30, 2008. Reauthorizing this program is an opportunity to provide assistance, based on updated statistics, to States, like South Carolina, that cannot afford to spend the national average per poor child on TANF services. Especially during economically challenging times, providing this assistance to States can help our neediest families with children to get back on their feet and back to work.

In working to pass this legislation, I look forward to collaborating with the Senate Finance Committee and Senator ROCKEFELLER on identifying an appropriate mechanism to offset the costs of this proposal. I am hopeful that the Senate will consider this legislation in a timely manner.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 499—URGING PALESTINIAN AUTHORITY PRESIDENT MAHMOUD ABBAS, WHO IS ALSO THE HEAD OF THE FATAH PARTY, TO OFFICIALLY ABROGATE THE 10 ARTICLES IN THE FATAH CONSTITUTION THAT CALL FOR ISRAEL'S DESTRUCTION AND TERRORISM AGAINST ISRAEL, OPPOSE ANY POLITICAL SOLUTION, AND LABEL ZIONISM AS RACISM

Mr. SPECTER (for himself, Mr. WYDEN, and Mr. CASEY) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 499

Whereas, on October 3, 2006, President Mahmoud Abbas of the Palestinian Authority said, ''It is not required of Hamas, or of Fatah, or of the Popular Front to recognize Israel'';

Whereas, on February 8, 2007, President Mahmoud Abbas openly signed the Mecca Agreement with Hamas, which does not recognize Israel and calls ''for confronting the [Israeli] occupation'';

Whereas, in 2007, there continue to exist 10 specific articles out of 27 articles in Chapter 1 of the Fatah Constitution that call for Israel's destruction, call for the armed struggle and armed revolution against Israel to continue, call for the prevention of Jewish immigration to Israel, oppose any political solution, and label Zionism as racism;

Whereas the 10 articles of the Fatah Constitution that oppose Israel and Zionism are: (1) ''Article (4): The Palestinian struggle is part and parcel of the world-wide struggle against Zionism, colonialism and international imperialism.''; (2) ''Article (7): The Zionist Movement is racial, colonial and aggressive in ideology, goals, organization and method.''; (3) ''Article (8): The Israeli existence in Palestine is a Zionist invasion with a colonial expansive base, and it is a natural ally to colonialism and international imperialism.''; (4) ''Article (12): Complete liberation of Palestine, and eradication of Zionist economic, political, military and cultural existence.''; (5) ''Article (17): Armed public revolution is the inevitable method to liberating Palestine.''; (6) ''Article (19): Armed struggle is a strategy and not a tactic, and the Palestinian Arab People's armed revolution is a decisive factor in the liberation fight and in uprooting the Zionist existence, and this struggle will not cease unless the Zionist state is demolished and Palestine is completely liberated.''; (7) ''Article (22): Opposing any political solution offered as an alternative to demolishing the Zionist occupation in Palestine, as well as any project intended to liquidate the Palestinian case or impose any international mandate on its people.''; (8) ''Article (23): Maintaining relations with Arab countries . . . with the proviso that the armed struggle is not negatively affected''; (9) ''Article (24): Maintaining relations with all liberal forces supporting our just struggle in order to resist Zionism and imperialism''; and (10) ''Article (25): Convincing concerned countries in the world to prevent Jewish immigration to Palestine as a method of solving the problem.'': Now, therefore be it

Resolved, That the Senate—

(1) urges President Mahmoud Abbas of the Palestinian Authority, who is also head of the Fatah Party, to officially abrogate the 10 articles from the Fatah Constitution that call for the destruction of Israel and terrorism against Israel, oppose any political solution, and label Zionism as racism; and

(2) condemns the continuing existence of these articles as part of the Fatah Constitution.

Mr. SPECTER. Mr. President, I have sought recognition to offer legislation to encourage Palestinian Authority President Mahmoud Abbas, who is also the chairman of the Fatah Party, to officially abrogate the 10 articles in the Fatah Constitution that call for Israel's destruction and terrorism against Israel, oppose any political solution, and label Zionism as racism.

In order to move the Middle East peace process forward, it is necessary that the Fatah Party recognize Israel's legitimacy. The Fatah Constitution makes this impossible. At present, 10 articles in the constitution oppose Israel and Zionism. They read as follows:

(1) ''Article [4]: The Palestinian struggle is part and parcel of the world-wide struggle against Zionism, colonialism and international imperialism.''

(2) ''Article [7]: The Zionist Movement is racial, colonial and aggressive in ideology, goals, organization and method.''

(3) ''Article [8]: The Israeli existence in Palestine is a Zionist invasion with a colonial expansive base, and it is a natural ally to colonialism and international imperialism.''

(4) ''Article [12]: Complete liberation of Palestine, and eradication of Zionist economic, political, military and cultural existence.''

(5) ''Article [17]: Armed public revolution is the inevitable method to liberating Palestine.''

(6) ''Article [19]: Armed struggle is a strategy and not a tactic, and the Palestinian Arab People's armed revolution is a decisive factor in the liberation fight and in uprooting the Zionist existence, and this struggle will not cease unless the Zionist state is demolished and Palestine is completely liberated.''

(7) ''Article [22]: Opposing any political solution offered as an alternative to demolishing the Zionist occupation in Palestine, as well as any project intended to liquidate the Palestinian case or impose any international mandate on its people.''

(8) ''Article [23]: Maintaining relations with Arab countries . . . with the proviso that the armed struggle is not negatively affected.''

(9) ''Article [24]: Maintaining relations with all liberal forces supporting our just struggle in order to resist Zionism and imperialism.''

(10) ''Article [25]: Convincing concerned countries in the world to prevent Jewish immigration to Palestine as a method of solving the problem.''

The issue of the Mideast peace process has been tortuous. There have been so many developments since Israel emerged as a state in 1949. The enmity, which has existed for thousands of years, has meant senseless killing, terrorism in Israel, and Hezbollah firing rockets into northern Israel, prompting the justified retaliation by Israel as a matter of self-defense.

Much has changed since the Fatah Constitution was written in 1964. While some question the relevance of the document with respect to the day-to-day operations of the Palestinian Government, the fact remains that the language is incendiary. By striking the polemical language from its constitution, Fatah would be setting an example for the Arab world. It would demonstrate that the Palestinian leadership understands the importance of words and perceptions in the peace process.

This is not the first time I have addressed such an issue. In 1994, the U.S. Congress adopted an amendment put forward by Senator SHELBY and myself, which conditioned U.S. aid on the Palestinian Liberation Organization's elimination of provisions in its charter that called for the destruction of Israel. The amendment was accepted by the U.S. Congress.

The problem of the institutionalization of inflammatory language in the Middle East extends beyond the Fatah Constitution. The Center for Religious Freedom, formerly affiliated with Freedom House, in a 2006 report entitled ''Saudi Arabia's Curriculum of Intolerance,'' stated that despite 2005 statements by the Saudi Foreign Minister that their educational curricula have been reformed, this is ''simply not the case.'' On the contrary, religious textbooks continue to advocate the destruction of any non-Wahhabi Muslim. Saudi Arabia has established Wahhabism, an extreme form of Islam, as the official state doctrine, and about 5 million children are instructed each year in Islamic studies using Saudi Ministry of Education textbooks.

My intent in bringing the Fatah Constitution into focus now is not to undermine the Presidency of Mahmoud Abbas. Rather, my intent is to ensure that these problems of perception are addressed now so that all parties can take further steps towards peace.

The November 27, 2007, Joint Israeli-Palestinian Declaration at Annapolis stated, ''We express our determination to bring an end to bloodshed, suffering and decades of conflict between our peoples; to usher in a new era of peace, based on freedom, security, justice, dignity, respect and mutual recognition; to propagate a culture of peace and nonviolence; to confront terrorism and incitement, whether committed by Palestinians or Israelis.''

As Secretary of State Condoleezza Rice stated on October 15, 2007, in Ramallah, ''If you're going to have a two-state solution, you have to accept the right of the other party to exist. If you're going to have a two-state solution that is born of negotiation, you're going to have to renounce violence.'' I urge President Abbas to take action, not only in words, but with deeds.

SENATE RESOLUTION 500—HONORING MILITARY CHILDREN DURING ''NATIONAL MONTH OF THE MILITARY CHILD''

Mr. KENNEDY (for himself and Mr. BAYH) submitted the following resolution; which was referred to the Committee on Armed Services:

S. RES. 500

Whereas more than 2,000,000 men and women are demonstrating their courage and commitment to freedom by serving in the Armed Forces of the United States;

Whereas 46 percent of members of the Armed Forces, when deployed away from their permanent duty stations, leave families with children behind;

Whereas no one feels the effect of deployments more than the children of deployed members of the Armed Forces;

Whereas, as of March 2007, approximately 2,108 children had lost a parent serving in Operation Iraqi Freedom and Operation Enduring Freedom;

Whereas the daily struggles and personal sacrifices of children of members of the Armed Forces too often go unnoticed;

Whereas the children of members of the Armed Forces are a source of pride and honor to the people of the United States and it is fitting that the Nation recognize their contributions and celebrate their spirit;

Whereas the ''National Month of the Military Child'', observed in April each year, recognizes military children for their sacrifices and contributes to demonstrating the Nation's unconditional support for members of the Armed Forces;

Whereas, in addition to Department of Defense programs to support military families and military children, various programs and campaigns have been established in the private sector to honor, support, and thank military children by fostering awareness and appreciation for the sacrifices and the challenges they face; and

Whereas a month-long salute to military children will encourage support for those organizations and campaigns established to provide direct support for military children and families: Now, therefore, be it

Resolved, That the Senate—

(1) joins the Secretary of Defense in honoring the children of members of the Armed Forces and recognizes that those children also share in the burden of protecting the Nation;

(2) urges the people of the United States to join with the military community in observing the ''National Month of the Military Child'' with appropriate ceremonies and activities that honor, support, and thank military children; and

(3) recognizes with great appreciation the contributions made by private-sector organizations that provide resources and assistance to military families and the communities that support them.

SENATE RESOLUTION 501—HONORING THE SACRIFICE OF THE MEMBERS OF THE UNITED STATES ARMED FORCES WHO HAVE BEEN KILLED IN IRAQ AND AFGHANISTAN

Mr. KENNEDY (for himself, Mr. REID, Mr. MCCONNELL, Mr. DURBIN, Mr. KYLE, Mr.AKAKA, Mr. ALEXANDER, Mr. ALLARD, Mr. BARRASSO, Mr. BAUCUS, Mr. BAYH, Mr. BENNETT, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mrs. BOXER, Mr. BROWN, Mr. BROWNBACK, Mr. BUNNING, Mr. BURR, Mr. BYRD, Ms. CANTWELL, Mr. CARDIN, Mr. CARPER, Mr. CASEY, Mr. CHAMBLISS, Mrs. CLINTON, Mr. COBURN, Mr. COCHRAN, Mr. COLEMAN, Ms. COLLINS, Mr. CONRAD, Mr. CORKER, Mr. CORNYN, Mr. CRAIG, Mr. CRAPO, Mr. DEMINT, Mr. DODD, Mrs. DOLE, Mr. DOMENICI, Mr. DORGAN, Mr. ENSIGN, Mr. ENZI, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HARKIN, Mr. HATCH, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUYE, Mr. ISAKSON, Mr. JOHNSON, Mr. KERRY, Ms. KLOBUCHAR, Mr. KOHL, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. LUGAR, Mr. MARTINEZ, Mr. MCCAIN, Mrs. MCCASKILL, Mr. MENENDEZ, Ms. MIKULSKI, Ms. MURKOWSKI, Mrs. MURRAY, Mr. NELSON of Florida, Mr. NELSON of Nebraska, Mr. OBAMA, Mr. PRYOR, Mr. REED, Mr. ROBERTS, Mr. ROCKEFELLER, Mr. SALAZAR, Mr. SANDERS, Mr. SCHUMER, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH, Ms. SNOWE, Mr. SPECTER, Ms. STABENOW, Mr. STEVENS, Mr. SUNUNU, Mr. TESTER, Mr. THUNE, Mr. VITTER, Mr. VOINOVICH, Mr. WARNER, Mr. WEBB, Mr. WHITEHOUSE, Mr. WICKER, and Mr. WYDEN) submitted the following resolution; which was considered and agreed to:

S. RES. 501

Whereas 4,009 members of the United States Armed Forces have lost their lives in support of Operation Iraqi Freedom and 487 members of the United States Armed Forces have lost their lives in support of Operation Enduring Freedom;

Whereas we honor the ultimate sacrifice that these men and women made for our country;

Whereas the sacrifices of the fallen are in keeping with the highest traditions of the United States Army, Navy, Marine Corps, Air Force, and Coast Guard;

Whereas, as their families and loved ones have sacrificed as well, we honor them in commemorating the memory of those that lost their lives;

Whereas the following 4,009 members of the United States Armed Forces have lost their lives in support of Operation Iraqi Freedom:

(1) Corporal Roberto Abad, Los Angeles, California;

(2) Commander Joseph Acevedo, Bronx, New York;

(3) Sergeant First Class Ramon A. Acevedoaponte, Watertown, New York;

(4) Sergeant Michael D. Acklin II, Louisville, Kentucky;

(5) Specialist Genaro Acosta, Fair Oaks, California;

(6) Private First Class Steven Acosta; Calexico, California;

(7) Specialist James L. Adair, Carthage, Texas;

(8) Captain James Francis Adamouski, Springfield, Virginia;
(9) Private Algernon Adams, Aiken, South Carolina;
(10) Sergeant Brandon E. Adams, Hollidaysburg, Pennsylvania;
(11) Sergeant First Class Brent A. Adams; West View, Pennsylvania;
(12) Sergeant Leonard W. Adams, Mooresville, North Carolina;
(13) Sergeant Mark P. Adams, Morrisville, North Carolina;
(14) First Lieutenant Michael R. Adams, Seattle, Washington;
(15) Private First Class Michael S. Adams, Spartanburg, South Carolina;
(16) Lieutenant Thomas Mullen Adams, La Mesa, California;
(17) Sergeant Shawn G. Adams, Dixon, California;
(18) Specialist Clarence Adams III, Richmond, Virginia;
(19) Captain Shane T. Adcock, Mechanicsville, Virginia;
(20) Specialist Jamaal Rashard Addison, Roswell, Georgia;
(21) Sergeant Dustin M. Adkins, Finger, Tennessee;
(22) Lance Corporal Patrick R. Adle, Belair, Maryland;
(23) Private First Class Christopher S. Adlesperger, Albuquerque, New Mexico;
(24) Private First Class Daniel J. Agami, Coconut Creek, Florida;
(25) Corporal Andres Aguilar, Jr., Victoria, Texas;
(26) Lance Corporal Anthony Aguirre, Channelview, Texas;
(27) Specialist Nathaniel A. Aguirre, Carrollton, Texas;
(28) Major James M. Ahearn, Concord, California;
(29) Sergeant Clinton W. Ahlquist, Creede, Colorado;
(30) Lance Corporal Jeramy A. Ailes, Gilroy, California;
(31) Captain Tristan Neil Aitken, State College, Pennsylvania;
(32) Sergeant Spencer C. Akers, Traverse City, Michigan;
(33) Sergeant James C. Akin, Albuquerque, New Mexico;
(34) Specialist Segun Frederick Akintade, Brooklyn, New York;
(35) Captain Paul C. Alaniz, Corpus Christi, Texas;
(36) Staff Sergeant Ivan Vargas Alarcon, Jerome, Idaho;
(37) Sergeant First Class Jesse B. Albrecht, Hager City, Wisconsin;
(38) Corporal Juan M. Alcantara, New York;
(39) Private Christopher M. Alcozer, Villa Park/DeKalb, Illinois;
(40) Seaman Zachary M. Alday, Donalsonville, Georgia;
(41) Lance Corporal Nickalous N. Aldrich, Austin, Texas;
(42) Navy Hospitalman Geovani Padilla Aleman, South Gate, California;
(43) Staff Sergeant Eugene Alex, Bay City, Michigan;
(44) Corporal Matthew L. Alexander, Gretna, Nebraska;
(45) Staff Sergeant George T. Alexander, Jr., Killeen, Texas;
(46) Specialist Alexandre A. Alexeev, Wilimington, California;
(47) Second Lieutenant Tracy Lynn Alger, New Auburn, Wisconsin;
(48) Private First Class Wilson A. Algrim, Howell, Michigan;
(49) Specialist Azhar Ali, Flushing, New York;
(50) Corporal Jeremy D. Allbaugh, Luther, Oklahoma;
(51) Private First Class Jacob H. Allcott, Caldwell, Idaho;
(52) Sergeant Chad M. Allen, Maple Lake, Minnesota;
(53) Sergeant Howard P. Allen, Mesa, Arizona;
(54) Sergeant John E. Allen, Palmdale, California;
(55) First Lieutenant Louis E. Allen, Milford, Pennsylvania;
(56) Army Staff Sergeant Charles D. Allen, Wasilla, Alaska;
(57) Corporal Terrence P. Allen, Pennsauken, New Jersey;
(58) Sergeant Lonnie Calvin Allen, Jr., Bellevue, Nebraska;
(59) Specialist Ronald D. Allen, Jr., Mitchell, Indiana;
(60) Staff Sergeant William Alvin Allers III, Leitchfield, Kentucky;
(61) Colonel Brian D. Allgood, Oklahoma;
(62) Sergeant Glenn R. Allison, Pittsfield, Massachusetts;
(63) Private First Class Daniel J. Allman II, Canon, Georgia;
(64) Specialist Jeremy O. Allmon, Cleburne, Texas;
(65) Lance Corporal Michael J. Allred, Hyde Park, Utah;
(66) Captain Eric L. Allton, Houston, Texas;
(67) Sergeant David J. Almazan, Van Nuys, California;
(68) Petty Officer Second Class Joseph D. Alomar, Brooklyn, New York;
(69) Lance Corporal Joshua C. Alonzo, Dumas, Texas;
(70) Sergeant Conrad Alvarez, Big Spring, Texas;
(71) Corporal Nicanor Alvarez, San Bernardino, California;
(72) Corporal Daniel R. Amaya, Odessa, Texas;
(73) Specialist Jason E. Ames, Cerulean, Kentucky;
(74) Private First Class John D. Amos II, Valparaiso, Indiana;
(75) Corporal Andy D. Anderson, Falls Church, Virginia;
(76) Lance Corporal Brian Edward Anderson, Durham, North Carolina;
(77) Hospitalman Christopher A. Anderson, Longmont, Colorado;
(78) Private First Class Danny L. Anderson, Corpus Christi, Texas;
(79) Sergeant Ian C. Anderson, Prairie Village, Kansas;
(80) Petty Officer Second Class Michael C. Anderson, Daytona, Florida;
(81) Corporal Michael D. Anderson, Modesto, California;
(82) Corporal Nathan R. Anderson, Howard, Ohio;
(83) Lance Corporal Nicholas H. Anderson, Las Vegas, Nevada;
(84) Major Stuart M. Anderson, Peosta, Iowa;
(85) Private First Class Travis W. Anderson, Hooper, Colorado;
(86) Sergeant First Class Victor A. Anderson, Ellaville, Georgia;
(87) Sergeant Phillip R. Anderson, Everett, Washington;
(88) Specialist Joshua R. Anderson, Jordan, Minnesota;
(89) Lance Corporal Norman W. Anderson III, Parkton, Maryland;
(90) Airman First Class Carl L. Anderson, Jr., Georgetown, South Carolina;
(91) Private First Class Edwin Anthony Andino, Jr., Culpeper, Virginia;
(92) Specialist Michael Andrade, Bristol, Rhode Island;
(93) Master Sergeant Joseph J. Andres, Jr., Seven Hills, Ohio;
(94) Specialist Harley D. Andrews, Weimar, California;
(95) Specialist Yoe M. Aneiros, Newark, New Jersey;
(96) Lance Corporal Levi T. Angell, Cloquet, Minnesota;
(97) Specialist Edward John Anguiano, Brownsville, Texas;
(98) Master Sergeant Brett E. Angus, St. Paul, Minnesota;
(99) Private First Class Joseph J. Anzack, Torrance, California;
(100) Sergeant Matthew S. Apuan, Las Cruces, New Mexico;
(101) Sergeant Kurtis Dean K. Arcala, Palmer, Alaska;
(102) Private First Class Elden D. Arcand, White Bear Lake, Minnesota;
(103) Private First Class Michael A. Arciola, Elmsford, New York;
(104) Sergeant Brian D. Ardron, Acworth, Georgia;
(105) Sergeant Julian M. Arechaga, Oceanside, New York;
(106) Private First Class James J. Arellano, Cheyenne, Wyoming;
(107) Captain Derek Argel, Lompoc, California;
(108) Sergeant Roberto Arizola, Jr., Laredo, Texas;
(109) Corporal Reynold Armand, Rochester, New York;
(110) Specialist Raymond S. Armijo, Phoenix, Arizona;
(111) Corporal Bradley Thomas Arms, Charlottesville, Virginia;
(112) Corporal David C. Armstrong, Zanesville, Ohio;
(113) Sergeant Travis M. Arndt, Bozeman, Montana;
(114) Staff Sergeant Jason R. Arnette, Amelia, Virginia;
(115) Chief Warrant Officer (CW2) Andrew Todd Arnold, Spring, Texas;
(116) Staff Sergeant Daniel L. Arnold, Montrose, Pennsylvania;
(117) Private First Class James L. Arnold, Mattawan, Michigan;
(118) Sergeant Larry R. Arnold, Sr., Carriere, Mississippi;
(119) Lance Corporal Alexander S. Arredondo, Randolph, Massachusetts;
(120) Corporal Carlos Arrelano Pandura, Los Angeles/Rosemead, California;
(121) Specialist Richard Arriaga, Ganado, Texas;
(122) Staff Sergeant Jimmy J. Arroyave, Woodland, California;
(123) Specialist Robert R. Arsiaga, Greenwood, Texas;
(124) Corporal Nicholas A. Arvanitis, Salem, New Hampshire;
(125) Sergeant Brandon S. Asbury, Tazewell, Virginia;
(126) Corporal Evan Asa Ashcraft, West Hills, California;
(127) Corporal Benjamin J. Ashley, Independence, Missouri;
(128) Lance Corporal Trevor D. Aston, Austin, Texas;
(129) Sergeant Julia V. Atkins, Bossier City, Louisiana;
(130) Private First Class Shawn M. Atkins, Parker, Colorado;
(131) Staff Sergeant Travis W. Atkins, Bozeman, Montana;
(132) Major Jay Thomas Aubin, Waterville, Maine;
(133) Master Sergeant Steven E. Auchman, Waterloo, New York;
(134) Captain Matthew J. August, North Kingstown, Rhode Island;
(135) Sergeant Corey J. Aultz, Port Orchard, Washington;
(136) Lance Corporal Aaron C. Austin, Sunray, Texas;
(137) Private First Class Shane R. Austin, Edgerton, Kansas;
(138) First Lieutenant Garrison C. Avery, Lincoln, Nebraska;
(139) Private First Class Jeffrey A. Avery, Colorado Springs, Colorado;
(140) Lance Corporal Andrew Julian Aviles, Tampa, Florida;

(141) Specialist Luis G. Ayala, South Gate, California;
(142) Staff Sergeant Alejandro Ayala, Riverside, California;
(143) Private First Class Eric A. Ayon, Arleta, California;
(144) Sergeant Robert T. Ayres III, Los Angeles, California;
(145) Private First Class Lionel Ayro, Jeanerette, Louisiana;
(146) Sergeant Brock A. Babb, Evansville, Indiana;
(147) Specialist Travis A. Babbitt, Uvalde, Texas;
(148) Petty Officer First Class Howard E. Babcock IV, Houston, Texas;
(149) Sergeant Christopher J. Babin, Houma, Louisiana;
(150) Specialist David J. Babineau, Springfield, Massachusetts;
(151) First Lieutenant Andrew J. Bacevich, Walpole, Massachusetts;
(152) Corporal Salem Bachar, Chula Vista, California;
(153) Sergeant First Class Travis S. Bachman, Garden City, Kansas;
(154) Sergeant First Class Henry A. Bacon, Wagram, North Carolina;
(155) Sergeant Andrew Joseph Baddick, Jim Thorpe, Pennsylvania;
(156) Staff Sergeant Daniel A. Bader, Colorado Springs, Colorado;
(157) Petty Officer Second Class Cesar O. Baez, Pomona, California;
(158) Private First Class Roberto C. Baez, Tampa, Florida;
(159) Corporal Miguel A. Baez, Bonaire, Georgia;
(160) Staff Sergeant Nathan J. Bailey, Nashville, Tennessee;
(161) Specialist William Lee Bailey III, Bellevue, Nebraska;
(162) Private First Class Joe L. Baines, Newark, New Jersey;
(163) Specialist Brian K. Baker, West Seneca, New York;
(164) Corporal Riley E. Baker, Pacific, Missouri;
(165) Sergeant Ronald W. Baker, Cabot, Arkansas;
(166) Specialist Ryan T. Baker, Brown Mills, New Jersey;
(167) Sergeant Sherwood R. Baker, Plymouth, Pennsylvania;
(168) Corporal Zachary D. Baker, Arkansas, Vilonia;
(169) Specialist Dane R. Balcon, Colorado Springs, Colorado;
(170) Chief Petty Officer Joel Egan Baldwin, Arlington, Virginia;
(171) Private First Class Stephen P. Baldwyn, Saltillo, Mississippi;
(172) Private First Class Chad Eric Bales, Coahoma, Texas;
(173) Private First Class Paul Balint, Jr., Willow Park, Texas;
(174) Gunnery Sergeant Terry W. Ball, Jr., East Peoria, Illinois;
(175) First Lieutenant Kenneth Michael Ballard, Mountain View, California;
(176) Technical Sergeant Ryan A. Balmer, Mishawaka, Indiana;
(177) Private Michael A. Baloga, Everett, Washington;
(178) Private First Class Michael Balsley, Hayward, California;
(179) First Lieutenant Debra A. Banaszak, Bloomington, Illinois;
(180) Corporal Scott M. Bandhold, North Merrick, New York;
(181) Staff Sergeant Metodio A. Bandonill, Honolulu, Hawaii;
(182) Specialist Solomon C. ''Kelly'' Bangayan, Jay, Vermont;
(183) Sergeant Derek R. Banks, Newport News, Virginia;
(184) Lieutenant Colonel Dominic Rocco Baragona, Niles, Ohio;
(185) Specialist Thomas J. Barbieri, Gaithersburg, Maryland;
(186) Corporal Felipe C. Barbosa, High Point, North Carolina;
(187) Private First Class Mark A. Barbret, Shelby Township, Michigan;
(188) Private First Class Collier Edwin Barcus, McHenry, Illinois;
(189) Sergeant Michael C. Barkey, Canal Fulton, Ohio;
(190) Staff Sergeant Patrick O. Barlow, Greensboro, North Carolina;
(191) Specialist Jonathan P. Barnes, Anderson, Missouri;
(192) Lance Corporal Matthew Ron Barnes, West Monroe, Louisiana;
(193) Sergeant Nathan S. Barnes, American Fork, Utah;
(194) Airman First Class Eric M. Barnes, Lorain, Ohio;
(195) First Lieutenant Christopher W. Barnett, Baton Rouge, Louisiana;
(196) Sergeant Jeremy D. Barnett, Mineral City, Ohio;
(197) Command Sergeant Major Edward C. Barnhill, Shreveport, Louisiana;
(198) First Sergeant Michael S. Barnhill, Folsom, California;
(199) Corporal Jeremiah A. Baro, Fresno, California;
(200) Sergeant Lester Domenico Baroncini, Jr., Bakersfield, California;
(201) Lance Corporal Aric J. Barr, Allegheny, Pennsylvania;
(202) Staff Sergeant Ricardo Barraza, Shafter, California;
(203) Sergeant Michael Paul Barrera, Von Ormy, Texas;
(204) Staff Sergeant Chad A. Barrett, Saltville, Virginia;
(205) Specialist Bryan Edward Barron, Biloxi, Mississippi;
(206) Corporal John Barta, Corpus Christi, Texas;
(207) Specialist Daniel D. Bartels, Huron, South Dakota;
(208) Private First Class Benjamin B. Bartlett, Jr., Manchester, Georgia;
(209) Sergeant Douglas E. Bascom, Colorado Springs, Colorado;
(210) Staff Sergeant Robert J. Basham, Kenosha, Wisconsin;
(211) Staff Sergeant Aram J. Bass, Niagara Falls, New York;
(212) Corporal David A. Bass, Nashville, Tennessee;
(213) Sergeant Todd M. Bates, Bellaire, Ohio;
(214) Sergeant First Class Michael Battles, Sr., San Antonio, Texas;
(215) Corporal Phillip E. Baucus, Wolf Creek, Montana;
(216) Corporal Nathaniel S. Baughman, Monticello, Indiana;
(217) Gunnery Sergeant Ronald E. Baum, Hollidaysburg, Pennsylvania;
(218) Sergeant Ryan J. Baum, Aurora, Colorado;
(219) Private First Class Matthew E. Baylis, Oakdale, New York;
(220) Staff Sergeant Steven G. Bayow, Colonia Yap Federated States of Micronesia;
(221) Corporal Jason J. Beadles, La Porte, Indiana;
(222) Private First Class Matthew A. Bean, Pembroke, Massachusetts;
(223) Sergeant Alan N. Bean, Jr., Bridport, Vermont;
(224) Specialist Bradley S. Beard, Chapel Hill, North Carolina;
(225) Sergeant William J. Beardsley, Coon Rapids, Minnesota;
(226) Corporal Jonathan S. Beatty, Streator, Illinois;
(227) Specialist Beau R. Beaulieu, Lisbon, Maine;
(228) Captain Ryan Anthony Beaupre, Bloomington, Illinois;
(229) Staff Sergeant Michael A. Bechert, New Castle, Indiana;
(230) Private First Class Gunnar D. Becker, Forestburg, South Dakota;
(231) Staff Sergeant Shane R. Becker, Helena, Montana;
(232) Specialist James L. Beckstrand, Escondido, California;
(233) Private First Class Andrew D. Bedard, Missoula, Montana;
(234) Lance Corporal Brent E. Beeler, Jackson, Michigan;
(235) Staff Sergeant Brock A. Beery, White House, Tennessee;
(236) Corporal Joseph O. Behnke, Brooklyn, New York;
(237) Specialist David W. Behrle, Tipton, Iowa;
(238) Lance Corporal Jacob Walter Beisel, Lackawaxen, Pennsylvania;
(239) Sergeant Gregory A. Belanger, Narragansett, Rhode Island;
(240) Corporal Christopher Belchik, Jersey, Illinois;
(241) Sergeant Aubrey D. Bell, Tuskegee, Alabama;
(242) Specialist Rusty W. Bell, Pocahontas, Arkansas;
(243) Specialist Ryan M. Bell, Colville, Washington;
(244) Specialist Rickey L. Bell, Caruthersville, Missouri;
(245) Lance Corporal Timothy Michael Bell, Jr., West Chester, Ohio;
(246) Private First Class Wilfred Davyrussell Bellard, Lake Charles, Louisiana;
(247) Staff Sergeant Joseph P. Bellavia, Wakefield, Massachusetts;
(248) Specialist Katrina Lani Bell-Johnson, Orangeburg, South Carolina;
(249) Captain Donnie R. Belser, Jr., Anniston, Alabama;
(250) Staff Sergeant Jason A. Benford, Toledo, Ohio;
(251) Private First Class Stephen C. Benish, Clark, New Jersey;
(252) Specialist Durrell L. Bennett, Spanaway, Washington;
(253) Staff Sergeant Keith A. Bennett, Holtwood, Pennsylvania;
(254) Corporal Richard A. Bennett, Girard, Kansas;
(255) Sergeant First Class William M. Bennett, Seymour, Tennessee;
(256) Sergeant Darry Benson, Winterville, North Carolina;
(257) Corporal Johnathan Benson, North Branch, Minnesota;
(258) Sergeant First Class Michael A. Benson, Winona, Minnesota;
(259) Specialist Robert T. Benson, Spokane, Washington;
(260) Corporal Anthony K. Bento, San Diego, California;
(261) Private First Class David J. Bentz III, Newfield, New Jersey;
(262) Private First Class Ryan R. Berg, Sabine Pass, Texas;
(263) Sergeant Bradley J. Bergeron, Houma, Louisiana;
(264) Private First Class Joseph R. Berlin, Jr., Chelsea, Alabama;
(265) Lance Corporal Eric J. Bernholtz, Grove City, Ohio;
(266) First Lieutenant David R. Bernstein, Phoenixville, Pennsylvania;
(267) Staff Sergeant David R. Berry, Wichita, Kansas;
(268) Sergeant Sean B. Berry, Mansfield, Texas;
(269) Specialist Joel L. Bertoldie, Independence, Missouri;
(270) Staff Sergeant Stephen A. Bertolino, Orange, California;
(271) Staff Sergeant Marvin Best, Prosser, Washington;
(272) Sergeant Bradley H. Beste, Naperville, Illinois;

(273) Corporal Ray M. Bevel, Andrews, Texas;
(274) Sergeant Allan R. Bevington, Beaver Falls, Pennsylvania;
(275) Petty Officer Second Class Kevin R. Bewley, Hector, Arkansas;
(276) Private First Class Paul A. Beyer, Jamestown, North Dakota;
(277) Corporal Mark Anthony Bibby, Watha, North Carolina;
(278) Private First Class Stephen Bicknell, Prattville, Alabama;
(279) Corporal Joseph P. Bier, Centralia, Washington;
(280) Staff Sergeant Mario J. Bievre, Constantinople, Illinois;
(281) Specialist Ethan J. Biggers, Beavercreek, Ohio;
(282) Specialist Charles E. Bilbery, Jr., Owego, New York;
(283) Chief Petty Officer Gregory J. Billiter, Villa Hills, Kentucky;
(284) Lance Corporal Dustin V. Birch, Saint Anthony, Idaho;
(285) Staff Sergeant Alicia A. Birchett, Mashpee, Massachusetts;
(286) Sergeant Tracy R. Birkman, New Castle, Virginia;
(287) Sergeant First Class Jason Lee Bishop, Williamstown, Kentucky;
(288) Lance Corporal Jeffery A. Bishop, Dickson, Tennessee;
(289) Specialist Ryan A. Bishop, Euless, Texas;
(290) Sergeant Benjamin W. Biskie, Tucson, Arizona;
(291) Specialist Jeffrey D. Bisson, Vista, California;
(292) Corporal Albert Bitton, Chicago, Illinois;
(293) Sergeant Michael Edward Bitz, Ventura, California;
(294) Private Evan A. Bixler, Racine, Wisconsin;
(295) Corporal Stephen R. Bixler, Suffield, Connecticut;
(296) Sergeant Jarrod W. Black, Peru, Indiana;
(297) Specialist Justin R. Blackwell, Paris, Tennessee;
(298) Corporal Jonathan F. Blair, Fort Wayne, Indiana;
(299) Specialist Robert E. Blair, Ocala, Florida;
(300) Lance Corporal Thomas Alan Blair, Wagoner, Oklahoma;
(301) Chief Warrant Officer (CW2) Michael T. Blaise, Tennessee;
(302) Staff Sergeant Richard A. Blakley, Avon, Indiana;
(303) Captain Ernesto M. Blanco, Texas;
(304) Corporal Joseph A. Blanco, Bloomington, California;
(305) Staff Sergeant Brian D. Bland, Newcastle/Weston, Wyoming;
(306) Private First Class Christopher T. Blaney, Winter Park, Florida;
(307) Command Sergeant James D. Blankenbecler, Alexandria, Virginia;
(308) Lance Corporal Jeffery S. Blanton, Fayetteville, Georgia;
(309) Staff Sergeant Melvin L. Blazer, Moore, Oklahoma;
(310) Second Lieutenant James P. ''JP'' Blecksmith, San Marino, California;
(311) Specialist Joseph M. Blickenstaff, Corvallis, Oregon;
(312) Specialist Kamisha J. Block, Vidor, Texas;
(313) Private First Class Nicholas H. Blodgett, Wyoming, Michigan;
(314) Corporal Clinton C. Blodgett, Pekin, Indiana;
(315) Lance Corporal Nicholas William B. Bloem, Belgrade, Montana;
(316) Private First Class Alan R. Blohm, Kenai, Alaska;
(317) Major Gerald M. Bloomfield II, Ypsilanti, Michigan;
(318) First Lieutenant Shaun M. Blue, Munster, Indiana;
(319) Sergeant Aron C. Blum, Tucson, Arizona;
(320) Sergeant Trevor A. Blumberg, Canton, Michigan;
(321) Gunnery Sergeant Darrell W. Boatman, Fayetteville, North Carolina;
(322) Sergeant Michael L. Boatright, Whitesboro, Texas;
(323) Private First Class Brandon K. Bobb, Orlando, Florida;
(324) First Lieutenant Amos C.R. Bock, New Madrid, Missouri;
(325) Sergeant Jeremiah J. Boehmer, Parkston, South Dakota;
(326) Corporal Henry W. Bogrette, Richville, New York;
(327) Private First Class Jeremy S. Bohannon, Bon Aqua, Tennessee;
(328) Sergeant Matthew Charles Bohling, Eagle River, Alaska;
(329) Lance Corporal Jeremy L. Bohlman, Sioux Falls, South Dakota;
(330) Gunnery Sergeant Jeffrey Edward Bohr, Jr., Ossian Iowa;
(331) Private First Class Kyle G. Bohrnsen, Philipsburg, Montana;
(332) Specialist Matthew T. Bolar, Montgomery, Alabama;
(333) Lance Corporal Todd J. Bolding, Manvel, Texas;
(334) Sergeant Dennis J. Boles, Homosassa, Florida;
(335) Sergeant First Class Craig A. Boling, Elkhart, Indiana;
(336) Petty Officer Third Class Doyle W. Bollinger, Jr., Poteau, Oklahoma;
(337) Sergeant First Class Kelly Bolor, Whittier, California;
(338) Staff Sergeant Jerry L. Bonifacio, Jr., Vacaville, California;
(339) Captain Orlando A. Bonilla, Killeen, Texas;
(340) Sergeant Jon E. Bonnell, Jr., Fort Dodge, Iowa;
(341) Staff Sergeant Daryl D. Booker, Midlothian, Virginia;
(342) Staff Sergeant Stevon Alexander Booker, Apollo, Pennsylvania;
(343) Sergeant Kenneth R. Booker, Vevay, Indiana;
(344) Chief Warrant Officer Clarence E. Boone, Fort Worth, Texas;
(345) Specialist Christopher K. Boone, Augusta, Georgia;
(346) Second Lieutenant Joshua L. Booth, Fiskdale, Massachusetts;
(347) Private First Class John G. Borbonus, Boise, Idaho;
(348) First Sergeant Michael J. Bordelon, Morgan City, Louisiana;
(349) Sergeant First Class Russell P. Borea, El Paso, Texas;
(350) Captain John J. Boria, Broken Arrow, Oklahoma;
(351) Specialist Val John Borm, Sidney, Nebraska;
(352) Corporal Jeffrey A. Boskovitch, Seven Hills, Ohio;
(353) Corporal Kirk J. Bosselmann, Napa, California;
(354) Sergeant Andrew L. Bossert, Fountain City, Wisconsin;
(355) Sergeant Kenneth E. Bostic, Hawthorne, Nevada;
(356) Private First Class Rachel K. Bosveld, Waupun, Wisconsin;
(357) Corporal Samuel M. Boswell, Elkridge, Maryland;
(358) Private First Class Brian A. Botello, Alta, Iowa;
(359) Sergeant Nathan K. Bouchard, Wildomar, California;
(360) Corporal Jeremy P. Bouffard, Middlefield, Massachusetts;
(361) Specialist Matthew George Boule, Dracut, Massachusetts;
(362) Staff Sergeant Elvis Bourdon, Youngstown, Ohio;
(363) Private Michael E. Bouthot, Fall River, Massachusetts;
(364) Lance Corporal Jeremy D. Bow, Lemoore, California;
(365) Private First Class Matthew C. Bowe, Coraopolis, Pennsylvania;
(366) Private First Class Samuel R. Bowen, Cleveland, Ohio;
(367) Corporal Jonathan W. Bowling, Patrick, Virginia;
(368) Corporal Theodore A. Bowling, Casselberry, Florida;
(369) Specialist William G. Bowling, Beattyville, Kentucky;
(370) Lance Corporal Jon Eric Bowman, Dubach, Louisiana;
(371) Sergeant Larry R. Bowman, Granite Falls, North Carolina;
(372) Staff Sergeant Hesley Box, Jr., Nashville, Arkansas;
(373) Sergeant Timothy R. Boyce, North Salt Lake, Utah;
(374) Specialist Joshua M. Boyd, Seattle, Washington;
(375) Private Noah L. Boye, Grand Island, Nebraska;
(376) Lance Corporal Aaron Boyles, Alameda, California;
(377) Specialist Edward W. Brabazon, Philadelphia, Pennsylvania;
(378) Corporal Travis J. Bradachnall, Multnomah County, Oregon;
(379) Specialist Hoby F. Bradfield, Jr., The Woodlands, Texas;
(380) Staff Sergeant Kenneth R. Bradley, Utica, Mississippi;
(381) Staff Sergeant Juantera T. Bradley, Greenville, North Carolina;
(382) Corporal Anthony M. Bradshaw, El Paso, Texas;
(383) Sergeant Emerson N. Brand, Rigby, Idaho;
(384) Staff Sergeant Stacey C. Brandon, Hazen, Arkansas;
(385) Private First Class David J. Brangman, Lake Worth, Florida;
(386) Lance Corporal David M. Branning, Cockeysville, Maryland;
(387) Specialist Artimus D. Brassfield, Flint, Michigan;
(388) Civilian Darren D. Braswell, Riverdale, Georgia;
(389) Private First Class Joel K. Brattain, Yorba Linda/Brea, California;
(390) Private First Class Jeffrey F. Braun, Stafford, Connecticut;
(391) Lance Corporal Raul S. Bravo, Jr., Elko, Nevada;
(392) Specialist Joshua T. Brazee, Sand Creek, Michigan;
(393) Sergeant Dale G. Brehm, Turlock, California;
(394) Chief Warrant Officer William I. Brennan, Bethlehem, Connecticut;
(395) Sergeant First Class Christopher R. Brevard, Phoenix, Arizona;
(396) Specialist Adam Noel Brewer, Dewey/Bartlesville, Oklahoma;
(397) Corporal James L. Bridges, Buhl, Idaho;
(398) Private Michael P. Bridges, Placentia, California;
(399) Staff Sergeant Steven H. Bridges, Tracy, California;
(400) Private First Class Dean Bright, Roseburg, Oregon;
(401) Staff Sergeant Scottie L. Bright, Montgomery, Alabama;
(402) Specialist Kyle A. Brinlee, Pryor, Oklahoma;
(403) Seaman Pablito Pena Briones, Jr., Anaheim, California;
(404) Corporal Dustin R. Brisky, Round Rock, Texas;
(405) First Lieutenant Benjamin T. Britt, Wheeler, Texas;

(406) Staff Sergeant Sandy R. Britt, Apopka, Florida;
(407) Captain Sean Lee Brock, Redondo Beach, California;
(408) Corporal Phillip J. Brodnick, New Lennox, Illinois;
(409) Lance Corporal Adam R. Brooks, Manchester, New Hampshire;
(410) Staff Sergeant Cory W. Brooks, Philip, South Dakota;
(411) Staff Sergeant William J. Brooks, Birmingham, Alabama;
(412) Specialist Edward L. Brooks, Dayton, Ohio;
(413) Major Sid W. Brookshire, Missouri;
(414) Sergeant Thomas F. Broomhead, Cannon City, Colorado;
(415) Sergeant Andrew W. Brown, Pleasant Mount, Pennsylvania;
(416) Technical Sergeant Bruce E. Brown, Coatopa, Alabama;
(417) Lance Corporal Demarkus D. Brown, Martinsville, Virginia;
(418) Lance Corporal Dominic C. Brown, Austin, Texas;
(419) Private First Class Donald S. Brown, Succasunna, New Jersey;
(420) Staff Sergeant Harrison Brown, Prichard, Alabama;
(421) Corporal Henry Levon Brown, Natchez, Mississippi;
(422) Lance Corporal James Brown, Owensville, Indiana;
(423) Sergeant Jeffery S. Brown, Trinity Center, California;
(424) Staff Sergeant Jeremy A. Brown, Mabscott, West Virginia;
(425) Private First Class John Eli Brown, Troy, Alabama;
(426) Sergeant First Class John G. Brown, Little Rock, Arkansas;
(427) Lance Corporal Kyle W. Brown, Newport News, Virginia;
(428) Specialist Larry Kenyatta Brown, Jackson, Mississippi;
(429) Private First Class Nathan P. Brown, South Glens Falls, New York;
(430) Specialist Nicholas P. Brown, Huber Heights, Ohio;
(431) Private First Class Oliver J. Brown, Carbondale, Pennsylvania;
(432) Specialist Philip D. Brown, Jamestown, North Dakota;
(433) Specialist Timothy D. Brown, Cedar Springs, Michigan;
(434) Lance Corporal Timothy W. Brown, Sacramento, California;
(435) First Lieutenant Tyler Hall Brown, Atlanta, Georgia;
(436) Specialist Lerando J. Brown, Gulfport, Mississippi;
(437) Petty Officer Second Class Menelek M. Brown, Roswell, New Mexico;
(438) Specialist Michael D. Brown, Williamsburg, Kansas;
(439) Staff Sergeant Kevin R. Brown, Harrah, Oklahoma;
(440) Sergeant William E. Brown, Phil Campbell, Alaska;
(441) Private First Class Joshua D. Brown, Tampa, Florida;
(442) Sergeant First Class Scott J. Brown, Windsor, Colorado;
(443) Specialist Lunsford B. Brown II, Creedmore, North Carolina;
(444) Private First Class Timmy R. Brown, Jr., Conway, Pennsylvania;
(445) Corporal Andrew D. Brownfield, Akron, Ohio;
(446) Private First Class Brian A. Browning, Astoria, Oregon;
(447) Specialist Ari D. Brown-Weeks, Abingdon, Maryland;
(448) Sergeant First Class Daniel A. Brozovich, Greenville, Pennsylvania;
(449) Corporal Travis R. Bruce, Rochester/Byron, Minnesota;
(450) Petty Officer Third Class Nathan B. Bruckenthal, Stony Brook (Long Island), New York;
(451) Lance Corporal Cedric E. Bruns, Vancouver, Washington;
(452) Specialist Jacques Earl ''Gus'' Brunson, Americus, Georgia;
(453) Lance Corporal Benjamin S. Bryan, Lumberton, North Carolina;
(454) Second Lieutenant Todd J. Bryant, Riverside, California;
(455) Sergeant Jack Bryant, Jr., Dale City, Virginia;
(456) Lance Corporal Daniel Scott R. Bubb, Grottoes, Virginia;
(457) Sergeant John T. Bubeck, Collegeville, Pennsylvania;
(458) Sergeant First Class Raymond R. Buchan, Johnstown, Pennsylvania;
(459) Sergeant Ernest G. Bucklew, Enon Valley, Pennsylvania;
(460) Specialist Roy Russell Buckley, Snow Camp, North Carolina;
(461) Corporal Ryan J. Buckley, Nokomis, Illinois;
(462) Specialist Brock L. Bucklin, Caledonia, Michigan;
(463) Private First Class Paul J. Bueche, Daphne, Alabama;
(464) Lieutenant Colonel Charles H. Buehring, Fayetteville, North Carolina;
(465) Lance Corporal Richard A. Buerstetta, Franklin, Tennessee;
(466) Lance Corporal Brian Rory Buesing, Cedar Key, Florida;
(467) Private First Class Travis Wayne Buford, Galveston, Texas;
(468) Sergeant George Edward Buggs, Barnwell, South Carolina;
(469) Corporal Jimmy D. Buie, Floral, Arkansas;
(470) Specialist Joshua I. Bunch, Hattiesburg, Mississippi;
(471) Staff Sergeant Christopher Bunda, Bremerton, Washington;
(472) Staff Sergeant Michael Lee Burbank, Bremerton, Washington;
(473) Staff Sergeant Richard A. Burdick, National City, California;
(474) Staff Sergeant Jerry C. Burge, Carriere, Mississippi;
(475) Corporal Dale A. Burger, Jr., Port Deposit, Maryland;
(476) Specialist Alan J. Burgess, Landaff, New Hampshire;
(477) Sergeant Bryan Burgess, Garden City, Michigan;
(478) Lance Corporal Jeffrey C. Burgess, Plymouth, Massachusetts;
(479) Lance Corporal Ryan J. Burgess, Sanford, Michigan;
(480) Specialist Taylor J. Burk, Amarillo, Texas;
(481) Specialist Armer N. Burkart, Rockville, Maryland;
(482) Specialist Timothy Burke, Hollywood, Florida;
(483) Private First Class Tamario Demetrice Burkett, Buffalo, New York;
(484) Specialist Donald A. Burkett, Comanche, Texas;
(485) Sergeant Travis L. Burkhardt, Edina, Missouri;
(486) Second Lieutenant Peter H. Burks, Dallas, Texas;
(487) Lance Corporal Jason K. Burnett, St. Cloud, Florida;
(488) Lance Corporal Kyle W. Burns, Laramie, Wyoming;
(489) Specialist Richard B. Burress, Naples, Florida;
(490) Specialist Eric T. Burri, Wyoming, Michigan;
(491) Private First Class David Paul Burridge Lafayette, Louisiana;
(492) Lance Corporal Jeremy W. Burris, Tacoma, Washington;
(493) Private Joshua C. Burrows, Bossier City, Louisiana;
(494) Private First Class Jesse R. Buryj, Canton, Ohio;
(495) Private Matthew D. Bush, East Alton, Illinois;
(496) Private First Class Charles E. Bush, Jr., Buffalo, New York;
(497) Private First Class Damian S. Bushart, Waterford, Michigan;
(498) Sergeant William W. Bushnell, Jasper, Arkansas;
(499) Specialist Marlon A. Bustamante, Corona, New York;
(500) Staff Sergeant Steve Butcher, Penfield, New York;
(501) Staff Sergeant Jason M. Butkus, West Milford, New Jersey;
(502) Specialist Adrian J. Butler, East Lansing, Michigan;
(503) Sergeant Jacob Lee Butler, Wellsville, Kansas;
(504) Lance Corporal Kenneth J. Butler, Rowan, North Carolina;
(505) Private First Class Tyler Butler, East Liverpool, Ohio;
(506) Corporal Rhett A. Butler, Fort Worth, Texas;
(507) Lance Corporal Anthony E. Butterfield, Clovis, California;
(508) Sergeant Jason J. Buzzard, Ukiah, California;
(509) Sergeant Casey Byers, Schleswig, Iowa;
(510) Captain Joshua T. Byers, Mountville, South Carolina;
(511) Specialist William J. Byler, Ballinger, Texas;
(512) Specialist Thomas H. Byrd, Cochise, Arizona;
(513) Lance Corporal John T. Byrd II, Fairview, West Virginia;
(514) Private First Class Henry G. Byrd III, Veguita, New Mexico;
(515) Lance Corporal Shayne M. Cabino, Canton, Massachusetts;
(516) Corporal Juan C. Cabralbanuelos, Emporia, Kansas;
(517) Specialist Jonathan D. Cadavero, Takoma Park, Maryland;
(518) Staff Sergeant Marshall H. Caddy, Nags Head, North Carolina;
(519) Specialist Frank L. Cady III, Sacramento, California;
(520) Private First Class Daniel P. Cagle, Carson, California;
(521) Specialist Mark R.C. Caguioa, Stockton California;
(522) Captain Joel E. Cahill, Norwood, Massachusetts;
(523) Corporal Marcus A. Cain, Crowley, Louisiana;
(524) Private First Class Jay S. Cajimat, Lahaina, Hawaii;
(525) Private Lewis T. D. Calapini, Waipahu, Hawaii;
(526) Private First Class Cody S. Calavan, Lake Stevens, Washington;
(527) Sergeant Pablo A. Calderon, Brooklyn, New York;
(528) Sergeant Juan Calderon, Jr., Weslaco, Texas;
(529) Private First Class Roland E. Calderon-Ascencio, Miami, Florida;
(530) Sergeant Charles Todd Caldwell, North Providence, Rhode Island;
(531) Corporal Eric T. Caldwell, Salisbury, Maryland;
(532) Specialist Nathaniel A. Caldwell, Omaha, Nebraska;
(533) Specialist Derek A. Calhoun, Oklahoma City, Oklahoma;
(534) Sergeant First Class Keith A. Callahan, McClure, Pennsylvania;
(535) Corporal Robert Thomas Callahan, Jamestown, North Carolina;
(536) Sergeant William J. Callahan, South Easton, Massachusetts;
(537) Specialist Leeroy A. Camacho, Saipan, Northern Mariana Islands;
(538) Seaman Anamarie Sannicolas Camacho, Panama City, Florida;

(539) Sergeant Carlos M. Camacho-Rivera, Carolina, Puerto Rico;
(540) Staff Sergeant Joseph Camara, New Bedford, Massachusetts;
(541) Corporal Lyle J. Cambridge, Shiprock, New Mexico;
(542) Sergeant Radhames Camilomatos, Carolina, Puerto Rico;
(543) First Lieutenant Jaime L. Campbell, Ephrata, Washington;
(544) Sergeant Jeremy M. Campbell, Middlebury, Pennsylvania;
(545) Specialist Michael C. Campbell, Marshfield, Missouri;
(546) Sergeant Ryan M. Campbell, Kirksville, Missouri;
(547) Staff Sergeant Juan F. Campos, McAllen, Texas;
(548) Specialist Marvin A. Camposiles, Austell, Georgia;
(549) Specialist Isaac Campoy, Douglas, Arizona;
(550) Corporal Steven I. Candelo, Houston, Texas;
(551) Lieutenant Colonel David C. Canegata, St. Croix, Virgin Islands;
(552) Sergeant Adam Leigh Cann, Davie, Florida;
(553) Corporal Kelly M. Cannan, Lowville, New York;
(554) Lance Corporal Wesley J. Canning, Friendswood, Texas;
(555) Seaman Jakia Sheree Cannon, Baltimore, Maryland;
(556) Private First Class Ryan J. Cantafio, Beaver Dam, Wisconsin;
(557) Corporal Joseph H. Cantrell IV, Ashland, Kentucky;
(558) Specialist Ervin Caradine, Jr., Memphis, Tennessee;
(559) Specialist Adolf C. Carballo, Houston, Texas;
(560) Sergeant Alessandro Carbonaro, Bethesda, Maryland;
(561) Private First Class Sean T. Cardelli, Downers Grove, Illinois;
(562) Private First Class Edgar E. Cardenas, Lilburn, Georgia;
(563) Corporal Anthony O. Cardinal, Muskegon, Michigan;
(564) Private First Class Michael M. Carey, Prince George, Virginia;
(565) Sergeant Deyson K. Cariaga, Honolulu, Hawaii;
(566) Corporal Richard P. Carl, King Hill, Idaho;
(567) Specialist Ryan G. Carlock, Macomb, Illinois;
(568) Specialist Frederick A. Carlson, Bethlehem, Pennsylvania;
(569) Sergeant Michael C. Carlson, St. Paul, Minnesota;
(570) Private First Class Benjamin R. Carman, Jefferson, Iowa;
(571) Staff Sergeant Edward W. Carman, McKeesport, Pennsylvania;
(572) Sergeant Robert M. Carr, Warren, Ohio;
(573) Specialist Jocelyn ''Joce'' L. Carrasquillo, Wrightsville Beach, North Carolina;
(574) Specialist Miguel Carrasquillo, River Grove, Illinois;
(575) Private First Class Casey S. Carriker, Hoquiam, Washington;
(576) Sergeant Alejandro Carrillo, Los Angeles, California;
(577) Specialist Rafael A. ''T. J.'' Carrillo, Jr., Boys Ranch, Texas;
(578) Sergeant James D. Carroll, McKenzie, Tennessee;
(579) Sergeant John A. Carroll, Ponca City, Oklahoma;
(580) Specialist Justin B. Carter, Mansfield, Missouri;
(581) Sergeant Lawrance J. Carter, Rancho Cucamonga, California;
(582) Chief Petty Officer Mark T. Carter, Fallbrook, California;
(583) Sergeant David M. Caruso, Naperville, Illinois;
(584) Specialist Dane O. Carver, Freeport, Michigan;
(585) Private First Class Cody M. Carver, Haskell, Oklahoma;
(586) Chief Warrant Officer (CW3) Mitchell K. Carver, Jr., Charlotte, North Carolina;
(587) Sergeant Frank T. Carvill, Carlstadt, New Jersey;
(588) Private First Class Jose Casanova, El Monte, California;
(589) Staff Sergeant Virgil R. Case, Mountain Home, Idaho;
(590) Captain Thomas J. Casey, Albuquerque, New Mexico;
(591) Captain Christopher S. Cash, Winterville, North Carolina;
(592) Sergeant First Class Alwyn C. ''Al'' Cashe, Oviedo, Florida;
(593) Sergeant Kenith Casica, Virginia Beach, Virginia;
(594) Specialist Ahmed Akil ''Mel'' Cason, McGehee, Arkansas;
(595) Lance Corporal James A. Casper, Coolidge, Texas;
(596) Captain Paul J. Cassidy, Laingsburg, Michigan;
(597) Private First Class Stephen A. Castellano, Long Beach, California;
(598) Lance Corporal Luis J. Castillo, Lawton, Michigan;
(599) Lance Corporal Mario Alberto Castillo, Brownwood, Texas;
(600) Staff Sergeant Samuel Tyrone Castle, Naples, Texas;
(601) Lance Corporal Roger D. Castleberry, Jr., Austin, Texas;
(602) Corporal Stephen W. Castner, Cedarburg, Wisconsin;
(603) Sergeant Jesse J.J. Castro, Chalan Pago, Guam;
(604) Corporal Jonathan Castro, Corona, California;
(605) Staff Sergeant Roland L. Castro, San Antonio, Texas;
(606) Specialist Romel Catalan, Los Angeles, California;
(607) Sergeant Sean K. Cataudella, Tucson, Arizona;
(608) Lance Corporal Steven C. T. Cates, Mount Juliet, Tennessee;
(609) Second Lieutenant James J. Cathey, Reno, Nevada;
(610) Private First Class Thomas D. Caughman, Lexington, South Carolina;
(611) Specialist Roberto J. Causor, Jr., San Jose, California;
(612) Sergeant Forrest D. Cauthorn, Midlothian, Virginia;
(613) Staff Sergeant James Wilford Cawley, Roy, Utah;
(614) Sergeant Jessica L. Cawvey, Normal, Illinois;
(615) Lance Corporal Geofrey R. Cayer, Fitchburg, Massachusetts;
(616) Petty Officer Third Class David A. Cedergren, South St. Paul, Minnesota;
(617) Corporal Willie P. Celestine, Jr., Lafayette, Louisiana;
(618) Lance Corporal Manuel A. Ceniceros, Santa Ana, California;
(619) Corporal Bernard L. Ceo, Baltimore, Maryland;
(620) Sergeant Aaron N. Cepeda, Sr., San Antonio, Texas;
(621) First Lieutenant Michael A. Cerrone, Clarksville, Tennessee;
(622) Private First Class Daniel B. Chaires, Tallahassee, Florida;
(623) Lance Corporal William C. Chambers, Ringgold, Georgia;
(624) Lance Corporal Donald E. Champlin, Natchitoches, Louisiana;
(625) Lance Corporal James Chamroeun, Union City, Georgia;
(626) Specialist Doron Chan, Highland, New York;
(627) Corporal Kemaphoom ''Ahn'' Chanawongse, Waterford, Connecticut;
(628) Specialist James A. Chance III, Kokomo, Mississippi;
(629) Staff Sergeant William D. Chaney, Schaumburg, Illinois;
(630) Petty Officer First Class Jeffrey L. Chaney, Omaha, Nebraska;
(631) Chief Warrant Officer (CW2) Robert William Channell, Jr., Tuscaloosa, Alabama;
(632) Chief Warrant Officer Cornell C. Chao, Orange City, California;
(633) Master Sergeant Chris S. Chapin, Proctor, Vermont;
(634) Specialist Jason K. Chappell, Hemet, California;
(635) Lance Corporal Holly A. Charette, Cranston, Rhode Island;
(636) Specialist Joe G. Charfauros, Jr., Rota, Mariana Islands;
(637) Staff Sergeant Lance M. Chase, Oklahoma City, Oklahoma;
(638) Lance Corporal Daniel Chavez, Seattle, Washington;
(639) Lance Corporal Steven M. Chavez, Hondo, New Mexico;
(640) Private First Class Javier Chavez, Jr., Cutler, California;
(641) Airman First Class Leebenard E. Chavis, Hampton, Virginia;
(642) Private First Class Jonathan M. Cheatham, Camden, Arkansas;
(643) Sergeant Yihiyh L. Chen, Saipan, Northern Mariana Islands;
(644) Corporal Nicholas O. Cherava, Ontonagon, Michigan;
(645) Lance Corporal Marcus M. Cherry, Imperial, California;
(646) Corporal Brian L. Chevalier, Georgia;
(647) Second Lieutenant Therrel Shane Childers, Harrison Co., Mississippi;
(648) Sergeant Kyle William Childress, Terre Haute, Indiana;
(649) Sergeant Tyrone L. Chisholm, Savannah, Georgia;
(650) Specialist Johnathan Bryan Chism, Gonzales, Louisiana;
(651) Private First Class Adam J. Chitjian, Philadelphia, Pennsylvania;
(652) Private First Class Min-su Choi, River Vale, New Jersey;
(653) Corporal Andrew F. Chris, Huntsville, Alabama;
(654) Specialist Jeremy E. Christensen, Albuquerque, New Mexico;
(655) Private First Class Ryan D. Christensen, Spring Lake Heights, New Jersey;
(656) Staff Sergeant Thomas W. Christensen, Atlantic Mine, Michigan;
(657) Lance Corporal Curtis A. Christensen, Jr., Collingswood, New Jersey;
(658) Sergeant Brett T. Christian, North Royalton, Ohio;
(659) Sergeant David Christoff, Jr., Rossford, Ohio;
(660) Sergeant Caleb P. Christopher, Chandler, Arizona;
(661) Chief Warrant Officer Theodore U. Church, Ohio;
(662) Lance Corporal Michael J. Cifuentes, Fairfield, Ohio;
(663) Staff Sergeant Ernesto G. Cimarrusti, Douglas, Arizona;
(664) Staff Sergeant Kristofer R. Ciraso, Bangor, Maine;
(665) Lance Corporal Julio C. Cisneros-Alvarez, Pharr, Texas;
(666) Corporal Jason S. Clairday, Camp Fulton, Arkansas;
(667) Staff Sergeant Lillian Clamens, Lawton, Oklahoma;
(668) Specialist Arron R. Clark, Chico, California;
(669) Sergeant Carlton A. Clark, South Royalton, Vermont;
(670) Private First Class Eric D. Clark, Pleasant Prairie, Wisconsin;

(671) Lance Corporal Matthew W. Clark, St. Louis, Missouri;
(672) Staff Sergeant Michael J. Clark, Leesburg Lake, Florida;
(673) Petty Officer First Class Regina R. Clark, Centralia, Washington;
(674) Corporal Ryan J. Clark, Lancaster, California;
(675) Lance Corporal Lance M. Clark, Cookeville, Tennessee;
(676) Corporal Kevin Michael Clarke, Tinley Park, Illinois;
(677) Sergeant Don Allen Clary, Troy, Kansas;
(678) Staff Sergeant Daniel J. Clay, Pensacola, Florida;
(679) Staff Sergeant Darrell P. Clay, Fayetteville, North Carolina;
(680) Captain Hayes Clayton, Marietta, Georgia;
(681) First Lieutenant Michael J. Cleary, Dallas, Pennsylvania;
(682) Master Sergeant Brad A. Clemmons, Chillicothe, Ohio;
(683) Private First Class Nathan B. Clemons, Winchester, Tennessee;
(684) Staff Sergeant Thomas W. Clemons, Leitchfield, Kentucky;
(685) Private First Class Adare W. Cleveland, Anchorage, Alaska;
(686) Specialist Ross A. Clevenger Givens, Hot Springs, Idaho;
(687) Lance Corporal Richard C. Clifton, Milford, Delaware;
(688) Specialist Karen N. Clifton, Lehigh Acres, Florida;
(689) Lance Corporal Donald John Cline, Jr., Sparks, Nevada;
(690) Specialist Zachary Clouser, Dover, Pennsylvania;
(691) Private First Class Christopher R. Cobb, Bradenton, Florida;
(692) Corporal Benny Gray Cockerham III, Conover, North Carolina;
(693) Lance Corporal Kyle W. Codner, Wood River, Nebraska;
(694) Sergeant Ronald L. Coffelt, Fair Oaks, California;
(695) First Sergeant Christopher D. Coffin, Bethlehem, Pennsylvania;
(696) Corporal Michael R. Cohen, Jacobus, Pennsylvania;
(697) Private First Class Gavin J. Colburn, Frankfort, Ohio;
(698) Staff Sergeant Timothy B. Cole, Jr., Missouri City, Texas;
(699) Private Bradli N. Coleman, Ford City, Pennsylvania;
(700) Corporal Gary B. Coleman, Pikeville, Kentucky;
(701) Sergeant Dominic R. Coles, Jesup, Georgia;
(702) First Lieutenant Benjamin J. Colgan, Kent, Washington;
(703) Staff Sergeant Jay T. Collado, Columbia, South Carolina;
(704) Sergeant Russell L. Collier, Harrison, Arkansas;
(705) Sergeant David S. Collins, Jasper, Georgia;
(706) Staff Sergeant Gary L. Collins, Hardin, Texas;
(707) Lance Corporal Jonathan W. Collins, Crystal Lake, Illinois;
(708) Sergeant First Class Randy D. Collins, Long Beach, California;
(709) Corporal Ryan D. Collins, Vernon, Texas;
(710) Sergeant James S. Collins, Jr., Rochester Hills, Michigan;
(711) Lance Corporal Clifford R. Collinsworth, Chelsea, Michigan;
(712) Sergeant Kyle A. Colnot, Arcadia, California;
(713) Staff Sergeant Pedro J. Colon, Cicero, Illinois;
(714) Chief Warrant Officer Lawrence S. Colton, Oklahoma City, Oklahoma;
(715) Specialist Zeferino E. Colunga, Bellville, Texas;
(716) Sergeant Robert E. Colvill, Jr., Anderson, Indiana;
(717) Sergeant First Class Kurt J. Comeaux, Raceland, Louisiana;
(718) Specialist Anthony S. Cometa, Las Vegas, Nevada;
(719) Lance Corporal Chase Johnson Comley, Lexington, Kentucky;
(720) Lance Corporal Adam C. Conboy, Philadelphia, Pennsylvania;
(721) Sergeant Kenneth Conde, Jr., Orlando, Florida;
(722) Corporal Matthew D. Conley, Killen, Alabama;
(723) Sergeant First Class James David Connell, Jr., Lake City, Tennessee;
(724) Sergeant Major Bradly D. Conner, Coeur d'Alene, Idaho;
(725) Sergeant Brian R. Conner, Baltimore, Maryland;
(726) Sergeant Timothy M. Conneway, Enterprise, Alabama;
(727) Specialist Steven Daniel Conover, Wilmington, Ohio;
(728) Hospitalman Matthew G. Conte, Mogadore, Ohio;
(729) Captain Aaron Joseph Contreras, Sherwood, Oregon;
(730) Sergeant Andres J. Contreras, Huntington Park, California;
(731) Lance Corporal Pedro Contreras, Harris, Texas;
(732) Sergeant Jason Cook, Okanogan, Washington;
(733) Command Sergeant Major Eric F. Cooke, Scottsdale, Arizona;
(734) Sergeant First Class Sean Michael Cooley, Ocean Springs, Mississippi;
(735) Private First Class James J. Coon, Walnut Creek, California;
(736) Master Sergeant James Curtis Coons, Conroe, Texas;
(737) Sergeant John E. Cooper, Ewing, Kentucky;
(738) Sergeant Travis S. Cooper, Macon, Mississippi;
(739) Private Troy D. Cooper, Amarillo, Texas;
(740) Private Charles S. Cooper, Jr., Jamestown, New York;
(741) Sergeant First Class David A. Cooper, Jr., State College, Pennsylvania;
(742) Specialist Jeffrey W. Corban, Elkhart, Indiana;
(743) Specialist Jason J. Corbett, Casper, Wyoming;
(744) Staff Sergeant Todd R. Cornell, West Bend, Wisconsin;
(745) Sergeant Wayne R. Cornell, Holstein, Nebraska;
(746) Sergeant First Class Lance S. Cornett, London, Kentucky;
(747) Sergeant Marcelino Ronald Corniel, La Puente, California;
(748) Sergeant Dennis A. Corral, Kearney, Nebraska;
(749) Sergeant Richard V. Correa, Honolulu, Hawaii;
(750) Private Isaac T. Cortes, Bronx, New York;
(751) Staff Sergeant Victor M. Cortes III, Erie, Pennsylvania;
(752) Lance Corporal Christopher B. Cosgrove III, Cedar Knolls, New Jersey;
(753) Specialist Jeremiah D. Costello, Carlinville, Illinois;
(754) Private First Class James F. Costello III, St. Louis, Missouri;
(755) Lance Corporal Budd M. Cote, Marana, Arizona;
(756) Lance Corporal Derrick J. Cothran, Avondale, Louisiana;
(757) Staff Sergeant Eric D. Cottrell, Pittsview, Alabama;
(758) Sergeant David J. Coullard, Glastonbury, Connecticut;
(759) Chief Warrant Officer Alexander S. Coulter, Bristol, Tennessee;
(760) Private First Class Daniel Courneya, Vermontville, Michigan;
(761) Private First Class Nicholas Cournoyer, Gilmanton, New Hampshire;
(762) Sergeant Kelley L. Courtney, Macon, Georgia;
(763) Second Lieutenant Matthew S. Coutu, North Kingstown, Rhode Island;
(764) Private First Class Dwane A. Covert, Jr., Tonawanda, New York;
(765) Second Lieutenant Leonard M. Cowherd, Jr., Culpeper, Virginia;
(766) Specialist Gregory A. Cox, Carmichaels, Pennsylvania;
(767) Private First Class Ryan R. Cox, Derby, Kansas;
(768) First Lieutenant Simon T. Cox, Jr., Texas;
(769) Sergeant First Class Daniel Crabtree, Canton, Ohio;
(770) Staff Sergeant Alexander B. Crackel, Wilstead, England;
(771) Sergeant James E. Craig, Hollywood, South Carolina;
(772) Private First Class Brandon M. Craig, Earleville, Maryland;
(773) Private First Class Andre Craig, Jr., New Haven, Connecticut;
(774) Staff Sergeant Casey Crate, Spanaway, Washington;
(775) Second Lieutenant Johnny K. Craver, McKinney, Texas;
(776) Lance Corporal Timothy R. Creager, Millington, Tennessee;
(777) Specialist Tyler L. Creamean, Jacksonville, Arkansas;
(778) Specialist Matthew W. Creed, Covina, California;
(779) Corporal Shawn R. Creighton, Windsor, North Carolina;
(780) Private First Class Michael Russell Creighton-Weldon, Palm Bay, Florida;
(781) Major Ricardo A. Crocker, Mission Viejo, California;
(782) Sergeant Michael T. Crockett, Soperton, Georgia;
(783) Staff Sergeant Ricky L. Crockett, Broxton, Georgia;
(784) Private First Class David N. Crombie, Winnemucca, Nevada;
(785) Sergeant Brud J. Cronkrite, Spring Valley, California;
(786) Corporal Duncan C. Crookston, Denver, Colorado;
(787) Corporal Kenneth Cross, Superior, Wisconsin;
(788) Specialist William J. Crouch, Zachary, Louisiana;
(789) Sergeant William W. Crow, Jr., Grandview Plaza, Kansas;
(790) Lieutenant Colonel Terrence K. Crowe, New York, New York;
(791) Master Sergeant Thomas A. Crowell, Neosho, Missouri;
(792) Lance Corporal Kyle D. Crowley, San Ramon, California;
(793) Lance Corporal Adam J. Crumpler, Charleston, West Virginia;
(794) Specialist Michael J. Crutchfield, Stockton, California;
(795) Sergeant Sirlou C. Cuaresma, Chicago, Illinois;
(796) Master Sergeant Clinton W. Cubert, Lawrenceburg, Kentucky;
(797) Sergeant Bacilio E. Cuellar, Odessa, Texas;
(798) Private Rey D. Cuervo, Laguna Vista, Texas;
(799) Staff Sergeant Daniel M. Cuka, Yankton, South Dakota;
(800) Corporal Russell G. Culbertson III, Amity, Pennsylvania;
(801) Private First Class Kevin A. Cuming, North White Plains, New York;
(802) Private First Class Branden C. Cummings, Titusville, Florida;

(803) Corporal Ryan J. Cummings, Streamwood, Illinois;
(804) Staff Sergeant Darren J. Cunningham, Groton, Massachusetts;
(805) Specialist Daniel Francis Cunningham, Jr., Lewiston, Maine;
(806) Sergeant Carl F. Curran, Union City, Pennsylvania;
(807) Corporal Michael Edward Curtin, Howell, New Jersey;
(808) Staff Sergeant Christopher E. Cutchall, McConnellsburg, Pennsylvania;
(809) Private First Class Brian K. Cutter, Riverside, California;
(810) Specialist Edgar P. Daclan, Jr., Cypress, California;
(811) Private First Class Anthony D. Dagostino, Waterbury, Connecticut;
(812) Sergeant Joel A. Dahl, Los Lunas, New Mexico;
(813) Second Lieutenant Mark J. Daily, Irvine, California;
(814) Specialist Ryan S. Dallam, Norman, Oklahoma;
(815) Specialist Ernest W. Dallas, Jr., Denton, Texas;
(816) Captain Nathan S. Dalley, Kaysville, Utah;
(817) Staff Sergeant Joel P. Dameron, Ellabell, Georgia;
(818) Private First Class Grant Allen Dampier, Merrill, Wisconsin;
(819) Sergeant Corey A. Dan, Norway, Maine;
(820) Lance Corporal Andrew S. Dang, Foster City, California;
(821) Corporal Jason B. Daniel, Crowley, Texas;
(822) Specialist Danny B. Daniels II, Varney, West Virginia;
(823) Private First Class Torey J. Dantzler, Columbia, Louisiana;
(824) Chief Petty Officer Paul J. Darga, Lansing, Michigan;
(825) Private First Class Norman Darling, Middleboro, Massachusetts;
(826) Captain Eric Bruce Das, Amarillo, Texas;
(827) Petty Officer First Class Steven Phillip Daugherty, Barstow, California;
(828) Specialist Andrew P. Daul, Brighton, Michigan;
(829) Lance Corporal James R. Davenport, Danville, Indiana;
(830) Corporal Seamus M. Davey, Lewis, New York;
(831) Lance Corporal Wesley G. Davids, Dublin, Ohio;
(832) Specialist Shawn M. Davies, Aliquippa/Hopewell, Pennsylvania;
(833) Sergeant Jessie Davila, Greensburg, Kansas;
(834) Private Brandon L. Davis, Cumberland, Maryland;
(835) Staff Sergeant Craig Davis, Opelousas, Louisiana;
(836) Specialist Daryl A. Davis, Orlando, Florida;
(837) Sergeant David J. Davis, Mount Airy, Maryland;
(838) Staff Sergeant Donald N. Davis, Saginaw, Michigan;
(839) Major Gloria D. Davis, St. Louis, Missouri;
(840) Staff Sergeant Kevin Dewayne Davis, Lebanon, Oregon;
(841) Specialist Raphael S. Davis, Tutwiler, Mississippi;
(842) Staff Sergeant Wilbert Davis, Tampa, Florida;
(843) Private First Class William N. Davis, Adrian, Michigan;
(844) Sergeant Zachariah Scott Davis, Spiro, Oklahoma;
(845) Corporal Todd E. Davis, Raymore, Missouri;
(846) Staff Sergeant Carletta S. Davis, Anchorage, Alaska;
(847) Sergeant Chris Davis, Lubbock, Texas;
(848) Private First Class Steven A. Davis, Woodbridge, Virginia;
(849) Corporal Michael W. Davis, San Marcos, Texas;
(850) Sergeant Edward G. Davis III, Waukegan/Antioch, Illinois;
(851) Sergeant Anthony J. Davis, Jr., Long Beach, California;
(852) Staff Sergeant David F. Day, Saint Louis Park, Minnesota;
(853) Staff Sergeant Jeffrey F. Dayton, Caledonia, Mississippi;
(854) Sergeant Kyle Dayton, El Dorado Hills, California;
(855) Sergeant Mario K. De Leon, San Francisco, California;
(856) Petty Officer Third Class Lee Hamilton Deal, West Monroe, Louisiana;
(857) Private First Class John Wilson ''J.W.'' Dearing, Hazel Park, Michigan;
(858) Staff Sergeant Michael L. Deason, Farmington, Missouri;
(859) Private First Class Darren A. Deblanc, Evansville, Indiana;
(860) Sergeant Germaine L. Debro, Omaha, Nebraska;
(861) Lance Corporal Kurt Edward Dechen, Springfield, Vermont;
(862) Sergeant Matthew L. Deckard, Elizabethtown, Kentucky;
(863) Lance Corporal Roger W. Deeds, Biloxi, Mississippi;
(864) Specialist Michael S. Deem, Rockledge, Florida;
(865) First Lieutenant Joshua Deese, Robeson County, North Carolina;
(866) Chief Warrant Officer Jason Garth DeFrenn, Barnwell, South Carolina;
(867) Corporal Christopher Degiovine, Lone Tree, Colorado;
(868) Sergeant Dariek E. Dehn, Spokane, Washington;
(869) Private Jason L. Deibler, Coeburn, Virginia;
(870) Lance Corporal Jesse D. Delatorre, Aurora, Illinois;
(871) Specialist Lauro G. DeLeon, Jr., Floresville, Texas;
(872) Private First Class Marc A. Delgado, Lithia, Florida;
(873) Private George Delgado, Palmdale, California;
(874) Sergeant Felix M. Delgreco, Simsbury, Connecticut;
(875) Sergeant Jacob H. Demand, Palouse, Washington;
(876) Private First Class Robert H. Dembowski, Ivyland, Pennsylvania;
(877) First Lieutenant Joseph D. deMoors, Jefferson, Alabama;
(878) Corporal Kevin J. Dempsey, Monroe, Connecticut;
(879) Sergeant Jason C. Denfrund, Cattaraugus, New York;
(880) Lance Corporal Tenzin Dengkhim, Falls Church, Virginia;
(881) Staff Sergeant Mike A. Dennie, Fayetteville, North Carolina;
(882) Captain John R. Dennison, Ijamsville, Maryland;
(883) Specialist Darryl T. Dent, Washington, District of Columbia;
(884) Private Cory R. Depew, Beech Grove, Indiana;
(885) Lance Corporal Leon Deraps, St. Louis, Missouri;
(886) Sergeant First Class Robert V. Derenda, Ledbetter, Kentucky;
(887) Corporal Dustin A. Derga, Columbus, Ohio;
(888) Specialist Brian K. Derks, White Cloud, Michigan;
(889) Sergeant Gabriel G. DeRoo, Paw Paw, Michigan;
(890) Sergeant Andrew Joseph Derrick, Columbia, South Carolina;
(891) Private First Class Ervin Dervishi, Fort Worth, Texas;
(892) Specialist Daniel A. Desens, Jacksonville, North Carolina;
(893) Lance Corporal Travis R. Desiato, Bedford, Massachusetts;
(894) Lance Corporal Benjamin D. Desilets, Elmwood, Illinois;
(895) Specialist Douglas C. Desjardins, Mesa, Arizona;
(896) Private First Class Nathaniel E. ''Nate'' Detample, Morrisville, Pennsylvania;
(897) Private First Class Michael R. Deuel, Nemo, South Dakota;
(898) Private Michael J. Deutsch, Dubuque, Iowa;
(899) Sergeant Israel Devora Garcia, Clint, Texas;
(900) Lance Corporal Brandon Christopher Dewey, Tracy/San Joaquin, California;
(901) Lance Corporal Daniel Nathan Deyarmin, Jr., Tallmadge, Ohio;
(902) First Lieutenant Carlos J. Diaz, Juana Diaz, Puerto Rico;
(903) Specialist Sergio R. Diaz, Varela Lomita, California;
(904) Captain Douglas A. DiCenzo, Plymouth, New Hampshire;
(905) Corporal Tyler J. Dickens, Columbus, Georgia;
(906) Petty Officer Third Class Christopher M. Dickerson, Eastman, Georgia;
(907) Lance Corporal Joshua W. Dickinson, Pasco, Florida;
(908) Staff Sergeant Michael A Dickinson II, Battle Creek, Michigan;
(909) Specialist Christopher W. Dickison, Seattle, Washington;
(910) Corporal Nicholas J. Dieruf, Versailles, Kentucky;
(911) Sergeant First Class Trevor J. Diesing, Plum City, Wisconsin;
(912) Private David E. Dietrich, Marysville, Pennsylvania;
(913) Specialist Jeremiah J. DiGiovanni, Tylertown, Mississippi;
(914) Staff Sergeant Christopher W. Dill, Tonawanda, New York;
(915) Corporal Matthew V. Dillon, Aiken, South Carolina;
(916) Corporal Benjamin C. Dillon, Rootstown, Ohio;
(917) Sergeant Catalin D. Dima, White Lake, New York;
(918) Specialist Jeremy M. Dimaranan, Virginia Beach, Virginia;
(919) Specialist Joshua P. Dingler, Hiram, Georgia;
(920) Sergeant Michael A. Diraimondo, Simi Valley, California;
(921) Specialist Anthony J. Dixon, Lindenwold, New Jersey;
(922) Private First Class Christopher R. Dixon, Columbus, Ohio;
(923) Specialist Robert J. Dixon, Minneapolis, Minnesota;
(924) Staff Sergeant Donnie D. Dixon, Miami, Florida;
(925) Corporal Derek C. Dixon, Riverside, Ohio;
(926) Captain Derek A. Dobogai, Fond du Lac, Wisconsin;
(927) Sergeant Philip Allan Dodson, Jr., Forsyth, Georgia;
(928) Specialist Thomas K. Doerflinger, Silver Spring, Maryland;
(929) Private First Class Dan Dolan, Roy, Utah;
(930) Sergeant Ryan E. Doltz, Mine Hill, New Jersey;
(931) Staff Sergeant Carlos Dominguez, Savannah, Georgia;
(932) Sergeant Chadrick O. Domino, Ennis, Texas;
(933) Sergeant Jacob D. Dones, Dimmitt, Texas;
(934) Specialist Dustin R. Donica, Spring, Texas;

(935) First Lieutenant Mark H. Dooley, Wallkill, New York;
(936) Sergeant Michael E. Dooley, Pulaski, Virginia;
(937) Private First Class Jason E. Dore, Moscow, Maine;
(938) Chief Warrant Officer Patrick D. Dorff, Buffalo, Minnesota;
(939) Staff Sergeant Richwell A. Doria, San Diego, California;
(940) Captain Nathanael J. Doring, Apple Valley, Minnesota;
(941) Petty Officer Second Class Trace W. Dossett, Orlando, Florida;
(942) Sergeant First Class James D. Doster, Pine Bluff, Arkansas;
(943) Sergeant First Class Shawn Christopher Dostie, Granite City, Illinois;
(944) Sergeant Thomas John Dostie, Somerville, Maine;
(945) Lance Corporal Scott Eugene Dougherty, Bradenton, Florida;
(946) Master Sergeant Robert John Dowdy, Cleveland, Ohio;
(947) Lance Corporal Michael A. Downey, Phoenix, Arizona;
(948) Private First Class Stephen P. Downing II, Burkesville, Kentucky;
(949) Major William Downs, Winchester, Virginia;
(950) Staff Sergeant Jeremy W. Doyle, Chesterton, Maryland;
(951) Staff Sergeant Jonathan K. Dozier, Rutherford, Tennessee;
(952) Specialist Chad H. Drake, Garland, Texas;
(953) Sergeant George Ray Draughn, Jr., Decatur, Georgia;
(954) Sergeant Duane J. Dreasky, Novi, Michigan;
(955) Private First Class Justin W. Dreese, Northumberland, Pennsylvania;
(956) Sergeant Shawn E. Dressler, Santa Maria, California;
(957) Private Jeremy L. Drexler, Topeka, Kansas;
(958) Sergeant Charles A. ''Chuck'' Drier, Tuscola County, Michigan;
(959) Staff Sergeant Eric T. Duckworth, Plano, Texas;
(960) Private First Class Kasper Allen Dudkiewicz, Chalan Pago/Mangilao, Guam;
(961) Private First Class Joseph J. Duenas, Mesa, Arizona;
(962) Private First Class Amy A. Duerksen, Temple, Texas;
(963) Specialist Christopher M. Duffy, Brick, New Jersey;
(964) Corporal Joseph C. Dumas, Jr., New Orleans, Louisiana;
(965) Sergeant Allen J. Dunckley, Yardley, Pennsylvania;
(966) Corporal Jason L. Dunham, Scio (Allegany Co.), New York;
(967) Sergeant First Class Robert E. Dunham, Baltimore, Maryland;
(968) Staff Sergeant Joe L. Dunigan, Jr., Belton, Texas;
(969) Sergeant Shawn M. Dunkin, Columbia, South Carolina;
(970) Sergeant Brent W. Dunkleberger, Bloomfield, Pennsylvania;
(971) Sergeant Brian E. Dunlap, Vista, California;
(972) Sergeant Jeannette T. Dunn, Bronx, New York;
(973) Staff Sergeant Terrence D. Dunn, Houston, Texas;
(974) Sergeant Clayton G. Dunn II, Moreno Valley, California;
(975) Sergeant Arnold Duplantier II, Sacramento, California;
(976) Staff Sergeant Joan J. Duran, Roxbury, Massachusetts;
(977) Staff Sergeant Jerry M. ''Michael'' Durbin, Jr., Spring, Texas;
(978) Specialist Robert L. DuSang, Mandeville, Louisiana;
(979) Specialist William D. Dusenbery, Fairview Heights, Illinois;
(980) Second Lieutenant Seth J. Dvorin, East Brunswick, New Jersey;
(981) Petty Officer Second Class Jason B. Dwelley, Apopka, Florida;
(982) Lance Corporal Christopher Jenkins Dyer, Cincinnati, Ohio;
(983) Sergeant Scott D. Dykman, Helena, Montana;
(984) Sergeant First Class Donald W. Eacho, Black Creek, Wisconsin;
(985) Specialist Carl A. Eason, Lovelady, Texas;
(986) Staff Sergeant Richard S. Eaton, Jr., Guilford, Connecticut;
(987) Specialist Blain M. Ebert, Washtucna, Washington;
(988) Corporal Christopher S. Ebert, Mooresboro, North Carolina;
(989) Lance Corporal Thomas P. Echols, Shepherdsville, Kentucky;
(990) Sergeant Gary A. ''Andy'' Eckert, Jr., Sylvania, Ohio;
(991) Lance Corporal Robert F. Eckfield, Jr., Cleveland, Ohio;
(992) Private First Class Christopher M. Eckhardt, Phoenix, Arizona;
(993) Sergeant William C. Eckhart, Rocksprings, Texas;
(994) First Lieutenant Jonathan W. Edds, White Pigeon, Michigan;
(995) First Lieutenant William A. Edens, Columbia, Missouri;
(996) Captain James C. Edge, Virginia Beach, Virginia;
(997) Specialist Marshall L. Edgerton, Rocky Face, Georgia;
(998) Sergeant Benjamin C. Edinger, Green Bay, Wisconsin;
(999) Corporal Phillip C. Edmundson, Wilson, North Carolina;
(1000) Specialist William L. Edwards, Houston, Texas;
(1001) Private First Class Chase A. Edwards, Lake Charles, Louisiana;
(1002) Staff Sergeant Mark O. Edwards, Unicoi, Tennessee;
(1003) Specialist Michael I. Edwards, Fairbanks, Alaska;
(1004) Private First Class Shawn C. Edwards, Bensenville, Illinois;
(1005) Sergeant First Class Amos C. Edwards, Jr., Savannah, Georgia;
(1006) Sergeant Michael Egan, Pennsauken, New Jersey;
(1007) Staff Sergeant Kyle A. Eggers, Euless, Texas;
(1008) Private First Class Jeremy W. Ehle, Richmond, Virginia;
(1009) Sergeant Robert W. Ehney, Lexington, Kentucky;
(1010) Specialist Andrew C. Ehrlich, Mesa, Arizona;
(1011) Private First Class Wyatt D. Eisenhauer, Pinckneyville, Illinois;
(1012) Sergeant Aaron C. Elandt, Lowell, Michigan;
(1013) Specialist Farid Elazzouzi, Paterson, New Jersey;
(1014) Specialist Elias Elias, Glendora, California;
(1015) Sergeant First Class Adrian M. Elizalde, North Bend, Oregon;
(1016) Staff Sergeant Michael D. Elledge, Brownsburg, Indiana;
(1017) Private First Class Kevin J. Ellenburg, Middleburg, Florida;
(1018) Gunnery Sergeant Terry J. Elliott, Middleton, Tennessee;
(1019) Staff Sergeant James D. Ellis, Valdosta, Georgia;
(1020) Sergeant Major Joseph J. Ellis, Ashland, Ohio;
(1021) Lance Corporal Justin M. Ellsworth, Mount Pleasant, Michigan;
(1022) Lance Corporal Nathan R. Elrod, Salisbury, North Carolina;
(1023) Specialist Steven R. Elrod, Hope Mills, North Carolina;
(1024) Specialist William River Emanuel IV, Stockton, California;
(1025) Hospitalman Luke Emch, Kent, Ohio;
(1026) Specialist Matthew J. Emerson, Grandview, Washington;
(1027) Sergeant Blair W. Emery, Lee, Maine;
(1028) Specialist Ebe F. Emolo, Greensboro, North Carolina;
(1029) Lance Corporal Adam Q. Emul, Vancouver, Washington;
(1030) Sergeant Cory M. Endlich, Massillon, Ohio;
(1031) Lance Corporal Mark E. Engel, Grand Junction, Colorado;
(1032) Sergeant Christian P. Engeldrum, Bronx, New York;
(1033) Chief Warrant Officer (CW4) John W. Engeman, East North Port, New York;
(1034) Captain Shawn L. English, Westerville, Ohio;
(1035) Private First Class Andrew T. Engstrom, Slaton, Texas;
(1036) Sergeant Peter G. Enos, South Dartmouth, Massachusetts;
(1037) Lance Corporal Nicholas B. Erdy, Williamsburg, Ohio;
(1038) Lance Corporal Brian A. Escalante, Dodge City, Kansas;
(1039) Corporal Christopher E. Esckelson, Vassar, Michigan;
(1040) Lance Corporal Sergio H. Escobar, Pasadena, California;
(1041) Senior Airman Pedro I. Espaillat, Jr., Columbia, Tennessee;
(1042) Petty Officer Second Class Allan M. Espiritu, Oxnard, California;
(1043) Captain Phillip T. Esposito, Suffern, New York;
(1044) Sergeant Adam W. Estep, Campbell, California;
(1045) Staff Sergeant James E. Estep, Leesburg, Florida;
(1046) Staff Sergeant Justin M. Estes, Sims, Arkansas;
(1047) Corporal Michael A. Estrella, Hemet, California;
(1048) Private Ruben Estrella-Soto, El Paso, Texas;
(1049) Lance Corporal Jonathan Edward Etterling, Wheelersburg, Ohio;
(1050) Captain Kermit O. Evans, Hollandale, Mississippi;
(1051) Specialist William L. Evans, Hallstead, Pennsylvania;
(1052) Sergeant Michael S. Evans II, Marrero, Louisiana;
(1053) Private David Evans, Jr., Buffalo, New York;
(1054) Staff Sergeant Christopher L. Everett, Huntsville, Texas;
(1055) Staff Sergeant Jason M. Evey, Stockton, California;
(1056) Corporal Mark Asher Evnin, Burlington, Vermont;
(1057) Private First Class Jeremy Ricardo Ewing, Miami, Florida;
(1058) Sergeant Anthony D. Ewing, Phoenix, Arizona;
(1059) Sergeant Justin L. Eyerly, Salem, Oregon;
(1060) Lance Corporal Bradley M. Faircloth, Mobile, Alabama;
(1061) Private First Class Nathan P. Fairlie, Candor, New York;
(1062) Private Jonathan I. Falaniko, Pago Pago, American Samoa;
(1063) Corporal Adam R. Fales, Cullman, Alabama;
(1064) Private Shawn Patrick Falter, Cortland, New York;
(1065) Corporal Adam J. Fargo, Ruckersville, Virginia;
(1066) Staff Sergeant Donald B. Farmer, Zion, Illinois;
(1067) Private First Class Colby M. Farnan, Weston, Missouri;

(1068) Specialist Clay P. Farr, Bakersfield, California;
(1069) Sergeant Andrew K. Farrar, Jr., Weymouth, Massachusetts;
(1070) Private First Class William A. Farrar, Jr., Redlands, California;
(1071) Corporal Billy B. Farris, Bapchule, Arizona;
(1072) Staff Sergeant Jefferey J. Farrow, Birmingham, Alabama;
(1073) First Lieutenant Michael J. Fasnacht, Mankato, Minnesota;
(1074) Sergeant Huey P. L. Fassbender, LaPlace, Louisiana;
(1075) Command Sergeant Major Steven W. Faulkenburg, Huntingburg, Indiana;
(1076) Sergeant James Daniel Faulkner, Clarksville, Indiana;
(1077) Private First Class Raymond J. Faulstich, Jr., Leonardtown, Maryland;
(1078) Captain Brian R. Faunce, Philadelphia, Pennsylvania;
(1079) Staff Sergeant Jason A. Fegler, Virginia Beach, Virginia;
(1080) Captain Arthur L. ''Bo'' Felder, Lewisville, Arkansas;
(1081) Specialist Tyanna S. Felder, Bridgeport, Connecticut;
(1082) Lieutenant Colonel Glade L. Felix, Lake Park, Georgia;
(1083) Sergeant Robin V. Fell, Shreveport, Louisiana;
(1084) Second Lieutenant Paul M. Felsberg, West Palm Beach, Florida;
(1085) Colonel Thomas H. Felts, Sr., Sandston, Virginia;
(1086) Corporal Llythaniele Fender, Medical Lake, Washington;
(1087) Private First Class Shelby J. Feniello, Connellsville, Pennsylvania;
(1088) Sergeant Sean P. Fennerty, Corvallis, Oregon;
(1089) Sergeant Matthew J. Fenton, Little Ferry, New Jersey;
(1090) Specialist Dennis J. Ferderer, Jr., New Salem, North Dakota;
(1091) Specialist Rian C. Ferguson, Taylors, South Carolina;
(1092) Master Sergeant Richard L. Ferguson, Conway, New Hampshire;
(1093) Master Sergeant George Andrew Fernandez, El Paso, Texas;
(1094) Sergeant William V. Fernandez, Reading, Pennsylvania;
(1095) Private First Class Marius L. Ferrero, Miami, Florida;
(1096) Sergeant First Class Clint D. Ferrin, Picayune, Mississippi;
(1097) Major Gregory J. Fester, Grand Rapids, Michigan;
(1098) Specialist Jon P. Fettig, Dickinson, North Dakota;
(1099) Corporal Tyler R. Fey, Eden Prairie, Minnesota;
(1100) Sergeant Damien T. Ficek, Pullman, Washington;
(1101) Sergeant Nathan R. Field, Lehigh, Iowa;
(1102) Captain Michael S. Fielder, Holly Springs, North Carolina;
(1103) Sergeant Eric A. Fifer, Knoxville, Tennessee;
(1104) Private First Class Gabriel J. Figueroa, Baldwin Park, California;
(1105) Lance Corporal Luis A. Figueroa, Los Angeles, California;
(1106) Sergeant Courtney D. Finch, Leavenworth, Kansas;
(1107) Sergeant Michael W. Finke, Jr., Wadsworth/Huron, Ohio;
(1108) Lieutenant Colonel Paul J. Finken, Earling, Iowa;
(1109) Sergeant Jeremy J. Fischer, Lincoln, Nebraska;
(1110) Sergeant Keith E. Fiscus, Townsend, Delaware;
(1111) Sergeant David M. Fisher, Watervliet/Green Island, New York;
(1112) Specialist Dustin C. Fisher, Fort Smith, Arkansas;
(1113) Sergeant Paul F. Fisher, Cedar Rapids, Iowa;
(1114) Staff Sergeant Sean P. Fisher, Santee, California;
(1115) Corporal Donald E. Fisher II, Avon, Massachusetts;
(1116) Corporal Joseph E. Fite, Round Rock, Texas;
(1117) Second Lieutenant Almar L. Fitzgerald, Lexington, South Carolina;
(1118) Lance Corporal Dustin R. Fitzgerald, Huber Heights, Ohio;
(1119) Sergeant Dennis J. Flanagan, Inverness, Florida;
(1120) Private First Class Jacob S. Fletcher, Bay Shore, New York;
(1121) Staff Sergeant Marion Flint, Jr., Baltimore, Maryland;
(1122) Private First Class John D. Flores, Barrigada, Guam;
(1123) Lance Corporal Jonathan R. Flores, San Antonio, Texas;
(1124) Staff Sergeant Omar Flores, Mission, Texas;
(1125) Private First Class Jose Ricardo Flores-Mejia, Santa Clarita, California;
(1126) Army Specialist Wilfred Flores-Mejia, Santa Clarita, California;
(1127) Specialist Camy Florexil, Philadelphia, Pennsylvania;
(1128) Sergeant Al'Kaila T. Floyd, Grand Rapids, Michigan;
(1129) Sergeant Clarence L. Floyd, Jr., Manhattan, New York;
(1130) Chief Warrant Officer Paul J. Flynn, Whitsett, North Carolina;
(1131) Specialist Thomas Arthur Foley III, Dresden, Tennessee;
(1132) Staff Sergeant Tommy Ike Folks, Jr., Amarillo, Texas;
(1133) Sergeant Timothy Folmar, Sonora, Texas;
(1134) Private First Class Jesus Fonseca, Marietta, Georgia;
(1135) Private First Class Victor M. Fontanilla, Stockton, California;
(1136) Gunnery Sergeant Elia P. Fontecchio, Milford, Massachusetts;
(1137) Staff Sergeant Jarred S. Fontenot, Port Barre, Louisiana;
(1138) Corporal Aaron M. Forbes, Oak Island, North Carolina;
(1139) Specialist Jason C. Ford, Bowie, Maryland;
(1140) Sergeant Joshua Ford, Wayne, Nebraska;
(1141) Lance Corporal Michael L. Ford, New Bedford, Massachusetts;
(1142) Specialist Philip C. Ford, Freeport, Texas;
(1143) Sergeant Richard L. Ford, East Hartford, Connecticut;
(1144) Captain Travis Allen Ford, Ogallala, Nebraska;
(1145) Specialist David H. Ford IV, Ironton, Ohio;
(1146) Sergeant Curtis J. Forshey, Hollidaysburg, Pennsylvania;
(1147) Chief Warrant Officer Wesley C. Fortenberry, Woodville, Texas;
(1148) Sergeant Maurice Keith Fortune, Forestville, Maryland;
(1149) Captain Erick M. Foster, Wexford, Pennsylvania;
(1150) First Sergeant Bradley C. Fox, Adrian, Michigan;
(1151) Lance Corporal Travis A. Fox, Cowpens, South Carolina;
(1152) Sergeant Kraig D. Foyteck, Skokie, Illinois;
(1153) Private First Class Jason Franco, Corona, California;
(1154) Sergeant Craig S. Frank, Lincoln Park, Michigan;
(1155) Specialist Michael Frank, Great Falls, Montana;
(1156) Lance Corporal Phillip E. Frank, Elk Grove, Illinois;
(1157) Captain Stephen W. Frank, Lansing, Michigan;
(1158) Staff Sergeant Bobby C. Franklin, Mineral Bluff, Georgia;
(1159) Private First Class Michael W. Franklin, Coudersport, Pennsylvania;
(1160) Specialist Jermaine D. Franklin, Arlington, Texas;
(1161) Corporal Lucas A. Frantz, Tonganoxie, Kansas;
(1162) Specialist Matthew C. Frantz, Lafayette, Indiana;
(1163) Private Robert L. Frantz, San Antonio, Texas;
(1164) First Lieutenant David M. Fraser, Houston, Texas;
(1165) Lance Corporal Grant B. Fraser, Anchorage, Alaska;
(1166) Private First Class Vincent M. Frassetto, Toms River, New Jersey;
(1167) Sergeant Joshua J. Frazier, Spotsylvania, Virginia;
(1168) Sergeant Kendall K. Frederick, Randallstown, Maryland;
(1169) Private Benjamin L. Freeman, Valdosta, Georgia;
(1170) Staff Sergeant Brian L. Freeman, Caledonia, Mississippi;
(1171) Captain Brian Scott Freeman, Temecula, California;
(1172) Sergeant Bryan L. Freeman, Lumberton, New Jersey;
(1173) Private First Class Walter Freeman, Jr., Lancaster, California;
(1174) Corporal Carrie L. French, Caldwell, Idaho;
(1175) Captain Jeremy Fresques, Clarkdale, Arizona;
(1176) Private First Class Steven Freund, Pleasant Hills, Pennsylvania;
(1177) Lance Corporal David Keith Fribley, Lee, Florida;
(1178) Sergeant Armand L. Frickey, Houma, Louisiana;
(1179) Sergeant David Travis Friedrich, Hammond, New York;
(1180) Petty Officer First Class Nathan J. Frigo, Kokomo, Indiana;
(1181) Specialist Luke P. Frist, Brookston, Indiana;
(1182) First Lieutenant Jacob N. Fritz, Vernon, Nebraska;
(1183) Specialist Adam D. Froehlich, Pine Hill, New Jersey;
(1184) Private Kurt R. Frosheiser, Des Moines, Iowa;
(1185) Staff Sergeant Christopher S. Frost, Waukesha, Wisconsin;
(1186) Gunnery Sergeant John D. Fry, Lorena, Texas;
(1187) Private First Class Jason L. Frye, Landisburg, Pennsylvania;
(1188) Private First Class Nichole M. Frye, Lena, Wisconsin;
(1189) Private First Class Daniel A. Fuentes, Levittown, New York;
(1190) Specialist Ray M. Fuhrmann II, Novato, California;
(1191) Specialist Timothy Fulkerson, Utica, Kentucky;
(1192) Corporal William B. Fulks, Culloden, West Virginia;
(1193) Sergeant Alexander H. Fuller, Centerville, Massachusetts;
(1194) Staff Sergeant Carl Ray Fuller, Covington, Georgia;
(1195) First Lieutenant Travis J. Fuller, Granville, Massachusetts;
(1196) Sergeant Alexander J. Funcheon, Bel Aire, Kansas;
(1197) Lance Corporal Kane M. Funke, Vancouver, Washington;
(1198) Captain James A. Funkhouser, Katy, Texas;
(1199) Sergeant Donald D. Furman, Burton, South Carolina;

(1200) Sergeant Marcus S. Futrell, Macon, Georgia;
(1201) Sergeant Major Marilyn L. Gabbard, Polk City, Iowa;
(1202) Sergeant First Class Dan H. Gabrielson, Spooner, Wisconsin;
(1203) Second Lieutenant Clifford V. ''CC'' Gadsden, Red Top, South Carolina;
(1204) Lance Corporal Jonathan E. Gadsden, Charleston, South Carolina;
(1205) Sergeant Alexander U. Gagalac, Wahiawa, Hawaii;
(1206) Staff Sergeant Greg P. Gagarin, Los Angeles, California;
(1207) Staff Sergeant Joseph A. Gage, Modesto, California;
(1208) Private First Class Shawn D. Gajdos, Grand Rapids, Michigan;
(1209) Lance Corporal Patrick J. Gallagher, Jacksonville, Florida;
(1210) Sergeant Denis J. Gallardo, St. Petersburg, Florida;
(1211) Corporal Jose A. Galvan, San Antonio, Texas;
(1212) Corporal Adam Anthony Galvez, Salt Lake City, Utah;
(1213) Specialist Carter A. Gamble, Jr., Brownstown, Indiana;
(1214) Staff Sergeant Joseph D. Gamboa, Yigo, Guam;
(1215) Sergeant Steven C. Ganczewski, Niagara Falls, New York;
(1216) Sergeant Jerry Lewis Ganey, Jr., Folkston, Georgia;
(1217) Captain Richard J. Gannon II, Escondido, California;
(1218) Sergeant Seth K. Garceau, Oelwein, Iowa;
(1219) Specialist Tomas Garces, Weslaco, Texas;
(1220) Captain Anthony R. Garcia, Fort Worth, Texas;
(1221) Corporal J. Adan Garcia, Irving, Texas;
(1222) Sergeant Javier J. Garcia, Crawfordville, Florida;
(1223) Corporal Justin R. Garcia, Elmhurst, New York;
(1224) Chief Warrant Officer (CW2) Ruel M. Garcia, Wahiawa, Hawaii;
(1225) Specialist Victor A. Garcia, Rialto, California;
(1226) Private First Class Alberto Garcia, Jr., Bakersfield, California;
(1227) Specialist Felipe J. Garcia, Villareal Burke, Virginia;
(1228) Staff Sergeant Juan de Dios Garcia-Arana, Los Angeles, California;
(1229) Lance Corporal Derek L. Gardner, San Juan Capistrano, California;
(1230) Specialist James W. ''Will'' Gardner, Glasgow, Kentucky;
(1231) Sergeant Freeman L. Gardner, Jr., Little Rock, Arkansas;
(1232) Corporal Jose Angel Garibay, Orange, California;
(1233) Specialist Joseph M. Garmback, Jr., Cleveland, Ohio;
(1234) Corporal Erik T. Garoutte, Santee, California;
(1235) Sergeant Mickel D. Garrigus, Elma, Washington;
(1236) Sergeant Landis W. Garrison, Rapids City, Illinois;
(1237) Specialist Benjamin J. Garrison, Houston, Texas;
(1238) Sergeant Justin W. Garvey, Townsend, Massachusetts;
(1239) Lance Corporal Edward M. Garvin, Malden, Massachusetts;
(1240) Staff Sergeant Joseph P. Garyantes, Rehoboth, Delaware;
(1241) Specialist Israel Garza, Lubbock, Texas;
(1242) First Sergeant Joe Jesus Garza, Robstown, Texas;
(1243) Private First Class Juan Guadalupe Garza, Jr., Temperance, Michigan;
(1244) Sergeant Cari Anne Gasiewicz, Depew/Cheektowaga, New York;
(1245) First Lieutenant Kevin Gaspers, Hastings, Nebraska;
(1246) Staff Sergeant Sean M. Gaul, Reno, Nevada;
(1247) Private First Class Anthony Alexander ''Alex'' Gaunky, Sparta, Wisconsin;
(1248) Sergeant Jay R. Gauthreaux, Thibodaux, Louisiana;
(1249) Private First Class Aaron D. Gautier, Hampton, Virginia;
(1250) Lance Corporal Dimitrios Gavriel, New York, New York;
(1251) Private First Class Alva L. Gaylord, Carrollton, Missouri;
(1252) Specialist Ron Gebur, Delavan, Illinois;
(1253) Private First Class George R. Geer, Cortez, Colorado;
(1254) Specialist Wayne M. Geiger, Lone Pine, California;
(1255) Second Lieutenant Mark C. Gelina, Moberly, Missouri;
(1256) Sergeant Christopher D. Gelineau, Portland, Maine;
(1257) Private First Class Aaron M. Genevie, Chambersburg, Pennsylvania;
(1258) Staff Sergeant Lewis J. Gentry, Detroit, Michigan;
(1259) Corporal Orville Gerena, Virginia Beach, Virginia;
(1260) Seaman Genesia Mattril Gresham, Lithonia, Georgia;
(1261) Specialist Clinton R. Gertson, Houston, Texas;
(1262) Corporal Albert Pasquale Gettings, New Castle, Pennsylvania;
(1263) Lance Corporal Cory Ryan Geurin, Santee, California;
(1264) First Lieutenant David L. Giaimo, Waukegan, Illinois;
(1265) Corporal Peter J. Giannopoulos, Inverness, Illinois;
(1266) Private First Class Devon J. Gibbons, Port Orchard, Washington;
(1267) Specialist Mathew V. Gibbs, Ambrose, Georgia;
(1268) Specialist Nicholas R. Gibbs, Stokesdale, North Carolina;
(1269) Sergeant First Class Todd Clayton Gibbs, Lufkin, Texas;
(1270) Sergeant Brennan C. Gibson, Tualatin, Oregon;
(1271) Corporal Christopher A. Gibson, Simi Valley, California;
(1272) Private First Class Derek A. Gibson, Eustis, Florida;
(1273) Corporal Timothy M. Gibson, Merrimack/Hillsborough, New Hampshire;
(1274) Second Lieutenant Richard Brian Gienau, Longview, Iowa;
(1275) First Sergeant Alan Nye Gifford, Tallahassee, Florida;
(1276) Private Jonathan Lee Gifford, Macon, Illinois;
(1277) Specialist Micah S. Gifford, Redding, California;
(1278) Sergeant Carlos J. Gil, Orlando, Florida;
(1279) Corporal Carlos E. Gilorozco, San Jose, California;
(1280) Private Kyle C. Gilbert, Brattleboro, Vermont;
(1281) Sergeant Thomas M. Gilbert, Downers Grove, Illinois;
(1282) Major Troy L. Gilbert, Litchfield, Park Arizona;
(1283) Corporal Richard A. Gilbert, Jr., Dayton/Montgomery, Ohio;
(1284) Sergeant Kevin A. Gilbertson, Cedar Rapids, Iowa;
(1285) Private Landon S. Giles, Indiana, Pennsylvania;
(1286) Corporal Steven P. Gill, Round Rock, Texas;
(1287) Sergeant Charles C. Gillican III, Brunswick, Georgia;
(1288) Specialist Joseph A. Gilmore, Webster, Florida;
(1289) Sergeant Terrell W. Gilmore, Baton Rouge, Louisiana;
(1290) Command Sergeant Major Cornell W. Gilmore I, Baltimore, Maryland;
(1291) Specialist Richard Gilmore III, Jasper, Alabama;
(1292) Petty Officer Third Class Ronald A. Ginther, Auburndale, Florida;
(1293) Sergeant Daniel Gionet, Pelham, New Hampshire;
(1294) Sergeant Milton A. Gist, Jr., St. Louis, Missouri;
(1295) Private First Class Nathaniel A. Given, Dickinson, Texas;
(1296) Private First Class Jesse Alan Givens, Springfield, Missouri;
(1297) Specialist Steven Ray Givens, Mobile Alabama;
(1298) Specialist Curtis E. Glawson, Jr., Daleville, Alabama;
(1299) Specialist Michael T. Gleason, Warren, Pennsylvania;
(1300) Lance Corporal Marcus S. Glimpse, Huntington Beach, California;
(1301) Lance Corporal Michael Dennis Glover, Brooklyn, New York;
(1302) Lance Corporal James M. Gluff, Tunnell Hill, Georgia;
(1303) Sergeant Lee M. Godbolt, New Orleans, Louisiana;
(1304) Corporal Todd J. Godwin, Muskingum County, Ohio;
(1305) Second Lieutenant James Michael Goins, Bonner Springs, Kansas;
(1306) Sergeant Christopher A. Golby, Johnstown, Pennsylvania;
(1307) Staff Sergeant Marcus A. Golczynski, Lewisburg, Tennessee;
(1308) Sergeant David J. Goldberg, Layton, Utah;
(1309) Lance Corporal Shane Lee Goldman, Orange, Texas;
(1310) Lance Corporal Cliff Golla, Charlotte, North Carolina;
(1311) Sergeant Jose Gomez, Corona, New York;
(1312) Specialist Daniel E. Gomez, Warner Robbins, Georgia;
(1313) Specialist Zacharaiah J. Gonzalez, Indiana;
(1314) Staff Sergeant Ramon E. Gonzalez-Cordova, Davie, Florida;
(1315) Corporal Armando Ariel Gonzalez, Hileah, Florida;
(1316) Lance Corporal Benjamin R. Gonzalez, Los Angeles, California;
(1317) Corporal Carlos M. Gonzalez, Middletown, New York;
(1318) Sergeant Christopher N. Gonzalez, Winslow, Arizona;
(1319) Corporal Jesus Angel Gonzalez, Indio, California;
(1320) Corporal Jorge Alonso Gonzalez, Los Angeles, California;
(1321) Lance Corporal Mario D. Gonzalez, La Puente, California;
(1322) Private First Class Orlando E. Gonzalez, New Freedom, Pennsylvania;
(1323) Lance Corporal Victor A. Gonzalez, Watsonville, California;
(1324) Sergeant Felix G. Gonzalez-Iraheta, Sun Valley, California;
(1325) Corporal Bernard George Gooden, Mt. Vernon, New York;
(1326) Sergeant Dakotah L. Gooding, Des Moines, Iowa;
(1327) Private First Class Gregory R. Goodrich, Bartonville, Illinois;
(1328) Staff Sergeant Joseph P. Goodrich, Allegheny, Pennsylvania;
(1329) Staff Sergeant Anthony L. Goodwin, Mount Holly, New Jersey;
(1330) Sergeant David W. Gordon, Williamsfield, Ohio;
(1331) Captain Lyle L. Gordon, Midlothian, Texas;

(1332) Sergeant First Class Richard S. Gottfried, Lake Ozark, Missouri;
(1333) Staff Sergeant Dustin M. Gould, Longmont, Colorado;
(1334) Staff Sergeant Gregson G. Gourley, Salt Lake City, Utah;
(1335) Specialist Richard Allen Goward, Midland, Michigan;
(1336) Second Lieutenant Jeffrey C. Graham, Elizabethtown, Kentucky;
(1337) Lance Corporal Lance Tanner Graham, San Antonio, Texas;
(1338) Private Mark W. Graham, Lafayette, Louisiana;
(1339) Sergeant Shawn A. Graham, Red Oak, Texas;
(1340) Sergeant James R. Graham III, Coweta, Oklahoma;
(1341) Lance Corporal David J. Grames Sanchez, Fort Wayne, Indiana;
(1342) Corporal Cesar A. Granados, Le Grand, California;
(1343) Private Brian K. Grant, Dallas, Texas;
(1344) Lance Corporal Jonathan Walter Grant, Santa Fe, New Mexico;
(1345) Seaman Sandra S. Grant, Linwood, North Carolina;
(1346) Corporal Zachary A. Grass, Beach City, Ohio;
(1347) Captain Jonathan D. Grassbaugh, East Hampstead, New Hampshire;
(1348) Specialist Cody C. Grater, Spring Hill, Florida;
(1349) Specialist Joseph A. Graves, Discovery Bay, California;
(1350) Sergeant Jamie A. Gray, Montpelier, Vermont;
(1351) Petty Officer Second Class Michael J. Gray, Richmond, Virginia;
(1352) Sergeant Tommy L. Gray, Roswell, New Mexico;
(1353) Lance Corporal Torrey L. Gray, Patoka, Illinois;
(1354) Staff Sergeant Yance T. Gray, Ismay, Montana;
(1355) Corporal Jeffrey G. Green, Dallas, Texas;
(1356) Sergeant Ryan P. Green, Woodlands, Texas;
(1357) Specialist Toccara R. Green, Rosedale, Maryland;
(1358) Lieutenant Colonel David S. Greene, Raleigh, North Carolina;
(1359) Private First Class Satieon V. Greenlee, Pendleton, South Carolina;
(1360) Private First Class Nicholas J. Greer, Monroe, Michigan;
(1361) Sergeant Allen A. Greka, Alpena, Michigan;
(1362) Private First Class Devin J. Grella, Medina, Ohio;
(1363) Staff Sergeant Daniel G. Gresham, Lincoln, Illinois;
(1364) Lance Corporal Jourdan L. Grez, Harrisonburg, Virginia;
(1365) Sergeant Louis A. Griese, Sturgeon Bay, Wisconsin;
(1366) Specialist Kyle A. Griffin, Emerson, New Jersey;
(1367) Staff Sergeant Darrell R. Griffin, Jr., Alhambra, California;
(1368) Staff Sergeant Patrick Lee Griffin, Jr., Elgin, South Carolina;
(1369) Staff Sergeant Donald D. Griffith, Jr., Mechanicsville, Iowa;
(1370) Private First Class Travis J. Grigg, Inola, Oklahoma;
(1371) Specialist James T. Grijalva, Burbank, Illinois;
(1372) Corporal Sean R. Grilley, San Bernardino, California;
(1373) Corporal Kyle J. Grimes, Northampton, Pennsylvania;
(1374) Captain Sean Grimes, Southfield, Michigan;
(1375) Corporal Matthew T. Grimm, Wisconsin Rapids, Wisconsin;
(1376) Specialist Chad D. Groepper, Kingsley, Iowa;
(1377) Specialist Kelly B. Grothe, Spokane, Washington;
(1378) Private First Class Daniel F. Guastaferro, Las Vegas, Nevada;
(1379) Specialist Sergio Gudino, Pomona, California;
(1380) Corporal James D. Gudridge, Carthage, New York;
(1381) Sergeant Jose Guereca, Jr., Stafford/Missouri City, Texas;
(1382) Private Ernesto R. Guerra, Long Beach, California;
(1383) Private Joseph R. Guerrera, Dunn, North Carolina;
(1384) Specialist Marieo Guerrero, Fort Worth, Texas;
(1385) Lance Corporal Salvador Guerrero, Los Angeles, California;
(1386) Chief Warrant Officer Hans N. Gukeisen, Lead, South Dakota;
(1387) Private First Class Zachary R. Gullett, Hillsboro, Ohio;
(1388) Sergeant Nicholas A. Gummersall, Chubbuck, Idaho;
(1389) Private First Class Hannah L. Gunterman, Redlands, California;
(1390) Captain James M. Gurbisz, Eatontown, New Jersey;
(1391) Private First Class Christian Daniel Gurtner, Ohio City, Ohio;
(1392) Private First Class Analaura Esparza Gutierrez, Houston, Texas;
(1393) Lance Corporal Jose Antonio Gutierrez, Guatemala City, Guatemala;
(1394) Lieutenant Colonel Marshall A. Gutierrez, Las Vegas, New Mexico;
(1395) Sergeant First Class Luis E. Gutierrez-Rosales, Bakersfield, California;
(1396) Private First Class Robert A. ''Bobby'' Guy, Willards, Maryland;
(1397) Sergeant Shaker T. Guy, Pomona, California;
(1398) Private First Class Larry I. Guyton, Brenham, Texas;
(1399) Corporal Chase A. Haag, Portland, Oregon;
(1400) Private First Class Andrew J. Habsieger, Festus, Missouri;
(1401) Private First Class Richard W. Hafer, Cross Lanes, West Virginia;
(1402) Major William G. Hall, Seattle, Washington;
(1403) Staff Sergeant Joshua R. Hager, Broomfield, Colorado;
(1404) Sergeant Jonathon C. Haggin, Kingsland, Georgia;
(1405) Staff Sergeant Guy Stanley Hagy, Jr., Lodi, California;
(1406) Sergeant First Class Peter J. Hahn, Metairie, Louisiana;
(1407) Specialist Charles G. Haight, Jacksonville, Alabama;
(1408) Specialist Kenneth W. Haines, Fulton, New York;
(1409) Staff Sergeant Christopher M. Hake, Enid, Oklahoma;
(1410) Lance Corporal Michael J. Halal, Glendale, Arizona;
(1411) Lance Corporal John Edward Hale, Shreveport, Louisiana;
(1412) Petty Officer Second Class Curtis R. Hall, Burley, Idaho;
(1413) Specialist Robert E. Hall, Jr., Pittsburgh, Pennsylvania;
(1414) Private First Class Deryk L. Hallal, Indianapolis, Indiana;
(1415) Command Sergeant Major Roger W. Haller, Davidsonville, Maryland;
(1416) Private Jesse M. Halling, Indianapolis, Indiana;
(1417) Staff Sergeant Santiago M. Halsel, Bowling Green, Kentucky;
(1418) Private First Class Andrew Halverson, Grant, Wisconsin;
(1419) Chief Warrant Officer (CW4) Erik Anders Halvorsen, Bennington, Vermont;
(1420) Captain Jason R. Hamill, New Haven, Connecticut;
(1421) Staff Sergeant Christopher N. Hamlin, London, Kentucky;
(1422) Private First Class Jonathan V. Hamm, Baltimore, Maryland;
(1423) Corporal Nathaniel T. Hammond, Tulsa, Oklahoma;
(1424) Captain Kimberly N. Hampton, Easley, South Carolina;
(1425) Sergeant Michael S. Hancock, Yreka, California;
(1426) Lance Corporal Michael Wayne Hanks, Gregory, Michigan;
(1427) Private First Class Fernando B. Hannon, Wildomar, California;
(1428) Staff Sergeant Jeffrey J. Hansen, Cairo, Nebraska;
(1429) Sergeant Warren S. Hansen, Clintonville, Wisconsin;
(1430) Private First Class Jason Hanson, Forks, Washington;
(1431) Sergeant Joshua R. Hanson, St. Paul, Minnesota;
(1432) Private First Class Timothy R. Hanson, Kenosha, Wisconsin;
(1433) Lance Corporal Charles A. Hanson, Jr., Panacea, Florida;
(1434) Sergeant Michael C. Hardegree, Villa Rice, Georgia;
(1435) Corporal Brandon M. Hardy, Cochranville, Pennsylvania;
(1436) Specialist Richard Allen Hardy, Bolivar/Newcomerstown, Ohio;
(1437) Chief Petty Officer Nathan H. Hardy, Durham, Nw Hampshire;
(1438) Sergeant Jason R. Harkins, Clarkesville, Georgia;
(1439) Sergeant James William Harlan, Owensboro, Kentucky;
(1440) Staff Sergeant Darren Harmon, Newark, Delaware;
(1441) Corporal Joshua S. Harmon, Mentor, Ohio;
(1442) Sergeant Atanasio Haro Marin, Jr., Baldwin Park, California;
(1443) Sergeant Bradley J. Harper, Dresden, Ohio;
(1444) Staff Sergeant Marlon B. Harper, Baltimore, Maryland;
(1445) Staff Sergeant Gary R. Harper, Jr., Virden, Illinois;
(1446) Staff Sergeant William M. Harrell, Placentia, California;
(1447) Private First Class James J. Harrelson, Dadeville, Alabama;
(1448) Sergeant Foster L. Harrington, Fort Worth, Texas;
(1449) Private First Class Adam J. Harris, Abilene, Texas;
(1450) Sergeant Blake M. Harris, Hampton, Georgia;
(1451) Sergeant Blake Harris, Pueblo, Colorado;
(1452) Specialist Dustin J. Harris, Bangor, Maine;
(1453) Captain Jennifer J. Harris, Swampscott, Massachusetts;
(1454) First Lieutenant Noah Harris, Ellijay, Georgia;
(1455) Lance Corporal Shane P. Harris, Las Vegas, New Mexico;
(1456) Private First Class Torry D. Harris, Chicago, Illinois;
(1457) Sergeant Kenneth W. Harris, Jr., Charlotte, Tennessee;
(1458) Private First Class Leroy Harris-Kelly, Azusa, California;
(1459) Private First Class George Daniel Harrison, Knoxville, Tennessee;
(1460) Private First Class John D. Hart, Bedford, Massachusetts;
(1461) Sergeant David J. Hart, Lake View Terrace, California;
(1462) Sergeant Nathaniel Hart, Jr., Valdosta, Georgia;
(1463) Private First Class Nicholas S. Hartge, Rome City, Indiana;

(1464) Specialist Adam J. Harting, Portage, Indiana;
(1465) Captain Ralph J. ''Jay'' Harting III, Union Lake, Michigan;
(1466) Specialist Jared D. Hartley, Newkirk, Oklahoma;
(1467) Sergeant First Class David A. Hartman Akron, Tuscola County, Michigan;
(1468) Sergeant Jennifer M. Hartman, New Ringgold, Pennsylvania;
(1469) Sergeant Jonathan N. Hartman, Jacksonvile, Florida;
(1470) Staff Sergeant John L. Hartman Jr., Tampa, Florida;
(1471) Chief Warrant Officer (CW3) Michael L. Hartwick, Orrick, Missouri;
(1472) Private First Class Travis F. Haslip, Ooltewah, Tennessee;
(1473) Sergeant Donald J. Hasse, Wichita Falls, Texas;
(1474) Staff Sergeant Stephen C. Hattamer, Gwinn, Michigan;
(1475) Staff Sergeant Ryan E. Haupt, Phoenix, Arizona;
(1476) Private First Class Sheldon R. Hawk, Eagle Grand Forks, North Dakota;
(1477) Sergeant Gene A. Hawkins, Orlando, Florida;
(1478) Staff Sergeant Omer T. Hawkins II, Cherry Fork, Ohio;
(1479) Staff Sergeant Asbury F. Hawn II, Lebanon, Tennessee;
(1480) Chief Warrant Officer Dennis P. Hay, Valdosta, Georgia;
(1481) Specialist Erik W. Hayes, Cascade, Maryland;
(1482) Sergeant First Class James F. Hayes, Barstow, California;
(1483) Private First Class Michael Ray Hayes, Morgantown, Kentucky;
(1484) Specialist William S. Hayes III, St. Tammany, Louisiana;
(1485) Sergeant First Class Schuyler B. Haynes, New York, New York;
(1486) Sergeant Timothy L. Hayslett, Newville, Pennsylvania;
(1487) Chief Warrant Officer (CW2) Brian D. Hazelgrove, Fort Rucker, Alabama;
(1488) Civilian Barbara Heald, Stamford, Connecticut;
(1489) Sergeant David M. Heath, LaPorte, Indiana;
(1490) Specialist Justin W. Hebert, Arlington, Washington;
(1491) Private First Class Anthony D. Hebert, Lake City, Minnesota;
(1492) Major William F. Hecker III, St. Louis, Missouri;
(1493) Sergeant Christopher T. Heflin, Paducah, Kentucky;
(1494) Private First Class Damian L. Heidelberg, Batesville, Mississippi;
(1495) First Liutenent Keith N. Heidtman, Connecticut, Norwich;
(1496) Private First Class Raheen Tyson Heighter, Bay Shore, New York;
(1497) Specialist Jeremy M. Heines, New Orleans, Louisiana;
(1498) Private First Class Charles T. Heinlein, Hemlock, Michigan;
(1499) Lance Corporal Erik R. Heldt, Hermann, Missouri;
(1500) Staff Sergeant Brian R. Hellerman, Freeport, Minnesota;
(1501) Sergeant Paul M. Heltzel, Baton Rouge, Louisiana;
(1502) Staff Sergeant Terry Wayne Hemingway, Willingboro, New Jersey;
(1503) Corporal Matthew C. Henderson, Lincoln, Nebraska;
(1504) Chief Warrant Officer Miles P. Henderson, Amarillo, Texas;
(1505) First Lieutenant Robert L. Henderson II, Alvaton, Kentucky;
(1506) Staff Sergeant Kenneth W. Hendrickson, Bismarck, North Dakota;
(1507) Specialist Robert T. Hendrickson, Broken Bow, Oklahoma;
(1508) Staff Sergeant Jason R. Hendrix, Freedom, California;
(1509) Sergeant First Class Richard J. Henkes II, Portland, Oregon;
(1510) Specialist Melvin L. Henley, Jr., Jackson, Mississippi;
(1511) Sergeant Jack Taft Hennessy, Naperville, Illinois;
(1512) Private First Class Chassan S. Henry, West Palm Beach, Florida;
(1513) Specialist Joshua J. Henry, Avonmore, Pennsylvania;
(1514) Private First Class Raymond L. Henry, Anaheim, California;
(1515) Corporal Lorne E. Henry, Jr., Niagara Falls, New York;
(1516) Corporal Shawn D. Hensel, Longansport, Indiana;
(1517) Private First Class Clayton Welch Henson, Stanton, Texas;
(1518) Specialist Jeffrey S. Henthorn, Choctaw, Oklahoma;
(1519) Corporal Joseph J. Heredia, Santa Maria, California;
(1520) Specialist Marisol Heredia, El Monte, California;
(1521) Sergeant First Class David A. Heringes, Tampa, Florida;
(1522) Staff Sergeant Bryant A. Herlem, Copperas Cove, Texas;
(1523) Specialist Michael L. Hermanson, Fargo, North Dakota;
(1524) Sergeant Armando Hernandez, Hesperia, California;
(1525) Sergeant Frank B. Hernandez, Phoenix, Arizona;
(1526) Staff Sergeant Robert Hernandez, Silver Spring, Maryland;
(1527) Lance Corporal Tony L. Hernandez, Canyon Lake, Texas;
(1528) Sergeant Eric J. Hernandez, Waldwick, New Jersey;
(1529) Specialist Jason J. Hernandez, Stretsboro, Ohio;
(1530) Sergeant Irving Hernandez, Jr., New York, New York;
(1531) Corporal Joseph F. Herndon II, Derby, Kansas;
(1532) Specialist Adam G. Herold, Omaha, Nebraska;
(1533) Sergeant First Class Richard J. Herrema, Hudsonville, Michigan;
(1534) Sergeant David L. Herrera, Oceanside, California;
(1535) Lance Corporal Evenor C. Herrera, Gypsum, Colorado;
(1536) Private First Class Edward J. Herrgott, Shakopee, Minnesota;
(1537) Specialist Patrick W. Herried, Sioux Falls, South Dakota;
(1538) Sergeant Jacob R. Herring, Kirkland, Washington;
(1539) Lance Corporal Eric W. Herzberg, Severna Park, Maryland;
(1540) Specialist Jordan W. Hess, Marysville, Washington;
(1541) Sergeant Kenneth D. Hess, Asheville, North Carolina;
(1542) Private First Class Charles B. Hester, Cataldo, Idaho;
(1543) Private First Class Thomas J. Hewett, Temple, Texas;
(1544) Corporal Cory Michael Hewitt, Stewart, Tennessee;
(1545) Sergeant First Class Gregory B. Hicks, Duff, Tennessee;
(1546) Sergeant Glenn D. Hicks, Jr., College Station, Texas;
(1547) Lance Corporal Jon T. Hicks, Jr., Atco, New Jersey;
(1548) Staff Sergeant Kristopher A. Higdon, Odessa, Texas;
(1549) Lance Corporal James W. Higgins, Frederick, Maryland;
(1550) Sergeant Andrews J. Higgins, Hayward, California;
(1551) Specialist Thomas L. Hilbert, Venus, Texas;
(1552) Lance Corporal Chad R. Hildebrandt, Springer, New Mexico;
(1553) Specialist Seth A. Hildreth, Myrtle Beach, South Carolina;
(1554) Specialist Christopher K. Hill, Ventura, California;
(1555) Private First Class Ryan J. Hill, Keizer, Oregon;
(1556) Private First Class Tarryl B. Hill, Shelby Township, Michigan;
(1557) Captain Raymond D. Hill II, Turlock, California;
(1558) Lance Corporal Eric Hillenburg, Indianapolis, Indiana;
(1559) Specialist Stephen D. ''Dusty'' Hiller, Opelika, Alabama;
(1560) Private First Class Cory F. Hiltz, La Verne, California;
(1561) Lance Corporal Joshua M. Hines, Olney, Illinois;
(1562) Sergeant Keicia M. Hines, Citrus Heights, California;
(1563) Private First Class Timothy J. Hines, Jr., Fairfield, Ohio;
(1564) Specialist Dominic Joseph Hinton, Jacksonville, Texas;
(1565) Captain Kelly C. Hinz, Woodbury, Minnesota;
(1566) Lance Corporal James Daniel Hirlston, Murfreesboro, Tennessee;
(1567) Private First Class Melissa J. Hobart, Ladson, South Carolina;
(1568) Sergeant Jeremy M. Hodge, Ridgeway, Ohio;
(1569) Lance Corporal Erick J. Hodges, Bay Point, California;
(1570) Sergeant Michael Paul Hodshire, North Adams, Michigan;
(1571) Sergeant Nicolas Michael Hodson, Smithville, Missouri;
(1572) First Lieutenant Nainoa K. Hoe, Hawaii;
(1573) Corporal Benjamin D. Hoeffner, Wheat Ridge, Colorado;
(1574) Sergeant First Class James T. Hoffman, Whitesburg, Kentucky;
(1575) Sergeant Justin F. Hoffman, Delaware, Ohio;
(1576) Captain Roselle M. Hoffmaster, Cleveland, Ohio;
(1577) Private First Class Brian Lee Holden, Claremont, North Carolina;
(1578) Staff Sergeant Theodore S. ''Sam'' Holder II, Littleton, Colorado;
(1579) Specialist Manuel J. Holguin, Woodlake, California;
(1580) Specialist Eric M. Holke, Crestline, California;
(1581) Specialist Christopher J. Holland, Brunswick, Georgia;
(1582) Lieutenant Colonel Daniel E. Holland, San Antonio, Texas;
(1583) Civilian Fern L. Holland, Miami, Oklahoma;
(1584) Staff Sergeant Robert Lee Hollar, Jr., Griffin, Georgia;
(1585) Lance Corporal Luke B. Holler, Bulverde, Texas;
(1586) Specialist Matthew J. Holley, San Diego, California;
(1587) Staff Sergeant Aaron N. Holleyman, Glasgow, Montana;
(1588) Specialist Jaron D. Holliday, Tulsa, Oklahoma;
(1589) Staff Sergeant Courtney Hollingsworth, Yonkers, New York;
(1590) Staff Sergeant Lincoln Daniel Hollinsaid, Malden, Illinois;
(1591) Specialist Josiah W. Hollopeter, San Diego, California;
(1592) Lance Corporal Matthew W. Holloway, Fulton, Texas;
(1593) Lance Corporal John M. Holmason, Surprise, Arizona;
(1594) Specialist James J. Holmes, East Grand Forks, Minnesota;
(1595) Lance Corporal Jeffery Scott Holmes, White River Junction, Vermont;

(1596) Sergeant Jeremiah J. Holmes, North Berwick, Maine;
(1597) Corporal Terry Holmes Ordóñez, Hollywood, Florida;
(1598) Airman First Class Antoine J. Holt, Kennesaw, Georgia;
(1599) Corporal Paul C. Holter III, Corpus Christi, Texas;
(1600) Sergeant James J. Holtom, Rexburg, Idaho;
(1601) Lance Corporal Raymond J. Holzhauer, Dwight, Illinois;
(1602) Specialist Michael A. Hook, Altoona, Pennsylvania;
(1603) Private First Class Levi K. Hoover, Midland, Michigan;
(1604) Lance Corporal Brian C. Hopper, Wynne, Arkansas;
(1605) Private First Class Sean Horn, Irvine, California;
(1606) Master Sergeant Kelly L. Hornbeck, Fort Worth, Texas;
(1607) Sergeant Manny Hornedo, Brooklyn, New York;
(1608) Sergeant Bruce E. Horner, Newport News, Virginia;
(1609) Master Sergeant Robert M. Horrigan, Austin, Texas;
(1610) Staff Sergeant Jeremy R. Horton, Erie, Pennsylvania;
(1611) Specialist Christopher L. Hoskins, Danielson, Connecticut;
(1612) Lance Corporal David B. Houck, Winston-Salem, North Carolina;
(1613) Captain Andrew R. Houghton, Houston, Texas;
(1614) Sergeant Jessica M. Housby, Rock Island, Illinois;
(1615) Petty Officer Third Class John Daniel House, Ventura, California;
(1616) Sergeant Joel A. House, Lee, Maine;
(1617) Sergeant Thomas E. Houser, Council Bluffs, Iowa;
(1618) Staff Sergeant John R. Howard, Covington, Virginia;
(1619) Staff Sergeant Curtis T. Howard II, Ann Arbor, Michigan;
(1620) Corporal Walter B. Howard II, Rochester, Michigan;
(1621) Sergeant William R. Howdeshell, Norfolk, Virginia;
(1622) Sergeant First Class Casey E. Howe, Philadelphia, New York;
(1623) Specialist Darren D. Howe, Beatrice, Nebraska;
(1624) Private First Class George J. Howell, Salinas, California;
(1625) Specialist Alun R. Howells, Parlin, Colorado;
(1626) Lance Corporal Blake H. Howey, Glendora, California;
(1627) Lance Corporal Gregory C. Howman, Charlotte, North Carolina;
(1628) Private First Class Bert Edward Hoyer, Ellsworth, Wisconsin;
(1629) Specialist Robert W. Hoyt, Ashford, Connecticut;
(1630) Specialist Hai Ming Hsia, New York, New York;
(1631) Lance Corporal Jared P. Hubbard, Clovis, California;
(1632) Lance Corporal Tavon L. Hubbard, Reston, Virginia;
(1633) Corporal Nathan C. Hubbard, Clovis, California;
(1634) Specialist Corey A. Hubbell, Urbana, Illinois;
(1635) Staff Sergeant Darren P. Hubbell, Tifton, Georgia;
(1636) Private Aaron M. Hudson, Highland Village, Texas;
(1637) Private First Class Christopher E. Hudson, Carmel, Indiana;
(1638) Staff Sergeant Sean P. Huey, Fredericktown, Pennsylvania;
(1639) First Lieutenant Ashley L. Henderson, Huff Belle Mead, New Jersey;
(1640) Private First Class Sam W. Huff, Tucson, Arizona;
(1641) Corporal Jason Huffman, Conover, North Carolina;
(1642) First Lieutenant Doyle M. Hufstedler, Abilene, Texas;
(1643) Staff Sergeant Jamie L. Huggins, Hume, Missouri;
(1644) Sergeant Jonathan A. Hughes, Lebanon, Kentucky;
(1645) Specialist Rachael L. Hugo, Madison, Wisconsin;
(1646) Lance Corporal David A. Huhn, Portland, Michigan;
(1647) Sergeant Eric R. Hull, Uniontown, Pennsylvania;
(1648) Petty Officer First Class Thomas C. Hull, Princeton, Illinois;
(1649) Sergeant Michael R. Hullender, Little Falls, New Jersey;
(1650) Specialist Joshua U. Humble, Appleton, Maine;
(1651) Corporal Barton R. Humlhanz, Hellertown, Pennsylvania;
(1652) Private First Class Isaiah R. Hunt, Green Bay, Wisconsin;
(1653) Sergeant Joseph Daniel Hunt, Sweetwater, Tennessee;
(1654) Lance Corporal Justin T. Hunt, Riverside, California;
(1655) Master Sergeant Kenneth E. Hunt, Jr., Tucson, Arizona;
(1656) Specialist Simeon Hunte, Essex, New Jersey;
(1657) Sergeant Matthew D. Hunter, Valley Grove, West Virginia;
(1658) First Lieutenant Joshua C. Hurley, Virginia;
(1659) Lance Corporal Seth Huston, Perryton, Texas;
(1660) Lance Corporal James B. Huston, Jr., Umatilla, Oregon;
(1661) Private Nolen Ryan Hutchings, Boiling Springs, South Carolina;
(1662) Private First Class Ray J. Hutchinson, League City, Texas;
(1663) Private First Class Gregory Paul Huxley, Jr., Forestport, New York;
(1664) Specialist Nicholas R. Idalski, Crown Point, Indiana;
(1665) Sergeant Michael J. Idanan, Chula Vista, California;
(1666) Staff Sergeant Thor H. Ingraham, Murrysville, Pennsylvania;
(1667) Captain Rowdy J. Inman, Panorama Village, Texas;
(1668) Staff Sergeant Henry E. Irizarry, Bronx, New York;
(1669) Sergeant Benjamin W. Isenberg, Sheridan, Oregon;
(1670) Staff Sergeant Daniel Isshak, Alta Loma, California;
(1671) Specialist Craig S. Ivory, Port Matilda, Pennsylvania;
(1672) Staff Sergeant Kendall H. Ivy II, Crawford, Ohio;
(1673) First Lieutenant Edward D. Iwan, Albion, Nebraska;
(1674) Private First Class Kenneth J. Iwasinski, West Springfield, Massachusetts;
(1675) Specialist Derence W. Jack, Saipan, Northern Mariana Islands;
(1676) Lieutenant Commander Edward E. Jack, Detroit, Michigan;
(1677) Chief Warrant Officer (CW2) Kyle E. Jackson, Sarasota, Florida;
(1678) Private First Class Leslie D. Jackson, Richmond, Virginia;
(1679) Specialist Marlon P. Jackson, Jersey City, New Jersey;
(1680) Specialist Dustin C. Jackson, Arlington, Texas;
(1681) Staff Sergeant William Samuel Jackson II, Saginaw, Michigan;
(1682) Lance Corporal Jeriad P. Jacobs, Clayton, North Carolina;
(1683) Specialist Morgen N. Jacobs, Santa Cruz, California;
(1684) Captain William W. Jacobsen, Jr., Charlotte, North Carolina;
(1685) Airman First Class Elizabeth Nicole Jacobson, Riviera Beach, Florida;
(1686) Petty Officer Second Class Jamie Jaenke, Bay City, Wisconsin;
(1687) Lance Corporal Saeed Jafarkhani-Torshizi, Jr., Fort Worth, Texas;
(1688) First Sergeant Aaron Jagger, Hillsdale, Michigan;
(1689) Corporal Jesse Jaime, Henderson, Nevada;
(1690) Private First Class Alfred H. Jairala, Hialeah, Florida;
(1691) Sergeant Grzegorz Jakoniuk, Schiller Park, Illinois;
(1692) Chief Warrant Officer (CW2) Scott Jamar, Granbury, Texas;
(1693) Corporal Evan Tyler James, Hancock, Illinois;
(1694) Sergeant Lindsey T. James, Urbana, Missouri;
(1695) Second Lieutenant Luke S. James, Oklahoma;
(1696) Lance Corporal Richard Z. James, Seaford, Delaware;
(1697) Corporal William C. James, Huntington Beach, California;
(1698) Lieutenant Colonel Leon G. James II, Sackets Harbor, New York;
(1699) Staff Sergeant Tricia L. Jameson, Omaha, Nebraska;
(1700) Captain Benjamin D. Jansky, Oshkosh, Wisconsin;
(1701) Specialist Justin R. Jarrett, Jonesboro, Georgia;
(1702) Corporal Michael J. Jaurigue, Texas City, Texas;
(1703) Private First Class Allen B. Jaynes, Henderson, Texas;
(1704) Sergeant Moises Jazmine, Providence, Rhode Island;
(1705) Sergeant Brahim J. Jeffcoat, Philadelphia, Pennsylvania;
(1706) Petty Officer First Class Victor W. Jeffries, Honolulu, Hawaii;
(1707) Sergeant Edmund J. Jeffers, Daleville, Alabama;
(1708) Specialist William Andrew Jeffries, Evansville, Indiana;
(1709) Staff Sergeant Gary W. Jeffries, Roscoe, Texas;
(1710) Staff Sergeant Kenneth A. Jenkins, Fouke, Arkansas;
(1711) Petty Officer Second Class Robert B. Jenkins, Stuart, Florida;
(1712) Sergeant Troy David Jenkins, Ridgecrest, California;
(1713) Private First Class Rush M. Jenkins, Clarksville, Tennessee;
(1714) Specialist Darius T. Jennings, Cordova, South Carolina;
(1715) Captain Drew N. Jensen, Clackamas, Oregon;
(1716) Private First Class Ryan M. Jerabek, Oneida, Wisconsin;
(1717) Master Sergeant Ivica Jerak, Houston, Texas;
(1718) Staff Sergeant Kevin P. Jessen, Paragould, Arkansas;
(1719) Specialist Steven R. Jewell, Bridgeton, North Carolina;
(1720) Sergeant Linda C. Jimenez, Brooklyn, New York;
(1721) First Lieutenant Oscar Jimenez, San Diego, California;
(1722) Corporal Romulo J. Jimenez II, Miami, Florida;
(1723) Sergeant Andrew R. Jodon, Karthaus, Pennsylvania;
(1724) Private Adam R. ''A.J.'' Johnson, Clayton, Ohio;
(1725) Major Alan R. Johnson, Yakima, Washington;
(1726) Captain Christopher B. Johnson, Excelsior Springs, Missouri;
(1727) Sergeant David W. Johnson, Portland, Oregon;
(1728) Corporal Jeremiah Johnson, Vancouver, Washington;

(1729) Specialist John P. Johnson, Houston, Texas;
(1730) Sergeant Joshua Allen Johnson, Richford, Vermont;
(1731) Specialist Justin W. Johnson, Rome, Georgia;
(1732) Private Lavena L. Johnson, Florissant, Missouri;
(1733) Sergeant Leon M. Johnson, Jacksonville, Florida;
(1734) Private First Class Markus J. Johnson, Springfield, Massachusetts;
(1735) Specialist Maurice J. Johnson, Levittown, Pennsylvania;
(1736) Specialist Nathaniel H. Johnson, Augusta, Georgia;
(1737) Staff Sergeant Paul J. Johnson, Calumet, Michigan;
(1738) Lance Corporal Philip A. Johnson, Hartford, Connecticut;
(1739) Private First Class Rayshawn S. Johnson, Brooklyn, New York;
(1740) Staff Sergeant Robert S. Johnson, Castro Valley, California;
(1741) Specialist Robert T. Johnson, Erwin, North Carolina;
(1742) Lance Corporal Stephen F. Johnson, Marietta, Georgia;
(1743) Corporal Stephen P. Johnson, Covina, California;
(1744) Corporal Ty J. Johnson, Elk Grove, California;
(1745) Sergeant First Class Randy L. Johnson, Washington, District of Columbia;
(1746) Specialist Rodney J. Johnson, Houston, Texas;
(1747) Chief Warrant Officer Christopher C. Johnson, Michigan;
(1748) Sergeant Courtney T. Johnson, Garner, North Carolina;
(1749) Private William C. Johnson, Oxford, North Carolina;
(1750) Corporal Carl W. Johnson II, Philadelphia, Pennsylvania;
(1751) Private First Class Howard Johnson II, Mobile, Alabama;
(1752) Hospital Corpsman Third Class Michael Vann Johnson, Jr., Little Rock, Arkansas;
(1753) Chief Warrant Officer Philip A. Johnson, Jr., Mobile, Alabama;
(1754) Sergeant Gary S. Johnston, Windthorst, Texas;
(1755) Staff Sergeant Jude R. Jonaus, Miami, Florida;
(1756) Sergeant Anthony G. Jones, Greenville, South Carolina;
(1757) Sergeant First Class Charles Jason Jones, Lawrenceburg, Kentucky;
(1758) Chief Warrant Officer Charles S. Jones, Lawtey, Florida;
(1759) Lance Corporal Derek W. Jones, Salem, Oregon;
(1760) Private Devon Demilo Jones, San Diego, California;
(1761) Captain Gussie M. Jones, Shreveport, Louisiana;
(1762) Corporal Jeremy Jones, Millard, Nebraska;
(1763) Corporal Joshua D. Jones, Pomeroy, Ohio;
(1764) Corporal Kevin M. Jones, Washington, North Carolina;
(1765) Sergeant Rickey E. Jones, Kokomo, Indiana;
(1766) Specialist Robert L. Jones, Milwaukee, Oregon;
(1767) Specialist Rodney A. Jones, Philadelphia, Pennsylvania;
(1768) First Lieutenant Ryan P. Jones, Westminster, Massachusetts;
(1769) Private First Class Roy L. Jones III, Houston, Texas;
(1770) Staff Sergeant Raymond Edison Jones, Jr., Gainesville, Florida;
(1771) Staff Sergeant David R. Jones, Sr., Augusta, Georgia;
(1772) Lieutenant Kylan A. Jones-Huffman, Aptos, California;
(1773) Sergeant Ryan D. Jopek, Merrill, Wisconsin;
(1774) Petty Officer Second Class Brian K. Joplin, Hugo, Oklahoma;
(1775) Corporal Alexander Jordan, Miami, Florida;
(1776) Sergeant Jason D. Jordan, Elba, Alabama;
(1777) Petty Officer First Class Michael Anthony Jordan, Augusta, Georgia;
(1778) Staff Sergeant Phillip Andrew Jordan, Brazoria, Texas;
(1779) Sergeant Curt E. Jordan, Jr., Green Acres, Washington;
(1780) Private First Class Ron J. Joshua, Jr., Austin, Texas;
(1781) Corporal Forest Joseph Jostes, Albion, Illinois;
(1782) Staff Sergeant David D. Julian, Evanston, Wyoming;
(1783) Private First Class Dillon M. Jutras, Fairfax Station, Virginia;
(1784) Sergeant First Class Matthew R. Kading, Madison, Wisconsin;
(1785) Staff Sergeant Henry K. Kahalewai, Hilo, Hawaii;
(1786) Lance Corporal Adam Wade Kaiser, Naperville, Illinois;
(1787) Private First Class Anthony A. Kaiser, Narrowsburg, New York;
(1788) Sergeant Anthony N. Kalladeen, Purchase, New York;
(1789) Specialist Vincent G. Kamka, Everett, Washington;
(1790) Specialist Alain L. Kamolvathin, Blairstown, New Jersey;
(1791) Staff Sergeant Joseph M. Kane, Darby, Pennsylvania;
(1792) Sergeant Brian C. Karim, Talcott, West Virginia;
(1793) Specialist Spencer Timothy Karol, Woodruff, Arizona;
(1794) Staff Sergeant Edward Karolasz, Powder Springs, New Jersey;
(1795) Sergeant First Class Paul D. Karpowich, Bridgeport, Pennsylvania;
(1796) Specialist Michael G. Karr, Jr., San Antonio, Texas;
(1797) Specialist Mark Joseph Kasecky, McKees Rocks, Pennsylvania;
(1798) Sergeant Michael M. Kashkoush, Chagrin Falls, Ohio;
(1799) Private First Class Douglas E. Kashmer, Sharon, Pennsylvania;
(1800) Staff Sergeant Darrel D. Kasson, Florence, Arizona;
(1801) Specialist Hatim S. Kathiria, Fort Worth, Texas;
(1802) Specialist Charles A. Kaufman, Fairchild, Wisconsin;
(1803) Private Eric Kavanagh, Glen Burnie, Maryland;
(1804) Second Lieutenant Jeffrey Joseph Kaylor, Clifton, Virginia;
(1805) Lance Corporal Thomas O. Keeling, Strongsville, Ohio;
(1806) Sergeant Chad L. Keith, Batesville, Indiana;
(1807) Lance Corporal Quinn A. Keith, Page, Arizona;
(1808) Lance Corporal Bryan P. Kelly, Klamath Falls, Oregon;
(1809) Colonel Paul M. Kelly, Stafford, Virginia;
(1810) Corporal Sean P. Kelly, Pitman, New Jersey;
(1811) Staff Sergeant Dale James Kelly, Jr., Richmond, Maine;
(1812) Sergeant Samuel E. Kelsey, Troup, Texas;
(1813) Corporal Andrew J. Kemple, Cambridge, Minnesota;
(1814) Corporal Dustin L. Kendall, Conway, Arkansas;
(1815) Sergeant Courtland A. Kennard, Starkville, Mississippi;
(1816) Sergeant Adam P. Kennedy, Norfolk, Massachusetts;
(1817) Corporal Brian Matthew Kennedy, Houston, Texas;
(1818) Chief Warrant Officer (CW3) Kyran E. Kennedy, Boston, Massachusetts;
(1819) Sergeant First Class Stephen C. Kennedy, Oak Ridge, Tennessee;
(1820) Staff Sergeant Morgan DeShawn Kennon, Memphis, Tennessee;
(1821) First Lieutenant Christopher J. Kenny, Miami, Florida;
(1822) Lance Corporal Patrick Brian Kenny, Pittsburgh, Pennsylvania;
(1823) Specialist Joseph P. Kenny, Veneta, Oregon;
(1824) Seaman Aaron A. Kent, Portland, Oregon;
(1825) Hospitalman Chadwick Thomas Kenyon, Tucson, Arizona;
(1826) Chief Warrant Officer (CW3) Rex C. Kenyon, El Segundo, California;
(1827) Specialist Jonathan Roy Kephart, Oil City, Pennsylvania;
(1828) Corporal Dallas L. Kerns, Mountain Grove, Missouri;
(1829) Specialist James C. Kesinger, Pharr, Texas;
(1830) Corporal Jason M. Kessler, Mount Vernon, Washington;
(1831) Chief Warrant Officer Erik C. Kesterson, Independence, Oregon;
(1832) Captain Humayun S. M. Khan, Bristow, Virginia;
(1833) Corporal Kareem R. Khan, Manahawkin, New Jersey;
(1834) Corporal Mark D. Kidd, Milford, Michigan;
(1835) Staff Sergeant Ricky A. Kieffer, Ovid, Michigan;
(1836) Specialist James Michael Kiehl, Comfort, Texas;
(1837) Lance Corporal Shane E. Kielion, La Vista, Nebraska;
(1838) Staff Sergeant Christopher S. Kiernan, Virginia Beach, Virginia;
(1839) Private First Class Christopher R. Kilpatrick, Columbus, Texas;
(1840) Lance Corporal Andrew J. Kilpela, Fowlerville, Michigan;
(1841) Corporal In C. Kim, Warren, Michigan;
(1842) Private First Class Jang H. Kim, Placentia, California;
(1843) Private Jeungjin Na ''Nikky'' Kim, Honolulu, Hawaii;
(1844) Lance Corporal Kun Y. Kim, Atlanta, Georgia;
(1845) Specialist Louis G. Kim, West Covina, California;
(1846) Lance Corporal Minhee Kim, Ann Arbor, Michigan;
(1847) Sergeant Shin W. Kim, Fullerton, California;
(1848) Staff Sergeant Dexter S. Kimble, Houston, Texas;
(1849) Private First Class Danny L. Kimme, Fisher, Illinois;
(1850) Staff Sergeant Matthew A. Kimmell, Paxton, Indiana;
(1851) Staff Sergeant Kevin C. Kimmerly, North Creek, New York;
(1852) Private First Class Kenneth E. Kincaid IV, Lilburn, Georgia;
(1853) Lance Corporal Jeremiah C. Kinchen, Salcha, Alaska;
(1854) Specialist Levi B. Kinchen, Tickfaw, Louisiana;
(1855) Staff Sergeant Bradley D. King, Marion, Indiana;
(1856) First Sergeant Charles M. King, Mobile, Alabama;
(1857) Specialist Eric D. King, Vancouver, Washington;
(1858) Sergeant Jeremy E. King, Meridian, Idaho;
(1859) Specialist Jerry R. King, Browersville, Georgia;
(1860) Corporal Paul N. King, Tyngsboro, Massachusetts;

(1861) Sergeant Jonathan P. C. Kingman, Nankin, Ohio;
(1862) Sergeant James Ondra Kinlow, Thompson, Georgia;
(1863) Staff Sergeant Lester O. Kinney II, Zanesville, Ohio;
(1864) Specialist Anthony D. Kinslow, Westerville, Ohio;
(1865) Sergeant William S. Kinzer, Jr., Hendersonville, North Carolina;
(1866) Private First Class David M. Kirchhoff, Anamosa, Iowa;
(1867) Sergeant Jeffrey L. Kirk, Baton Rouge, Louisiana;
(1868) Lance Corporal Johnathan E. Kirk, Belhaven, North Carolina;
(1869) Private First Class David Austin Kirkpatrick, Upland, Indiana;
(1870) Sergeant Scott L. Kirkpatrick, Reston, Virginia;
(1871) Staff Sergeant Charles A. Kiser, Cleveland, Wisconsin;
(1872) Sergeant Timothy Craig Kiser, Tehama, California;
(1873) Specialist Rhys W. Klasno, Riverside, California;
(1874) Lance Corporal Nicholas Brian Kleiboeker, Irvington, Illinois;
(1875) Lance Corporal Allan Klein, Clinton Township, Michigan;
(1876) Sergeant Keith A. Kline, Oak Harbor, Ohio;
(1877) Specialist John K. Klinesmith, Jr., Stockbridge, Georgia;
(1878) Private First Class Joshua P. Klinger, Easton, Pennsylvania;
(1879) Sergeant First Class Tony L. Knier, Sabinsville, Pennsylvania;
(1880) Corporal Timothy A. Knight, Brooklyn, Ohio;
(1881) Sergeant Floyd G. Knighten, Jr., Olla, Louisiana;
(1882) Private First Class Garrett C. Knoll, Bad Axe, Michigan;
(1883) Specialist Allen J. Knop, Willowick, Ohio;
(1884) Petty Officer Third Class Eric L. Knott, Grand Island, Nebraska;
(1885) Private Joseph L. Knott, Yuma, Arizona;
(1886) Specialist Joshua L. Knowles, Sheffield, Iowa;
(1887) Sergeant Adam L. Knox, Columbus, Ohio;
(1888) Sergeant Rene Knox, Jr., New Orleans, Louisiana;
(1889) Specialist Brent W. Koch, Morton, Minnesota;
(1890) Specialist Matthew A. Koch, West Henrietta, New York;
(1891) Chief Petty Officer Michael E. Koch, State College, Pennsylvania;
(1892) Corporal Gary A. Koehler, Ypsilanti, Michigan;
(1893) Staff Sergeant Lance J. Koenig, Fargo, North Dakota;
(1894) Sergeant Allen D. Kokesh, Jr., Yankton, South Dakota;
(1895) Corporal Alexander J. Kolasa, White Lake, Michigan;
(1896) Sergeant First Class Obediah J. Kolath, Louisburg, Missouri;
(1897) Corporal Zachary A. Kolda, Corpus Christi, Texas;
(1898) Corporal Kevin T. Kolm, Hicksville, New York;
(1899) Petty Officer Second Class Charles V. Komppa, Belgrade, Montana;
(1900) Specialist Martin W. Kondor, York, Pennsylvania;
(1901) Lance Corporal William C. Koprince, Jr., Lenoir City, Tennessee;
(1902) Chief Warrant Officer Patrick W. Kordsmeier, North Little Rock, Arkansas;
(1903) Captain Edward Jason Korn, Savannah, Georgia;
(1904) Sergeant Bradley Steven Korthaus, Scott, Iowa;
(1905) Private First Class Cory C. Kosters, The Woodlands, Texas;
(1906) Petty Officer Second Class Edward A Koth, Towson, Maryland;
(1907) Specialist Jason B. Koutroubas, Dunnellon, Florida;
(1908) Lance Corporal Ryan J. Kovacicek, Washington, Pennsylvania;
(1909) Specialist Stephen M. Kowalczyk, San Diego, California;
(1910) Lance Corporal Jakub Henryk Kowalik, Schaumburg, Illinois;
(1911) Sergeant Elmer C. Krause, Greensboro, North Carolina;
(1912) Private First Class Travis C. Krege, Cheektowaga, New York;
(1913) Private Dustin L. Kreider, Riverton, Kansas;
(1914) Lance Corporal Jared J. Kremm; Hauppage, New York;
(1915) Corporal David Kenneth J. Kreuter, Cincinnati, Ohio;
(1916) First Lieutenant Nathan M. Krissoff, Nevada;
(1917) Sergeant Tyler J. Kritz, Eagle River, Wisconsin;
(1918) Private First Class Bradley G. Kritzer, Irvona, Pennsylvania;
(1919) Specialist Kurt E. Krout, Spinnerstown, Pennsylvania;
(1920) Lieutenant Colonel Eric J. Kruger, Garland, Texas;
(1921) Sergeant Christopher R. Kruse, Emporia, Kansas;
(1922) Captain Kevin M. Kryst, West Bend, Wisconsin;
(1923) Corporal Jared William Kubasak, Rocky Mount, Virginia;
(1924) Private First Class Christopher D. Kube, Sterling Heights, Michigan;
(1925) Private First Class Brian J. Kubik, Hardin, Texas;
(1926) Staff Sergeant David C. Kuehl, Wahpeton, North Dakota;
(1927) Staff Sergeant Matthew J. Kuglics, North Canton, Ohio;
(1928) Civilian Daniel J. Kuhlmeier, Omaha, Nebraska;
(1929) Sergeant Larry R. Kuhns, Jr., Austintown, Ohio;
(1930) Specialist John Kulick, Harleysville, Pennsylvania;
(1931) Captain John F. ''Hans'' Kurth, Columbus, Wisconsin;
(1932) Sergeant Russell A. Kurtz, Bethel Park, Pennsylvania;
(1933) Corporal Joshua J. Kynoch, Santa Rosa, California;
(1934) Sergeant First Class William W. Labadie, Jr., Bauxite, Arkansas;
(1935) Major Douglas A. LaBouff, La Puente, California;
(1936) Sergeant Reno S. Lacerna, Waipahu, Hawaii;
(1937) Sergeant Joshua S. Ladd, Port Gibson, Mississippi;
(1938) Corporal Jason K. Lafleur, Ignacio, Colorado;
(1939) Corporal Matthew P. LaForest, Austin, Texas;
(1940) Corporal Johnathan A. Lahmann, Richmond, Indiana;
(1941) Sergeant Dustin D. Laird, Martin, Tennessee;
(1942) Sergeant Chad W. Lake, Ocala, Florida;
(1943) Staff Sergeant Floyd E. Lake, St. Thomas, Virgin Islands;
(1944) Sergeant Michael Vernon Lalush, Troutville, Virginia;
(1945) Lance Corporal Alan Dinh Lam, Snow Camp, North Carolina;
(1946) Lance Corporal Jeffrey Lam, Queens, New York;
(1947) Specialist Charles R. Lamb, Casey, Illinois;
(1948) Sergeant First Class Randall L. Lamberson, Springfield, Missouri;
(1949) Private First Class James P. Lambert, New Orleans, Louisiana;
(1950) Sergeant Jonathan W. Lambert, Newsite, Mississippi;
(1951) Specialist David E. Lambert, Cedar Bluff, Virginia;
(1952) Specialist James I. Lambert III, Raleigh, North Carolina;
(1953) Sergeant Gene L. Lamie, Homerville, Georgia;
(1954) Captain Andrew David LaMont, Eureka, California;
(1955) Sergeant Andrew W. Lancaster, Stockton, Illinois;
(1956) First Lieutenant Jared M. Landaker, Big Bear City, California;
(1957) Captain Kevin C. Landeck, Wheaton, Illinois;
(1958) Staff Sergeant Sean G. Landrus, Thompson, Ohio;
(1959) Specialist Joseph N. Landry III, Pensacolam, Florida;
(1960) Private First Class John F. Landry, Jr., Lowell, Massachusetts;
(1961) Gunnery Sergeant Shawn A. Lane, Corning, New York;
(1962) Specialist David J. Lane, Emporia, Kansas;
(1963) Corporal Victor M. Langarica, Decatur, Georgia;
(1964) Private First Class Richard P. Langenbrunner, Fort Wayne, Indiana;
(1965) Private First Class Moises A. Langhorst, Moose Lake, Minnesota;
(1966) Lance Corporal Sean M. Langley, Lexington, Kentucky;
(1967) Sergeant First Class Steven M. Langmack, Seattle, Washington;
(1968) Lieutenant Commander Jane Elizabeth Lanham, Owensboro, Kentucky;
(1969) Command Sergeant Major Jonathan M. Lankford, Scottsboro, Alabama;
(1970) Sergeant Denise A. Lannaman, Bayside, New York;
(1971) Sergeant Jason M. Lantieri, Killingsworth, Connecticut;
(1972) Staff Sergeant Jose A. Lanzarin, Lubbock, Texas;
(1973) Corporal Stanley J. Lapinski, Las Vegas, Nevada;
(1974) Corporal Christopher J. Lapka, Peoria, Arizona;
(1975) Specialist Tracy L. Laramore, Okaloosa, Florida;
(1976) Sergeant Bryan W. Large, Cuyahoga Falls, Ohio;
(1977) Private First Class Cole W. Larsen, Canyon Country, California;
(1978) Lance Corporal Nicholas D. Larson, Wheaton, Illinois;
(1979) Specialist Scott Quentin Larson, Jr., Houston, Texas;
(1980) Chief Warrant Officer Matthew C. Laskowski, Phoenix, Arizona;
(1981) Corporal Michael H. Lasky, Sterling, Alaska;
(1982) Corporal Shawn Thomas Lasswell, Jr., Reno, Nevada;
(1983) Sergeant Thomas L. Latham, Delmar, Maryland;
(1984) Staff Sergeant William T. Latham, Kingman, Arizona;
(1985) Specialist Aaron P. Latimer, Ennis, Texas;
(1986) Staff Sergeant Paul M. Latourney, Roselle, Illinois;
(1987) Private First Class Karina S. Lau, Livingston, California;
(1988) Specialist Timothy J. Lauer, Saegertown, Pennsylvania;
(1989) Private First Class Casey M. LaWare, Redding, California;
(1990) Corporal Jeffrey D. Lawrence, Tucson, Arizona;
(1991) Specialist Issac S. Lawson, Sacramento, California;
(1992) Staff Sergeant Mark A. Lawton, Hayden, Colorado;

(1993) Lance Corporal Travis J. Layfield, Fremont, California;
(1994) Sergeant Benjamin J. Laymon, Mount Vernon, Ohio;
(1995) Corporal Binh N. Le, Alexandria, Virginia;
(1996) Chief Warrant Officer Patrick D. Leach, Rock Hill, South Carolina;
(1997) Specialist Jeff LeBrun, Buffalo, New York;
(1998) Specialist Daniel A. Leckel, Medford, Oregon;
(1999) Staff Sergeant Rene Ledesma, Abilene, Texas;
(2000) Corporal Michael C. Ledsome, Austin, Texas;
(2001) Second Lieutenant Ryan Leduc, Pana, Illinois;
(2002) Corporal Bumrok Lee, Sunnyvale, California;
(2003) Sergeant Carl W. Lee, Oklahoma City, Oklahoma;
(2004) Corporal Dustin Jerome Lee, Quitman, Mississippi;
(2005) Petty Officer Second Class Marc A. Lee, Hood River, Oregon;
(2006) Specialist Qixing Lee, Minneapolis, Minnesota;
(2007) Private First Class Samuel S. Lee, Anaheim, California;
(2008) Corporal Jason T. Lee, Fruitport, Michigan;
(2009) Sergeant Terrance D. Lee, Sr., Moss Point, Mississippi;
(2010) Private First Class Thomas R. Leemhuis, Binger, Oklahoma;
(2011) Staff Sergeant Emmanuel L. Legaspi, Las Vegas, Nevada;
(2012) Specialist Damon G. LeGrand, Lakeside, California;
(2013) Staff Sergeant Jason A. Lehto, Mount Clemens, Michigan;
(2014) Staff Sergeant Hector Leija, Houston, Texas;
(2015) Private First Class Ken W. Leisten, Cornelius, Oregon;
(2016) Corporal Jason F. Lemke, West Allis, Wisconsin;
(2017) Staff Sergeant Jerome Lemon, North Charleston, South Carolina;
(2018) Specialist Cedric Lamont Lennon, West Blocton, Alabama;
(2019) Corporal Christopher D. Leon, Lancaster, California;
(2020) Specialist Charles E. Leonard, Jr., Monroe, Louisiana;
(2021) Private First Class Jesus A. Leon-Perez, Houston, Texas;
(2022) Captain Brian S. Letendre, Woodbridge, Virginia;
(2023) Specialist Farao K. Letufuga, Pago Pago, American Samoa;
(2024) Lance Corporal William J. Leusink, Maurice, Iowa;
(2025) Sergeant Adrian J. Lewis, Mauldin, South Carolina;
(2026) Staff Sergeant Bryan A. Lewis, Bunkie, Louisiana;
(2027) Staff Sergeant Dwayne Peter R. Lewis, New York, New York;
(2028) Sergeant Joel W. Lewis, Sandia Park, New Mexico;
(2029) Sergeant Mason L. Lewis, Gloucester, Virginia;
(2030) Petty Officer First Class Jason Dale Lewis, Brookfield, Connecticut;
(2031) Private First Class Lee A. Lewis, Jr., Norfolk, Virginia;
(2032) Sergeant Jesse M. Lhotka, Alexandria, Minnesota;
(2033) Corporal Dustin J. Libby, Presque Isle, Maine;
(2034) Second Lieutenant Michael L. Licalzi, Garden City, New York;
(2035) Staff Sergeant Wilgene T. Lieto, Saipan, Northern Mariana Islands;
(2036) Staff Sergeant Victoir P. Lieurance, Seymour, Tennessee;
(2037) Private First Class Robert A. Liggett, Urbana, Illinois;
(2038) Corporal Robbie Glen Light, Kingsport, Tennessee;
(2039) Sergeant Nicholas J. Lightner, Newport, Oregon;
(2040) Staff Sergeant Daniel R. Lightner, Jr., Hollidaysburg, Pennsylvania;
(2041) Sergeant Eric A. Lill, Chicago, Illinois;
(2042) Staff Sergeant Henry W. Linck, Manhattan, Kansas;
(2043) Staff Sergeant Jonh D. Linde, New York, New York;
(2044) Corporal Michael B. Lindemuth, Petoskey, Michigan;
(2045) Specialist Justin W. Linden, Portland, Oregon;
(2046) Corporal Troy Carlin Linden, Detroit Lakes, Minnesota;
(2047) Specialist Darryl W. Linder, Hickory, North Carolina;
(2048) Specialist James T. Lindsey, Florence, Alabama;
(2049) Lance Corporal David Paul Lindsey, Spartanburg, South Carolina;
(2050) Specialist Roger G. Ling, Douglaston, New York;
(2051) Technical Sergeant Joey D. Link, Portland, Tennessee;
(2052) Lance Corporal Karl R. Linn, Chesterfield, Virginia;
(2053) Sergeant Terry Lisk, Fox Lake, Illinois;
(2054) Specialist Joseph L. Lister, Pleasanton, Kansas;
(2055) Lance Corporal Jason T. Little, Climax, Michigan;
(2056) Specialist Kyle A. Little, West Boylston, Massachusetts;
(2057) Staff Sergeant Tommy S. Little, Aliceville, Alabama;
(2058) Staff Sergeant Nino Dugue Livaudais, Syracuse, Utah;
(2059) Sergeant Dale Thomas Lloyd, Watsontown, Pennsylvania;
(2060) Staff Sergeant Michael C. Lloyd, San Antonio, Texas;
(2061) Private First Class Keith E. Lloyd, Milwaukee, Wisconsin;
(2062) Staff Sergeant Jeffrey S. Loa, Waianae, Hawaii;
(2063) Staff Sergeant Kenneth E. Locker, Jr., Wakefield, Nebraska;
(2064) Colonel Jon M. Lockey, Fredericksburg, Virginia;
(2065) Sergeant Velton Locklear III, Lacey, Washington;
(2066) Lance Corporal Adam Loggins, Athens, Alabama;
(2067) Senior Airman Elizabeth A. Loncki, New Castle, Delaware;
(2068) Sergeant Daniel J. Londono, Boston, Massachusetts;
(2069) Corporal Jonerik Loney, Hartselle, Alabama;
(2070) Lance Corporal Bunny Long, Modesto, California;
(2071) Lance Corporal Jeremy Z. Long, Sun Valley, Nevada;
(2072) Specialist Ryan Patrick Long, Seaford, Delaware;
(2073) Corporal William A. Long, Lilburn, Georgia;
(2074) Specialist Zachariah W. Long, Milton, Pennsylvania;
(2075) Specialist Braden J. Long, Sherman, Texas;
(2076) Staff Sergeant Brian M. Long, Burns, Wyoming;
(2077) Corporal John M. Longoria, Nixon, Texas;
(2078) Private First Class Duane E. Longstreth, Tacoma, Washington;
(2079) Sergeant Jonathan E. Lootens, Lyons, New York;
(2080) Sergeant Edgar E. Lopez, Los Angeles, California;
(2081) Lance Corporal Hilario F. Lopez, Ingleside, Texas;
(2082) Lance Corporal Juan Lopez, Whitfield, Georgia;
(2083) Corporal Manuel Lopez III, Cape Coral, Florida;
(2084) Lance Corporal Edwardo Lopez, Jr., Aurora, Illinois;
(2085) Corporal Juan M. Lopez, Jr., San Antonio, Texas;
(2086) Lance Corporal Hugo R. Lopezlopez, La Habra, California;
(2087) Specialist William Lopez-Feliciano, Quebradillas, Puerto Rico;
(2088) Sergeant Jason Lopezreyes, Hatillo, Puerto Rico;
(2089) Sergeant Richard M. Lord, Jacksonville, Florida;
(2090) Second Lieutenant Christopher E. Loudon, Brockport, Pennsylvania;
(2091) Chief Warrant Officer (CW4) Matthew Scott Lourey, East Bethel, Minnesota;
(2092) First Lieutenant Scott M. Love, Knoxville, Tennessee;
(2093) Staff Sergeant Robert L. Love, Jr., Livingston, Mississippi;
(2094) Private First Class Joseph I. Love-Fowler, North Pole, Alaska;
(2095) Corporal Jeremy M. Loveless, Estacada, Oregon;
(2096) Sergeant First Class Jonathan A. Lowery, Houlton, Maine;
(2097) Staff Sergeant David L. Loyd, Jackson, Tennessee;
(2098) Sergeant Angelo L. Lozada, Jr., Brooklyn, New York;
(2099) Lance Corporal Victor R. Lu, Los Angeles, California;
(2100) Lance Corporal Adam Lucas, Greensboro, North Carolina;
(2101) Specialist Joseph Alan Lucas, Augusta, Georgia;
(2102) Lance Corporal John A. ''JT'' Lucente, Grass Valley, California;
(2103) Lance Corporal Joshua E. Lucero, Tucson, Arizona;
(2104) Captain Robert L. Lucero, Casper, Wyoming;
(2105) Sergeant Bryan C. Luckey, Tampa, Florida;
(2106) Private First Class Jason C. Ludlam, Arlington, Texas;
(2107) Corporal Eric R. Lueken, Dubois, Indiana;
(2108) Private First Class Caleb A. Lufkin, Knoxville, Illinois;
(2109) Lance Corporal Jacob R. Lugo, Flower Mound, Texas;
(2110) Private First Class John Lukac, Las Vegas, Nevada;
(2111) Private First Class Kevin M. Luna, Oxnard, California;
(2112) Specialist James E. Lundin, Bellport, New York;
(2113) Corporal Brett L. Lundstrom, Stafford, Virginia;
(2114) Sergeant Audrey Daron Lunsford, Sardis, Mississippi;
(2115) Captain Joe Fenton Lusk II, Reedley, California;
(2116) Sergeant Derrick Joseph Lutters, Burlington, Colorado;
(2117) Private First Class George Anthony ''Tony'' Lutz II, Virginia Beach, Virginia;
(2118) Specialist Wai Pyoe Lwin, Queens, New York;
(2119) Captain Sean E. Lyerly, Pflugerville, Texas;
(2120) Private First Class Jason N. Lynch, St. Croix, Virgin Islands;
(2121) First Lieutenant Matthew D. Lynch, Jericho, New York;
(2122) Lance Corporal Robert A. Lynch, Louisville, Kentucky;
(2123) Lance Corporal Christopher P. Lyons, Mansfield/Shelby, Ohio;
(2124) First Lieutenant James N. Lyons, Rochester, New York;

(2125) Private First Class Christopher D. Mabry, Chunky, Mississippi;
(2126) Lance Corporal Gregory E. MacDonald, Washington, District of Columbia;
(2127) Lance Corporal Cesar F. Machado-Olmos, Spanish Fork, Utah;
(2128) Lance Corporal Fred L. Maciel, Spring, Texas;
(2129) Sergeant First Class Brian A. Mack, Phoenix, Arizona;
(2130) Master Sergeant Kenneth N. Mack, Fort Worth, Texas;
(2131) Private First Class Vorn J. Mack, Orangeburg, South Carolina;
(2132) Private First Class Tyler R. MacKenzie, Evans, Colorado;
(2133) Staff Sergeant Bryant W. Mackey, Eureka, Kansas;
(2134) Captain Michael J. Mackinnon, Helena, Montana;
(2135) Seaman Apprentice Robert D. Macrum, Sugarland, Texas;
(2136) Private First Class Nicholas A. Madaras, Wilton, Connecticut;
(2137) Sergeant Joshua B. Madden, Sibley, Louisiana;
(2138) Sergeant Stephen R. Maddies, Elizabethton, Tennessee;
(2139) Specialist Vincent A. Madero, Port Hueneme, California;
(2140) Specialist Ronnie G. Madore, Jr. San Diego, California;
(2141) Lance Corporal Blake A. Magaoay, Pearl City, Hawaii;
(2142) Lance Corporal Joseph Basil Maglione III, Lansdale, Pennsylvania;
(2143) Captain Shane Mahaffee, Gurnee, Illinois;
(2144) Lance Corporal Marcus Mahdee, Fort Walton Beach, Florida;
(2145) Corporal Jarrod L. Maher, Imogene, Iowa;
(2146) Lance Corporal Sean P. Maher, Grayslake, Illinois;
(2147) Specialist William J. Maher III, Yardley, Pennsylvania;
(2148) Specialist David P. Mahlenbrock, Maple Shade, New Jersey;
(2149) Sergeant Mark A. Maida, Madison, Wisconsin;
(2150) Specialist Russell M. Makowski, Union, Missouri;
(2151) First Lieutenant Dan T. Malcom, Jr. Brinson, Georgia;
(2152) Captain Torre R. Mallard, Oklahoma;
(2153) Staff Sergeant Toby W. Mallet, Kaplan, Louisiana;
(2154) Sergeant Jimy M. Malone, Wills Point, Texas;
(2155) Captain John W. Maloney, Chicopee, Massachusetts;
(2156) First Lieutenant Adam Malson, Rochester Hills, Michigan;
(2157) Corporal Michael T. Manibog, Alameda, California;
(2158) First Lieutenant Travis L. Manion, Doylestown, Pennsylvania;
(2159) Lance Corporal Nicholas J. Manoukian, Lathrup Village, Michigan;
(2160) Chief Warrant Officer Ian D. Manuel, Florida;
(2161) Staff Sergeant William F. Manuel, Kinder, Louisiana;
(2162) Private First Class Pablo Manzano, Heber, California;
(2163) Sergeant Myla L. Maravillosa, Wahiawa, Hawaii;
(2164) Lance Corporal Howard S. March, Jr., Buffalo, New York;
(2165) Corporal Jason N. Marchand, Greenwood, West Virginia;
(2166) Private First Class Miguel A. Marcial III, Secaucus, New Jersey;
(2167) Private First Class Luigi Marciante, Jr., Elizabeth, New Jersey;
(2168) Sergeant Joshua S. Marcum, Evening Shade, Arkansas;
(2169) Private First Class Lyndon A. Marcus, Jr., Long Beach, California;
(2170) Staff Sergeant Paul C. Mardis, Jr. Palmetto, Florida;
(2171) Corporal Douglas Jose Marencoreyes, Chino, California;
(2172) Specialist Jeremy E. Maresh, Penn Forest Township, Pennsylvania;
(2173) Master Sergeant Jude C. Mariano, Vallejo, California;
(2174) Private Robbie M. Mariano, Stockton, California;
(2175) Sergeant Javier Marin, Jr., Mission, Texas;
(2176) Lance Corporal Jose S. Marin-Dominguez, Jr., Liberal, Kansas;
(2177) Lance Corporal Kristen K. Marino (Figueroa), Honolulu, Hawaii;
(2178) Private First Class Christopher L. Marion, Pineville, Missouri;
(2179) Chief Warrant Officer Keith R. Mariotti, Elkton, Maryland;
(2180) Corporal Jonathan A. Markham, Bedford, Texas;
(2181) Corporal Gentian Marku, Warren, Michigan;
(2182) Private First Class Chad E. Marsh, Wichita, Kansas
(2183) Specialist James E. Marshall, Tulsa, Oklahoma
(2184) Sergeant First Class John Winston Marshall, Los Angeles, California
(2185) Sergeant Randell T. Marshall, Fitzgerald, Georgia;
(2186) Corporal Evan A. Marshall, Athens, Georgia;
(2187) Sergeant Bradley W. Marshall, Little Rock, Arkansas;
(2188) Hospitalman Robert N. Martens, Queen Creek, Arizona;
(2189) Private First Class David J. Martin, Edmond, Oklahoma;
(2190) Staff Sergeant Jay Edward Martin, Baltimore, Maryland;
(2191) Private First Class Ryan A. Martin, Mount Vernon, Ohio;
(2192) Staff Sergeant Stephen G. Martin, Wausau/Rhinelander, Wisconsin;
(2193) Sergeant Timothy P. Martin, Pixley, California;
(2194) Staff Sergeant Jonathon L. Martin, Bellevue, Ohio;
(2195) First Lieutenant Thomas M. Martin, Ward, Arkansas;
(2196) Sergeant Shawn P. Martin, Delmar, New York;
(2197) Sergeant Francisco Martinez, Humacao, Puerto Rico;
(2198) Specialist Francisco G. Martinez, Fort Worth, Texas;
(2199) Private First Class Jesse J. Martinez, Tracy, California;
(2200) Corporal Joseph L. Martinez, Las Vegas, Nevada;
(2201) Specialist Michael A. Martinez, Juana Diaz, Puerto Rico;
(2202) Major Michael R. Martinez, Kansas City/Columbia, Missouri;
(2203) Staff Sergeant Misael Martinez, Chapel Hill, North Carolina;
(2204) Private First Class Oscar A. Martinez, North Lauderdale, Florida;
(2205) Lance Corporal Rene Martinez, Miami, Florida;
(2206) Lance Corporal Robert Alexander Martinez, Splendora, Texas;
(2207) Specialist Victor A. Martinez, Bronx, New York;
(2208) Staff Sergeant Virgil C. Martinez, West Valley, Utah;
(2209) Sergeant Anselmo Martinez, Robstown, Texas;
(2210) Sergeant Michael J. Martinez, Chula Vista, California;
(2211) Specialist Roberto L. Martinez Salazar, Long Beach, California;
(2212) Private First Class Francisco Abraham Martinez-Flores, Los Angeles, California;
(2213) Sergeant Trinidad R. Martinezluis, Los Angeles, California;
(2214) Lance Corporal Philip John Martini, Lansing, Illinois;
(2215) Captain Michael D. Martino, Fairfax, Virginia;
(2216) Specialist Jacob D. Martir, Norwich, Connecticut;
(2217) Gunnery Sergeant Justin R. Martone, Bedford, Virginia;
(2218) Sergeant Michael A. Marzano, Greenville, Pennsylvania;
(2219) Staff Sergeant Ryan D. Maseth, Pittsburgh, Pennsylvania;
(2220) Corporal Chris Mason, Mobile, Alabama;
(2221) Private First Class Collin T. Mason, Staten Island, New York;
(2222) Staff Sergeant Johnnie V. Mason, Rio Vista, Texas;
(2223) Sergeant Nicholas C. ''Nick'' Mason, King George, Virginia;
(2224) Private First Class Casey P. Mason, Lake, Michigan;
(2225) Sergeant John R. Massey, Judsonia, Arkansas;
(2226) Sergeant Arthur S. (Stacey) Mastrapa, Apopka, Florida;
(2227) Chief Warrant Officer Johnny Villareal Mata, Amarillo, Texas;
(2228) Lance Corporal Ramon Mateo, Suffolk, New York;
(2229) Sergeant Randy J. Matheny, McCook, Nebraska;
(2230) Sergeant Charles E. Matheny IV, Stanwood, Washington;
(2231) Specialist Micheal B. Matlock, Glen Burnie, Maryland;
(2232) Lance Corporal John J. Mattek, Jr., Stevens Point, Wisconsin;
(2233) Staff Sergeant Joshua P. Mattero, San Diego, California;
(2234) Sergeant James C. ''J.C.'' Matteson, Jamestown/Celoron, New York;
(2235) Specialist Clint Richard ''Bones'' Matthews, Bedford, Pennsylvania;
(2236) Captain Matthew C. Mattingly, Reynoldsburg, Ohio;
(2237) Corporal Matthew E. Matula, Spicewood, Texas;
(2238) Lance Corporal Andrew G. Matus, Chetek, Wisconsin;
(2239) Staff Sergeant Donald Charles May, Jr., Richmond, Virginia;
(2240) Private First Class Joseph Patrick Mayek, Rock Springs, Wyoming;
(2241) Lance Corporal Ryan L. Mayhan, Hawthorne, California;
(2242) Lance Corporal Chad B. Maynard, Montrose, Colorado;
(2243) Private Barry Wayne Mayo, Ecru, Mississippi;
(2244) Corporal Pablo V. Mayorga, Margate, Florida;
(2245) Private Anthony M. Mazzarella, Blue Springs, Missouri;
(2246) Master Sergeant Brian P. McAnulty, Vicksburg, Mississippi;
(2247) Specialist Montrel S. Mcarn, Raeford, North Carolina;
(2248) Sergeant Zachary W. McBride, Bend, Oregon;
(2249) Sergeant Patrick R. McCaffrey, Sr., Tracy, California;
(2250) Sergeant Daniel L. McCall, Pace, Florida;
(2251) Private First Class Rodney L. McCandless, Camden, Arkansas;
(2252) Specialist Marquis J. McCants, San Antonio, Texas;
(2253) Lance Corporal Joseph C. McCarthy, Concho, Arizona;
(2254) Lance Corporal Ryan T. McCaughn, Manchester, New Hampshire;
(2255) Private First Class Ryan Michael McCauley, Lewisville, Texas;
(2256) Sergeant First Class Randy D. McCaulley, Indiana, Pennsylvania;
(2257) Major Joseph Trane McCloud, Grosse Pointe Park, Michigan;

(2258) Private First Class Christopher M. McCloud, Malakoff, Texas;
(2259) Major Megan M. McClung, Coupeville, Washington;
(2260) Specialist Daniel James McConnell, Duluth, Minnesota;
(2261) Corporal Brad Preston McCormick, Overton, Tennessee;
(2262) Private Clinton T. McCormick, Jacksonville, Florida;
(2263) Staff Sergeant Gregory W. G. McCoy, Webberville, Michigan;
(2264) Lance Corporal Christopher M. McCrackin, Liverpool, Texas;
(2265) First Lieutenant Erik S. McCrae, Portland, Oregon;
(2266) Specialist Donald R. McCune, Ypsilanti, Michigan;
(2267) Lance Corporal Ryan S. McCurdy, Baton Rouge, Louisiana;
(2268) Private First Class Juctin R. P. McDaniel, Andover, New Hampshire;
(2269) Corporal Robert T. McDavid, Starksville, Mississippi;
(2270) Specialist Sean K. McDonald, Rosemount, Minnesota;
(2271) Specialist Bryan T. McDonough, Maplewood, Minnesota;
(2272) Sergeant Robert M. McDowell, Deer Park, Texas;
(2273) Staff Sergeant Brian McElroy, San Antonio, Texas;
(2274) Corporal Anthony T. McElveen, Little Falls, Minnesota;
(2275) Staff Sergeant Thomas M. McFall, Glendora, California;
(2276) Specialist Dwayne James McFarlane, Jr., Cass Lake, Minnesota;
(2277) Chief Warrant Officer Jackie L. McFarlane, Jr., Virginia Beach, Virginia;
(2278) Specialist Dustin K. McGaugh, Derby, Kansas;
(2279) Sergeant John E. McGee, Columbus, Georgia;
(2280) Private First Class Holly J. McGeogh, Taylor, Michigan;
(2281) Sergeant Arthur R. McGill, Gravette, Arkansas;
(2282) Sergeant Brian Daniel McGinnis, St. George, Delaware;
(2283) First Sergeant Ricky L. McGinnis, Hamilton, Ohio;
(2284) Private Ross A. McGinnis, Knox, Pennsylvania;
(2285) Second Lieutenant Donald R. McGlothin, Lebanon, Virginia;
(2286) Specialist Michael A. McGlothin, Milwaukee, Wisconsin;
(2287) Captain Timothy I. McGovern, Indiana;
(2288) Corporal Stephen M. McGowan, Newark, Delaware;
(2289) Specialist Jeremy W. McHalffey, Mabelvale, Arkansas;
(2290) Petty Officer Second Class Scott R. Mchugh, Boca Raton, Florida;
(2291) Staff Sergeant Eric A. McIntosh, Trafford, Pennsylvania;
(2292) Hospitalman Joshua McIntosh, Kingman, Arizona;
(2293) Corporal Scott A. McIntosh, Houston, Texas;
(2294) Sergeant David M. McKeever, Buffalo, New York;
(2295) Captain John James McKenna IV, Brooklyn, New York;
(2296) Specialist Eric S. McKinley, Corvallis, Oregon;
(2297) Private Robert L. McKinley, Kokomo, Indiana;
(2298) First Sergeant Jeffrey R. McKinney, Garland, Texas;
(2299) Corporal Antoine J. McKinzie, Indianapolis, Indiana;
(2300) Lieutenant Colonel Michael E. McLaughlin, Mercer, Pennsylvania;
(2301) Sergeant Scott P. McLaughlin, Hardwick, Vermont;
(2302) Sergeant Garrett I. McLead, Rockport, Texas;
(2303) Lance Corporal Justin D. McLeese, Covington, Louisiana;
(2304) Staff Sergeant Don Steven McMahan, Nashville, Tennessee;
(2305) Corporal Graham M. McMahon, Corvallis, Oregon;
(2306) Staff Sergeant Jacob G. McMillan, Lafayette, Louisiana;
(2307) Sergeant Heath A. McMillin, Canandaigua, New York;
(2308) Staff Sergeant Michael Joseph McMullen, Salisbury, Maryland;
(2309) Sergeant Robert A. McNail, Meridian, Mississippi;
(2310) Sergeant First Class Robbie D. McNary, Lewistown, Montana;
(2311) Staff Sergeant James D. McNaughton, Middle Village, New York;
(2312) Sergeant Phillip D. McNeill, Sunrise, Florida;
(2313) Master Sergeant Michael L. McNulty, Knoxville, Tennessee;
(2314) Specialist Alan E. McPeek, Tucson, Arizona;
(2315) First Lieutenant Brian Michael McPhillips, Pembroke, Massachusetts;
(2316) Corporal James H. McRae, Springtown, Texas;
(2317) Petty Officer First Class Robert Richard McRill, Lake Placid, Florida;
(2318) Sergeant First Class Clarence D. McSwain, Meridian, Kentucky;
(2319) Petty Officer First Class Joseph A. McSween, Valdosta, Georgia;
(2320) Sergeant First Class Otie Joseph McVey, Oak Hill, West Virginia;
(2321) Lance Corporal Daniel M. McVicker, Alliance, Ohio;
(2322) Corporal Jesus Martin Antonio Medellin, Fort Worth, Texas;
(2323) Lance Corporal Brian A. Medina, Woodbridge, Virginia;
(2324) Specialist Irving Medina, Middletown, New York;
(2325) Lance Corporal Matthew S. Medlicott, Houston, Texas;
(2326) Sergeant Jean P. Medlin, Pelham, Alabama;
(2327) Sergeant William B. Meeuwsen, Kingwood, Texas;
(2328) Sergeant Benjamin E. Mejia, Salem, Massachusetts;
(2329) Private Bobby Mejia II, Saginaw, Michigan;
(2330) Staff Sergeant David A. Mejias, San Juan, Puerto Rico;
(2331) Specialist Mark W. Melcher, Pittsburgh, Pennsylvania;
(2332) Sergeant John Mele, Bunnell, Florida;
(2333) Lance Corporal Anthony C. Melia, Thousand Oaks, California;
(2334) Corporal Casey L. Mellen, Huachuca City, Arizona;
(2335) Staff Sergeant Julian S. Melo, Brooklyn, New York;
(2336) Specialist Jacob E. Melson, Wasilla, Alaska;
(2337) Specialist Kenneth A. Melton, Westplains, Missouri;
(2338) Corporal Jaygee Ngirmidol Meluat, Tamuning, Guam;
(2339) Staff Sergeant Tracy L. Melvin, Seattle, Washington;
(2340) Private Kristian Menchaca, San Marcos, Texas;
(2341) First Sergeant Bobby Mendez, Brooklyn, New York;
(2342) Lance Corporal David A. Mendez Ruiz, Cleveland, Ohio;
(2343) Private First Class Antonio ''Tony'' Mendez Sanchez, Rincon, Puerto Rico;
(2344) Petty Officer Third Class Fernando A. Mendez-Aceves, Ponce, Puerto Rico;
(2345) Corporal Antonio Mendoza, Santa Ana, California;
(2346) Sergeant Giann C. Joya Mendoza, North Hollywood, California;
(2347) Major Ramon J. Mendoza, Jr., Columbus, Ohio;
(2348) Sergeant Steven P. Mennemeyer, Granite City, Illinois;
(2349) Gunnery Sergeant Joseph Menusa, San Jose, California;
(2350) Staff Sergeant Eddie E. Menyweather, Los Angeles, California;
(2351) Specialist Gil Mercado, Paterson, New Jersey;
(2352) Lance Corporal Raul Mercado, Monrovia, California;
(2353) Staff Sergeant Angel D. Mercado-Velazquez, Puerto Rico;
(2354) Specialist Sergio A. Mercedes Saez, New York, New York;
(2355) Sergeant Chad M. Mercer, Waycross, Georgia;
(2356) Specialist Christopher S. Merchant, Hardwick, Vermont;
(2357) Staff Sergeant Dennis P. Merck, Evans, Georgia;
(2358) Sergeant Michael M. Merila, Sierra Vista, Arizona;
(2359) Private First Class Ivan E. Merlo, San Marcos, California;
(2360) Sergeant Jason L. Merrill, Mesa, Arizona;
(2361) Specialist Christopher A. Merville, Albuquerque, New Mexico;
(2362) Sergeant Christopher P. Messer, Petersburg, Florida;
(2363) Private First Class Scott A. Messer, Ashland, Kentucky;
(2364) Private First Class Nicolas E. Messmer, Gahanna/Franklin, Ohio;
(2365) Sergeant Daniel K. Methvin, Belton, Texas;
(2366) Sergeant Major Michael C. Mettille, St. Paul, Minnesota;
(2367) Private First Class Harrison J. Meyer, Worthington, Ohio;
(2368) Private First Class Jason Michael Meyer, Swartz Creek, Michigan;
(2369) Specialist Brandon A. Meyer, Orange, California;
(2370) Sergeant Barry K. Meza, League City, Texas;
(2371) Corporal Gilberto A. Meza, Oxnard, California;
(2372) Corporal Joseph P. Micks, Rapid River, Michigan;
(2373) Sergeant Eliu A. Miersandoval, San Clemente, California;
(2374) Specialist Michael G. Mihalakis, San Jose, California;
(2375) Private First Class Matthew G. Milczark, Kettle River, Minnesota
(2376) Corporal Jason David Mileo, Centreville, Maryland;
(2377) Sergeant Sean H. Miles, Midlothian, Virginia;
(2378) Specialist Gregory N. Millard, San Diego, California;
(2379) Sergeant Joseph B. Milledge, Pointblank, Texas;
(2380) Private First Class Patrick J. Miller, New Port Richey, Florida;
(2381) Private First Class Anthony Scott Miller, San Antonio, Texas;
(2382) Lance Corporal Clinton J. Miller, Greenfield, Iowa;
(2383) Sergeant John W. Miller, West Burlington, Iowa;
(2384) Specialist Kyle Miller, Willmar, Minnesota;
(2385) Sergeant Marco L. Miller, Longwood, Florida;
(2386) Sergeant First Class Marvin Lee Miller, Dunn, North Carolina;
(2387) Lance Corporal Nicholas A. Miller, Silverwood, Michigan;
(2388) Lance Corporal Ryan A. Miller, Pearland, Texas;
(2389) Private Ryan Edwin Miller, Gahanna, Ohio;

(2390) Lance Corporal William L. Miller, Pearland, Texas;
(2391) Sergeant Mikeal W. Miller, Albany, Oregon;
(2392) Private Scott A. Miller, Casper, Wyoming;
(2393) Captain Lowell T. Miller II, Flint, Michigan;
(2394) Private First Class James H. Miller IV, Cincinnati, Ohio;
(2395) Private First Class Bruce Miller, Jr., Orange, New Jersey;
(2396) Senior Airman Daniel B. Miller, Jr., Galesburg, Illinois;
(2397) Private First Class Dennis J. Miller, Jr., La Salle, Michigan;
(2398) Staff Sergeant Frederick L. Miller, Jr., Hagerstown, Indiana;
(2399) Private First Class Jonathan Millican, Trafford, Alabama;
(2400) Sergeant Lea R. Mills, Brooksville, Florida;
(2401) Sergeant Jerry W. Mills, Jr., Arkansas City, Kansas;
(2402) First Sergeant Timmy J. Millsap, Wichita, Kansas;
(2403) Specialist Avealalo Milo, Hayward, California;
(2404) Lance Corporal Robert T. Mininger, Sellersville, Pennsylvania;
(2405) Petty Officer First Class Gilbert Minjares, Jr., El Paso, Texas;
(2406) Staff Sergeant Brian L. Mintzlaff, Fort Worth, Texas;
(2407) Sergeant Joseph Minucci II, Richeyville, Pennsylvania;
(2408) Sergeant First Class Troy ''Leon'' Miranda, DeQueen, Arkansas;
(2409) Sergeant Gordon F. Misner II, Sparks, Nevada;
(2410) Private Jody W. Missildine, Plant City, Florida;
(2411) Staff Sergeant Curtis A. Mitchell, Malta, Ohio;
(2412) Sergeant Keman L. Mitchell, Hilliard, Florida;
(2413) Sergeant Michael W. Mitchell, Porterville, California;
(2414) Sergeant Sean R. Mitchell, Youngsville, Pennsylvania;
(2415) Specialist Raymond N. Mitchell III, West Memphis, Arkansas;
(2416) Specialist George Arthur Mitchell, Jr., Rawlings, Maryland;
(2417) Sergeant David A. Mitts, Hammond, Oregon;
(2418) Private First Class Jesse D. Mizener, Auburn, California;
(2419) Sergeant Willsun M. Mock, Harper, Kansas;
(2420) Lance Corporal Scott T. Modeen, Hennepin, Minnesota;
(2421) Private First Class Joshua S. Modgling, Las Vegas, Nevada;
(2422) Specialist Yari Mokri, Pflugerville, Texas;
(2423) Specialist Joshua A. Molina, Houston, Texas;
(2424) Staff Sergeant Jorge A. Molina Bautista, Rialto, California;
(2425) Sergeant First Class Justin S. Monschake, Krum, Texas;
(2426) Private First Class Anthony W. Monroe, Bismarck, North Dakota;
(2427) Specialist Christopher T. Monroe, Kendallville, Indiana;
(2428) Lance Corporal Jeremy Scott Sandvick Monroe, Chinook, Montana;
(2429) Petty Officer Second Class Michael A. Monsoor, Garden Grove, California;
(2430) Staff Sergeant Jesus M. Montalvo, Rio Piedras, Puerto Rico;
(2431) Staff Sergeant Jason W. Montefering, Parkston, South Dakota;
(2432) Sergeant Alphonso J. Montenegro II, Far Rockaway, New York;
(2433) Sergeant Luis A. Montes, El Centro, California;
(2434) Lance Corporal Brian P. Montgomery, Willoughby, Ohio;
(2435) Sergeant Ryan J. Montgomery, Greensburg, Kentucky;
(2436) Sergeant Robert J. Montgomery, Scottsburg, Indiana;
(2437) Specialist Damien M. Montoya, Holbrook, Arizona;
(2438) Sergeant Michael J. Montpetit, Honolulu, Hawaii;
(2439) Sergeant Milton M. Monzon, Jr., Los Angeles, California;
(2440) Staff Sergeant Michael D. Moody, Jr., Richmond, Virginia;
(2441) Sergeant Jae S. Moon, Levittown, Pennsylvania;
(2442) First Lieutenant Adam G. Mooney, Cambridge, Maryland;
(2443) Chief Warrant Officer Dwayne L. Moore, Williamsburg, Virginia;
(2444) Major Horst Gerhard ''Gary'' Moore, Los Fresnos/San Antonio, Texas;
(2445) Corporal James Lee Moore, Roseburg, Oregon;
(2446) Lance Corporal Jason William Moore, San Marcos, California;
(2447) Private First Class Keith J. Moore, San Francisco, California;
(2448) Corporal Nathaniel K. Moore, Champaign, Illinois;
(2449) Private First Class Stuart W. Moore, Livingston, Texas;
(2450) Staff Sergeant William C. Moore, Benson, North Carolina;
(2451) Private First Class Joshua M. Moore, Russellville, Kentucky;
(2452) Staff Sergeant Christopher Lee Moore, Alpaugh, California;
(2453) Sergeant Travis A. Moothart, Brownsville, Oregon;
(2454) Specialist Jose L. Mora, Bell Gardens, California;
(2455) Private First Class Michael A. Mora, Arroyo Grande, California;
(2456) Sergeant Omar L. Mora, Texas City, Texas;
(2457) Sergeant Arthur A. Mora, Jr., Pico Rivera, California;
(2458) Sergeant Melvin Y. Mora Lopez, Arecibo, Puerto Rico;
(2459) Private First Class Jason M. Morales, La Puente, California;
(2460) Private Joshua M. Morberg, Sparks, Nevada;
(2461) Master Sergeant Kevin N. Morehead, Little Rock, Arkansas;
(2462) Captain Brent L. Morel, Martin, Tennessee;
(2463) Petty Officer Third Class David J. Moreno, Gering, Nebraska;
(2464) Sergeant Gerardo Moreno, Terrell, Texas;
(2465) Specialist Jaime Moreno, Round Lake Beach, Illinois;
(2466) Private First Class Luis A. Moreno, Bronx, New York;
(2467) Private Reece D. Moreno, Prescott, Arizona;
(2468) Sergeant Trista L. Moretti, South Plainfield, New Jersey;
(2469) Sergeant Carl J. Morgain, Butler, Pennsylvania;
(2470) Sergeant Dennis B. Morgan, Valentine, Nebraska;
(2471) Specialist Keisha M. Morgan, Washington, District of Columbia;
(2472) Staff Sergeant Richard L. Morgan, Jr., Maynard/St. Clairsville, Ohio;
(2473) Sergeant Steve Morin, Jr., Arlington, Texas;
(2474) Sergeant Joshua L. Morley, Boise, Idaho;
(2475) Staff Sergeant Christopher R. Morningstar, San Antonio, Texas;
(2476) Private First Class Allan A. Morr, Shiawassee County, Michigan;
(2477) Staff Sergeant Brian Lee Morris, Centreville, Michigan;
(2478) Staff Sergeant Daniel M. Morris, Clinton, Tennessee;
(2479) Lance Corporal Daniel T. Morris, Crimora, Virginia;
(2480) Corporal Darrel J. Morris, Spokane, Washington;
(2481) Sergeant Eric Wayne Morris, Sparks, Nevada;
(2482) Private First Class Geoffrey S. Morris, Gurnee, Illinois;
(2483) Sergeant Kelly S. Morris, Boise, Idaho;
(2484) Lance Corporal Stephen L. Morris, Lake Jackson, Texas;
(2485) Private First Class Ricky A. Morris, Jr., Lubbock, Texas;
(2486) Sergeant First Class Lawrence E. Morrison, Yakima, Washington;
(2487) Lance Corporal Nicholas B. Morrison, Carlisle, Pennsylvania;
(2488) Sergeant Shawna M. Morrison, Paris/Champaign, Illinois;
(2489) Corporal Jason W. Morrow, Riverside, California;
(2490) Lance Corporal Marty G. Mortenson, Flagstaff, Arizona;
(2491) Sergeant Benjamin C. Morton, Wright, Kansas;
(2492) Lance Corporal Robert L. Moscillo, Salem, New Hampshire;
(2493) Captain Timothy J. Moshier, Delmar/Albany, New York;
(2494) Specialist Jason L. Moski, Blackville/Wagener, South Carolina;
(2495) Sergeant Keelan L. Moss, Houston, Texas;
(2496) Technical Sergeant Walter M. Moss, Jr., Houston, Texas;
(2497) Sergeant First Class Allen Mosteiro, Fort Worth, Texas;
(2498) Corporal Todd A. Motley, Clare, Michigan;
(2499) Staff Sergeant Christopher O. Moudry, Baltimore, Maryland;
(2500) Sergeant First Class James S. ''Shawn'' Moudy, Newark, Delaware;
(2501) Corporal Clifton Blake Mounce, Pontotoc, Mississippi;
(2502) Corporal Kevin S. Mowl, Pittsford, New York;
(2503) Specialist Clifford L. Moxley, Jr., New Castle, Pennsylvania;
(2504) Sergeant Ashly L. Moyer, Emmaus, Pennsylvania;
(2505) Sergeant Cory R. Mracek, Hay Springs, Nebraska;
(2506) Sergeant James P. Muldoon, Bells, Texas;
(2507) Staff Sergeant Jeremy W. Mulhair, Omaha, Nebraska;
(2508) Private First Class Adam J. Muller, Underhill, Vermont;
(2509) Major Michael Lewis Mundell, Brandenburg, Kentucky;
(2510) Specialist Joshua J. Munger, Maysville, Missouri;
(2511) Staff Sergeant Donald L. Munn II, Saint Clairs Shores, Michigan;
(2512) Private First Class Matthew M. Murchison, Independence, Missouri;
(2513) Gunnery Sergeant Herman J. Murkenson, Jr., Adger, Alabama;
(2514) Private First Class Christopher E. Murphy, Lynchburg, Virginia;
(2515) Private First Class Shawn M. Murphy, Fort Bragg, North Carolina;
(2516) Sergeant Warren A. Murphy, Marrero, Louisiana;
(2517) Commander Philip A. Murphy-Sweet, Caldwell, Idaho;
(2518) Lance Corporal Adam R. Murray, Cordova, Tennessee;
(2519) Sergeant David Joseph Murray, Felixville/Clinton, Louisiana;
(2520) Sergeant Jeremy E. Murray, Atwater, Ohio;
(2521) Sergeant Rodney A. Murray, Ayden, North Carolina;

(2522) Sergeant Joel L. Murray, Kansas City, Missouri;
(2523) Private First Class Robert W. Murray, Jr., Westfield, Indiana;
(2524) Sergeant James P. Musack, Riverside, Iowa;
(2525) Sergeant Dimitri Muscat, Aurora, Colorado;
(2526) Sergeant Mitchel T. Mutz, Falls City, Texas;
(2527) Lance Corporal Veashna Muy, Los Angeles, California;
(2528) Specialist Edward L. Myers, St. Joseph, Missouri;
(2529) Sergeant Krisna Nachampassak, Burke, Virginia;
(2530) Specialist Russell H. Nahvi, Arlington, Texas;
(2531) Specialist Paul T. Nakamura, Santa Fe Springs, California;
(2532) Specialist Nathan W. Nakis, Sedro-Woolley, Washington;
(2533) Private Kenneth A. Nalley, Hamburg, Iowa;
(2534) Petty Officer Third Class Roger Alan Napper, Jr., Greenburg, Pennsylvania;
(2535) Specialist Richard Junior D. Naputi of Talofofo, Guam;
(2536) Staff Sergeant Joe A. Narvaez, San Antonio, Texas;
(2537) Specialist Casey W. Nash, Baltimore, Maryland;
(2538) Chief Warrant Officer (CW2) Christopher G. Nason, Los Angeles, California;
(2539) Airman First Class Jason D. Nathan, Macon, Georgia;
(2540) Specialist Peter J. Navarro, Wildwood, Missouri;
(2541) Lance Corporal Juana NavarroArellano, Ceres, California;
(2542) Major Kevin Gerard Nave, Union Lake, Michigan;
(2543) Specialist Rafael L. Navea, Pittsburgh, Pennsylvania;
(2544) Specialist Brynn J. Naylor, Roswell, New Mexico;
(2545) Specialist Christine M. Ndururi, Dracut, Massachusetts;
(2546) Corporal Jacob H. Neal, San Marcos, Texas;
(2547) Lance Corporal Troy D. Nealey, Eaton Rapids, Michigan;
(2548) Master Sergeant Robb Gordon Needham, Vancouver, Washington;
(2549) First Lieutenant Phillip I. Neel, Maryland;
(2550) Specialist Charles L. Neeley, Mattoon, Illinois;
(2551) Sergeant Peter C. Neesley, Grosse Pointe Farms, Michigan;
(2552) Private First Class Christian M. Neff, Lima, Ohio;
(2553) Staff Sergeant Paul M. Neff II, Fort Mill, South Carolina;
(2554) Sergeant Julio E. Negron, Pompano Beach, Florida;
(2555) Specialist Christopher T. Neiberger, Gainesville, Florida;
(2556) Private First Class Gavin L. Neighbor, Somerset, Ohio;
(2557) Staff Sergeant Regilio E. Nelom, Queens, New York;
(2558) Private First Class Albert M. Nelson, Philadelphia, Pennsylvania;
(2559) Private First Class Andrew H. Nelson, Saint Johns, Michigan;
(2560) Sergeant Craig L. Nelson, Bossier City, Louisiana;
(2561) Specialist Lex S. Nelson, Salt Lake City, Utah;
(2562) Sergeant Mario Nelson, New York, New York;
(2563) Staff Sergeant Travis L. Nelson, Anniston, Alabama;
(2564) Corporal Christopher J. Nelson, Rochester, Washington;
(2565) Staff Sergeant Andrew P. Nelson, Moorhead, Minnesota;
(2566) Specialist Keith V. Nepsa, New Philidelphia, Ohio;
(2567) Petty Officer Third Class Marcques J. Nettles, Beaverton, Oregon;
(2568) Sergeant Paul C. Neubauer, Oceanside, California;
(2569) Specialist Joshua M. Neusche, Montreal, Missouri;
(2570) Private First Class William R. Newgard, Arlington Heights, Illinois;
(2571) First Lieutenant Gwilym J. Newman, Waldorf, Maryland;
(2572) Lance Corporal Randy Lee Newman, Bend, Oregon;
(2573) Senior Airman William N. Newman, Kingston Springs, Tennessee;
(2574) Staff Sergeant Daniel A. Newsome, Chicopee, Massachusetts;
(2575) Corporal Meresebang Ngiraked, Koror, Republic of Palau;
(2576) Specialist Dan H. Nguyen, Sugarland, Texas;
(2577) Sergeant First Class Tung M. Nguyen, Tracy, California;
(2578) Lance Corporal Joseph L. Nice, Nicoma Park, Oklahoma;
(2579) Corporal Dominique J. Nicolas, Maricopa, Arizona;
(2580) Private First Class Louis E. Niedermeier, Largo, Florida;
(2581) Specialist Isaac Michael Nieves, Unadilla, New York;
(2582) Staff Sergeant Scott E. Nisely, Marshalltown, Iowa;
(2583) Lance Corporal Patrick Ray Nixon, Nashville, Tennessee;
(2584) Hospitalman Daniel S. Noble, Whittier, California;
(2585) Specialist Allen Nolan, Marietta, Ohio;
(2586) Sergeant Joseph M. Nolan, Philadelphia, Pennsylvania;
(2587) Specialist Marcos O. Nolasco, Chino, California;
(2588) Hospitalman Kyle A. Nolen, Ennis, Texas;
(2589) Sergeant Nicholas S. Nolte, Falls City, Nebraska;
(2590) Captain Michael A. Norman, Killeen, Texas;
(2591) Sergeant William J. Normandy, East Barre, Vermont;
(2592) Specialist Joseph C. Norquist, San Antonio, Texas;
(2593) Sergeant Curtis L. Norris, Dansville, Michigan;
(2594) Staff Sergeant Paul B. Norris, Cullman, Alabama;
(2595) Private First Class Christopher M. North, Sarasota, Florida;
(2596) Technical Sergeant Jason L. Norton, Miami, Oklahoma;
(2597) Sergeant Justin Dean Norton, Rainier, Washington;
(2598) Sergeant Byron W. Norwood, Pflugerville, Texas;
(2599) Captain Leif E. Nott, Cheyenne, Wyoming;
(2600) Specialist Shaun A. Novak, Two Rivers, Wisconsin;
(2601) Lance Corporal Andrew W. Nowacki, South Euclid, Ohio;
(2602) Sergeant Justin Noyes, Vinita, Oklahoma;
(2603) Staff Sergeant Todd E. Nunes, Chapel Hills, Tennessee;
(2604) Corporal Jason Nunez, Naranjito, Puerto Rico;
(2605) Corporal Keith A. Nurnberg, McHenry, Illinois;
(2606) Sergeant Joseph C. Nurre, Wilton, California;
(2607) Sergeant David T. Nutt, Blackshear, Georgia;
(2608) Corporal Mick R. Nygardbekowsky, Concord, California;
(2609) Staff Sergeant Nathaniel J. Nyren, Reston, Virginia;
(2610) Lance Corporal Walter K. O'Haire, Lynn, Massachusetts;
(2611) Sergeant Donald Samuel Oaks, Jr., Erie, Pennsylvania;
(2612) Private First Class Francis C. Obaji, Queens Village, New York;
(2613) Private First Class Branden F. Oberleitner, Worthington, Ohio;
(2614) Specialist George R. Obourn, Jr., Creve Coeur, Illinois;
(2615) Corporal William D. O'Brien, Rice, Texas;
(2616) Lance Corporal Patrick Terence O'Day, Sonoma, California;
(2617) Sergeant Major Robert D. ODell, Manassas, Virginia;
(2618) Lance Corporal Shane K. O'Donnell, DeForest, Wisconsin;
(2619) Specialist Charles E. Odums II, Sandusky, Ohio;
(2620) Sergeant John B. Ogburn III, Fruitland, Idaho;
(2621) Corporal Wade J. Oglesby, Grand Junction, Colorado;
(2622) Specialist Ramon C. Ojeda, Ramona, California;
(2623) Sergeant Randell Olguin, Ralls, Texas;
(2624) Corporal Brian Oliveira, Raynham, Massachusetts;
(2625) Sergeant Nicholas J. Olivier, Ruston, Louisiana;
(2626) Major Andrew J. Olmsted, Colorado Springs, Colorado;
(2627) Lance Corporal Daniel R. Olsen, Eagan, Minnesota;
(2628) Specialist Toby R. Olsen, Manchester, New Hampshire;
(2629) Corporal John T. Olson, Elk Grove Village, Illinois;
(2630) Staff Sergeant Todd D. Olson, Loyal, Wisconsin;
(2631) Specialist Nicholas P. Olson, Novato, California;
(2632) First Lieutenant Robert C. Oneto-Sikorski, Bay St. Louis, Mississippi;
(2633) Sergeant Justin B. Onwordi, Chandler, Arizona;
(2634) Sergeant Bryan James Opskar, Princeton, Minnesota;
(2635) Private First Class Michael K. Oremus, Highland, New York;
(2636) Specialist Richard P. Orengo, Toa Alta, Puerto Rico;
(2637) Lieutenant Colonel Kim S. Orlando, Nashville, Tennessee;
(2638) Lance Corporal Eric James Orlowski, Buffalo, New York;
(2639) Private First Class Jay-D H. Ornsby-Adkins, Ione, California;
(2640) Sergeant Adrian N. Orosco, Corcoran, California;
(2641) First Lieutenant Osbaldo Orozco, Delano, California;
(2642) Private First Class Cody J. Orr, Ruskin, Florida;
(2643) Private Elijah M. Ortega, Oxnard, California;
(2644) Captain Maria I. Ortiz, Bayamon, Puerto Rico;
(2645) Staff Sergeant Billy J. Orton, Humnoke, Arkansas;
(2646) Sergeant Timothy R. Osbey, Magnolia, Mississippi;
(2647) Sergeant Pamela G. Osbourne, Hollywood, Florida;
(2648) Sergeant John C. Osmolski, Eustis, Florida;
(2649) Staff Sergeant Ryan S. Ostrom, Liberty, Pennsylvania;
(2650) Chief Warrant Officer Scott A.M., Oswell, Washington;
(2651) Lance Corporal Deshon E. Otey, Hardin, Kentucky;
(2652) Private First Class Kevin C. Ott, Columbus, Ohio;
(2653) Staff Sergeant Michael C. Ottolini, Sebastopol, California;

(2654) Lance Corporal Tyler R. Overstreet, Gallatin, Tennessee;
(2655) Sergeant Michael G. Owen, Phoenix, Arizona;
(2656) Specialist Anthony Chad Owens, Dillon/Conway, South Carolina;
(2657) Lance Corporal David Edward Owens, Jr., Winchester, Virginia;
(2658) Staff Sergeant Paul Pabla, Fort Wayne, Indiana;
(2659) Private First Class Paulomarko U. Pacificador, Shirley, New York;
(2660) Sergeant Steven M. Packer, Clovis, California;
(2661) Hospitalman Geovani Padilla Aleman, South Gate, California;
(2662) Sergeant Fernando Padilla-Ramirez, San Luis, Arizona;
(2663) Private First Class Rex A. Page, Kirksville, Missouri;
(2664) Private Shawn D. Pahnke, Shelbyville, Indiana;
(2665) Captain Mark C. Paine, Rancho Cucamonga, California;
(2666) Specialist Gabriel T. Palacios, Lynn, Massachusetts;
(2667) Captain Anthony Palermo, Jr., Brockton, Massachusetts;
(2668) Captain Eric Thomas Paliwoda, Farmington, Connecticut;
(2669) Corporal Jacob C. Palmatier, Springfield, Illinois;
(2670) Corporal Cory L. Palmer, Seaford, Delaware;
(2671) Corporal Joshua D. Palmer, Blandinsville, Illinois;
(2672) First Lieutenant Joshua M. Palmer, Banning, California;
(2673) Lance Corporal Nick J. Palmer, Leadville, Colorado;
(2674) Specialist Eric C. Palmer, Maize, Kansas;
(2675) Corporal Charles O. Palmer II, Manteca, California;
(2676) Lance Corporal Eric A. Palmisano, Florence, Wisconsin;
(2677) Staff Sergeant Dale A. Panchot, Northome, Minnesota;
(2678) Corporal Jose A. Paniagua-Morales, Bell Gardens, California;
(2679) Sergeant Larry Wayne Pankey, Jr., Morrison, Colorado;
(2680) Private First Class Phillip J. Pannier, Washburn, Illinois;
(2681) Corporal Jennifer M. Parcell, Bel Air, Maryland;
(2682) Corporal Javier G. Paredes, San Antonio, Texas;
(2683) Sergeant Alfred G. Paredez, Jr., Las Vegas, Nevada;
(2684) Lance Corporal Bradley L. Parker, Marion, West Virginia;
(2685) Private First Class Daniel R. Parker, Lake Elsinore, California;
(2686) Sergeant Elisha R. Parker, Taberg/Camden, New York;
(2687) Sergeant Evan S. Parker, Arkansas, Kansas;
(2688) Private First Class James D. Parker, Bryan, Texas;
(2689) Sergeant Kenya A. Parker, Fairfield, Alabama;
(2690) Staff Sergeant Saburant ''Sabe'' Parker, Foxworth, Mississippi;
(2691) Sergeant Richard K. Parker, Phillips, Maine;
(2692) Corporal Tommy L. Parker, Jr., Cleburne, Arkansas;
(2693) Sergeant Harvey Emmett Parkerson III, Yuba City, California;
(2694) Private First Class Larry Parks, Jr., Altoona, Pennsylvania;
(2695) Sergeant Brandon Allen Parr, West Valley, Utah;
(2696) Lance Corporal David S. Parr, Benson, North Carolina;
(2697) Lance Corporal Brian P. Parrello, West Milford, New Jersey;
(2698) Sergeant Lawrence Parrish, Lebanon, Missouri;
(2699) Staff Sergeant Michael C. Parrott, Timnath, Colorado;
(2700) Sergeant David B. Parson, Kannapolis, North Carolina;
(2701) Sergeant First Class Lonnie J. Parson, Norcross, Georgia;
(2702) Sergeant Willard Todd Partridge, Ferriday, Louisiana;
(2703) Captain Christopher T. Pate, Hampstead, North Carolina;
(2704) Lance Corporal Matthew P. Pathenos, Ballwin, Missouri;
(2705) Private First Class Justin T. Paton, Alanson, Michigan;
(2706) Staff Sergeant Jason L. Paton, Poway, California;
(2707) Captain Travis L. Patriquin, Lockport, Illinois;
(2708) Lance Corporal Andrew G. Patten, Byron, Illinois;
(2709) Sergeant Jayton D. Patterson, Wakefield/Sedley, Virginia;
(2710) Sergeant Nicholas J. Patterson, Rochester, Indiana;
(2711) Staff Sergeant Esau G. Patterson, Jr., Ridgeland, South Carolina;
(2712) Specialist Christopher G. Patton, Lawrenceville, Georgia;
(2713) Private First Class Henry Paul Kolonia, Pohnpei, Federated States of Micronesia;
(2714) Staff Sergeant Ronald L. Paulsen, Vancouver, Washington;
(2715) Corporal Bradford H. Payne, Montgomery, Alabama;
(2716) Sergeant Rocky D. Payne, Howell, Utah;
(2717) Master Sergeant William L. Payne, Otsego, Michigan;
(2718) Private First Class Cameron K. Payne, Corona, California;
(2719) Private Dylan R. Paytas, Freedom, Pennsylvania;
(2720) Lance Corporal George J. Payton, Culver City, California;
(2721) Specialist Joshua M. Pearce, Guymon, Oklahoma;
(2722) Sergeant First Class Eric P. Pearrow, Peoria, Illinois;
(2723) Sergeant Brice A. Pearson, Phoenix, Arizona;
(2724) Specialist Samuel F. Pearson, Westerville, Ohio;
(2725) Sergeant Michael Francis Pedersen, Flint, Michigan;
(2726) Sergeant Michael C. Peek, Chesapeake, Virginia;
(2727) Specialist Gennaro Pellegrini, Jr., Philadelphia, Pennsylvania;
(2728) Gunnery Sergeant Javier Obleas-Prado Pena, Falls Church, Virginia;
(2729) Staff Sergeant Abraham D. Penamedina, Los Angeles, California;
(2730) Staff Sergeant Jorge Luis Pena-Romero, Fallbrook, California;
(2731) Specialist Brian H. Penisten, Fort Wayne, Indiana;
(2732) Sergeant Ross A. Pennanen, Shawnee, Oklahoma;
(2733) Staff Sergeant Gregory V. Pennington, Glade Spring, Virginia;
(2734) Specialist Justin O. Penrod, Mahomet, Illinois;
(2735) Sergeant Johnny J. Peralez, Jr., Kingsville, Texas;
(2736) Sergeant Rafael Peralta, San Diego, California;
(2737) Corporal Andres H. Perez, Santa Cruz, California;
(2738) Sergeant Christopher S. Perez, Hutchinson, Kansas;
(2739) Second Lieutenant Emily J.T. Perez, Fort Washington, Maryland;
(2740) Private First Class Geoffrey Perez, Los Angeles, California;
(2741) Staff Sergeant Hector R. Perez, Corpus Christi, Texas;
(2742) Sergeant Joel Perez, Rio Grande, Puerto Rico;
(2743) Corporal Jose R. Perez, Ontario, California;
(2744) Private First Class Luis A. Perez, Theresa, New York;
(2745) Lance Corporal Nicholas Perez, Austin, Texas;
(2746) Lance Corporal Stephen Joseph Perez, San Antonio, Texas;
(2747) Specialist Orlando A. Perez, Houston, Texas;
(2748) Specialist Jose A. Perez III, San Diego, Texas;
(2749) Lance Corporal Richard A. Perez, Jr., Las Vegas, Nevada;
(2750) Specialist Wilfredo Perez, Jr., Norwalk, Connecticut;
(2751) Sergeant Andrew C. Perkins Northglenn, Colorado;
(2752) Petty Officer First Class Michael J. Pernaselli, Monroe, New York;
(2753) Sergeant Carlos E. Pernell, Munford, Alabama;
(2754) Staff Sergeant David S. Perry, Bakersfield, California;
(2755) Sergeant Joseph W. Perry, Alpine, California;
(2756) Private First Class Charles C. ''C.C.'' Persing, Albany, Louisiana;
(2757) Staff Sergeant Dustin W. Peters, El Dorado, Kansas;
(2758) Specialist Alyssa R. Peterson, Flagstaff, Arizona;
(2759) Lance Corporal Dale G. Peterson, Redmond, Oregon;
(2760) Captain Justin D. Peterson, Davisburg, Michigan;
(2761) Staff Sergeant Brett J. Petriken, Mundy Township, Michigan;
(2762) Lance Corporal Neil D. Petsche, Lena, Illinois;
(2763) Staff Sergeant James L. Pettaway, Jr., Baltimore, Maryland;
(2764) Captain Christopher P. Petty, Vienna, Virginia;
(2765) Staff Sergeant Erickson H. Petty, Fort Gibson, Oklahoma;
(2766) Private First Class Jerrick M. Petty, Idaho Falls, Idaho;
(2767) Private Jonathan R. Pfender, Evansville, Indiana;
(2768) Corporal Jacob M. Pfister, Buffalo, New York;
(2769) Sergeant Travis D. Pfister, Richland, Washington;
(2770) Lieutenant Colonel Mark P. Phelan, Green Lane, Pennsylvania;
(2771) Private First Class Chance R. Phelps, Clifton, Colorado;
(2772) Sergeant First Class Christopher W. Phelps, Louisville, Kentucky;
(2773) Specialist Coty J. Phelps, Arizona, Kingman;
(2774) Sergeant First Class Gladimir Philippe, Linden, New Jersey;
(2775) Lance Corporal Lawrence R. Philippon, Hartford, Connecticut;
(2776) Lance Corporal James R. Phillips, Hillsboro, Florida;
(2777) Sergeant John P. Phillips, St. Stephen, South Carolina;
(2778) Lance Corporal Steven L. Phillips, Chesapeake, Virginia;
(2779) Specialist Michael E. Phillips, Ardmore, Oklahoma;
(2780) Private First Class Sammie E. Phillips, Cecilia, Kentucky;
(2781) Sergeant Ivory L. Phipps, Chicago, Illinois;
(2782) Captain Pierre E. Piche, Starksboro, Vermont;
(2783) Corporal Joshua D. Pickard, Merced, California;
(2784) Lance Corporal Aaron C. Pickering, Marion, Illinois;
(2785) Specialist Randy W. Pickering, Bovey, Minnesota;

(2786) Corporal Jordan C. Pierson, Milford, Connecticut;
(2787) Private First Class Lori Ann Piestewa, Tuba City, Arizona;
(2788) Chief Warrant Officer Paul J. Pillen, Keystone, South Dakota;
(2789) Corporal Carlos Pineda, Los Angeles, California;
(2790) Sergeant Foster Pinkston, Warrenton, Georgia;
(2791) Sergeant Amanda N. Pinson, St. Louis, Missouri;
(2792) Captain Dennis L. Pintor, Lima, Ohio;
(2793) Staff Sergeant Robert R. Pirelli, Franklin, Massachusetts;
(2794) Specialist James H. Pirtle, La Mesa, New Mexico;
(2795) Private First Class Michael Patrick Pittman, Davenport, Iowa;
(2796) Staff Sergeant Raymond J. Plouhar, Lake Orion, Michigan;
(2797) Private First Class Derek J. Plowman, Everton, Arkansas;
(2798) Sergeant Adam J. Plumondore, Gresham, Oregon;
(2799) Specialist Eric J. Poelman, Racine, Wisconsin;
(2800) Private First Class Jason T. Poindexter, San Angelo, Texas;
(2801) Second Lieutenant Frederick Eben Pokorney, Jr., Nye, Nevada;
(2802) Staff Sergeant Andrew R. Pokorny, Naperville, Illinois;
(2803) Specialist Justin W. Pollard, Foothill Ranch, California;
(2804) Specialist Jessy G. Pollard, Springfield, Missouri;
(2805) Specialist Larry E. Polley, Jr., Center, Texas;
(2806) Sergeant Joe Polo, Opalocka, Florida;
(2807) Specialist Vincent J. Pomante III, Westerville, Ohio;
(2808) Sergeant Lorenzo Ponce Ruiz, El Paso, Texas;
(2809) Corporal Christopher L. Poole, Jr., Mount Dora, Florida;
(2810) Corporal Robert C. Pope II, East Islip, New York;
(2811) Sergeant Ralph N. Porras, Merrill, Michigan;
(2812) Sergeant Benjamin B. Portell, Bakersfield, California;
(2813) Lance Corporal Robert G. Posivio III, Sherburn, Minnesota;
(2814) Staff Sergeant Kenneth B. Pospisil, Andover, Minnesota;
(2815) Lance Corporal Michael V. Postal, Glen Oaks, New York;
(2816) Lance Corporal Christopher M. Poston, Glendale, Arizona;
(2817) Private First Class Michael J. Potocki, Baltimore, Maryland;
(2818) Sergeant Darrin K. Potter, Louisville, Kentucky;
(2819) Private First Class David L. Potter, Johnson City, Tennessee;
(2820) Private First Class Jerome J. Potter, Tacoma, Washington;
(2821) Sergeant Christopher S. Potts, Tiverton, Rhode Island;
(2822) Sergeant Lynn Robert Poulin, Sr., Freedom, Maine;
(2823) Corporal Chad W. Powell, West Monroe, Louisiana;
(2824) Specialist James E. Powell, Radcliff, Kentucky;
(2825) Corporal Kyle W. Powell, Colorado Springs, Colorado;
(2826) Corporal Willard M. Powell-Kerchief, Evansville, Indiana;
(2827) Lance Corporal Caleb J. Powers, Manfield, Washington;
(2828) Private Joshua Francis Powers, Skiatook, Oklahoma;
(2829) Staff Sergeant Terry W. Prater, Speedwell, Tennessee;
(2830) Sergeant First Class Daniel J. Pratt, Youngstown, Ohio;
(2831) Corporal Dean P. Pratt, Stevensville, Montana;
(2832) Sergeant Austin D. Pratt, Cadet, Missouri;
(2833) Lance Corporal Taylor B. Prazynski, Fairfield, Ohio;
(2834) Corporal Brian P. Prening, Sheboygan, Wisconsin;
(2835) Corporal Michael B. Presley, Batesville, Mississippi;
(2836) Specialist Aaron L. Preston, Dallas, Texas;
(2837) Private First Class James E. Prevete, Whitestone, New York;
(2838) Private Kelley Stephen Prewitt, Birmingham, Alabama;
(2839) Sergeant Tyler D. Prewitt, Phoenix, Arizona;
(2840) Private First Class James W. Price, Cleveland, Tennessee;
(2841) Lance Corporal Jonathan Kyle Price, Woodlawn, Illinois;
(2842) First Lieutenant Timothy E. Price, Midlothian, Virginia;
(2843) Private First Class Tina M. Priest, Austin, Texas;
(2844) Sergeant First Class James D. Priestap, Hardwood, Michigan;
(2845) Chief Warrant Officer John R. Priestner, Pennsylvania;
(2846) Corporal Kevin William Prince, Plain City, Ohio;
(2847) Sergeant First Class Neil A. Prince, Baltimore, Maryland;
(2848) Lance Corporal Michael S. Probstm, Irvine, California;
(2849) Second Lieutenant Mark J. Procopio, Stowe, Vermont;
(2850) Corporal Scott J. Procopio, Saugus, Massachusetts;
(2851) Sergeant Joseph E. Proctor, Indianapolis, Indiana;
(2852) Lance Corporal Mathew D. Puckett, Mason, Texas;
(2853) Sergeant Jaror C. Puello-Coronado, Pocono Summit, Pennsylvania;
(2854) Staff Sergeant Kenneth I. Pugh, Houston, Texas;
(2855) Sergeant Robert Shane Pugh, Meridian, Mississippi;
(2856) Staff Sergeant George A. Pugliese, Carbondale, Pennsylvania;
(2857) Staff Sergeant Richard T. Pummill, Cincinnati, Ohio;
(2858) Corporal Michael A. Pursel, Clinton, Utah;
(2859) Sergeant Christopher M. Pusateri, Corning, New York;
(2860) Corporal Cody A. Putnam, Lafayette, Indiana;
(2861) Lance Corporal Louis W. Qualls, Temple, Texas;
(2862) Sergeant Marquees A. Quick, Hoover, Alabama;
(2863) Corporal Richard O. Quill III, Roswell, Georgia;
(2864) Staff Sergeant Michael B. Quinn, Tampa, Florida;
(2865) Specialist Bryan L. Quinton, Sand Springs, Oklahoma;
(2866) Corporal Stephen J. Raderstorf, Peoria, Arizona;
(2867) Lance Corporal Mourad Ragimov, San Diego, California;
(2868) Sergeant Joseph A. Rahaim, Laurel, Mississippi;
(2869) Lance Corporal Carl L. Raines II, Coffee, Alabama;
(2870) Lance Corporal Rhonald Dain Rairdan, Castroville/San Antonio, Texas;
(2871) Lance Corporal Branden P. Ramey, Boone, Illinois;
(2872) Staff Sergeant Richard P. Ramey, Canton, Ohio;
(2873) Sergeant Angel De Jesus Lucio Ramirez, Pacoima, California;
(2874) Lance Corporal Benito A. Ramirez, Edinburg, Texas;
(2875) Sergeant Christopher Ramirez, Edinburg (McAllen), Texas;
(2876) Specialist Eric U. Ramirez, San Diego, California;
(2877) Staff Sergeant Gene Ramirez, San Antonio, Texas;
(2878) Specialist Ignacio Ramirez, Henderson, Nevada;
(2879) Sergeant Reyes Ramirez, Willis, Texas;
(2880) Private First Class William C. Ramirez, Portland, Oregon;
(2881) Lance Corporal Rogelio Ramirez, Pasadena, California;
(2882) Specialist Aleina Ramirezgonzalez, Hormigueros, Puerto Rico;
(2883) Corporal Julian A. Ramon, Flushing, New York;
(2884) Private First Class Christopher Ramos, Albuquerque, New Mexico;
(2885) Lance Corporal Hector Ramos, Aurora, Illinois;
(2886) Sergeant Miguel A. Ramos, Mayaguez, Puerto Rico;
(2887) Specialist Tamarra J. Ramos, Quakertown, Pennsylvania;
(2888) Private First Class Brandon Ramsey, Calumet City, Illinois;
(2889) Private Carson J. Ramsey, Winkelman, Arizona;
(2890) Sergeant Christopher J. Ramsey, Batchelor, Louisiana;
(2891) Specialist David J. Ramsey, Tacoma, Washington;
(2892) Private First Class Joshua A. Ramsey, Defiance, Ohio;
(2893) Staff Sergeant Jason C. Ramseyer, Lenoir, North Carolina;
(2894) Sergeant Edmond Lee Randle, Jr., Carol City, Florida;
(2895) Private First Class Cleston C. Raney, Rupert, Idaho;
(2896) Staff Sergeant Jose C. Rangel, Fresno, California;
(2897) Staff Sergeant Ray Rangel, San Antonio, Texas;
(2898) Specialist Shawn Rankinen, Independence, Missouri;
(2899) Corporal Nicholas P. Rapavi, Springfield, Virginia;
(2900) Captain Patrick Marc M. Rapicault, St. Augustine, Florida;
(2901) Sergeant Sameer A. M. Rateb, Absecon, New Jersey;
(2902) Captain Gregory A. Ratzlaff, Olympia, Washington;
(2903) Captain Nathan R. Raudenbush, Pennsylvania;
(2904) Specialist Rel A. Ravago IV, Glendale, California;
(2905) First Lieutenant Jeremy E. Ray, Houston, Texas;
(2906) Sergeant Thomas C. Ray II, Weaverville, North Carolina;
(2907) Specialist Jared J. Raymond, Swampscott, Massachusetts;
(2908) Sergeant Pierre A. Raymond, Lawrence, Massachusetts;
(2909) Specialist Omead H. Razani, Los Angeles, California;
(2910) Sergeant Brandon Michael Read, Greeneville, Tennessee;
(2911) Sergeant Regina C. Reali, Fresno, California;
(2912) Corporal William J. Rechenmacher, Jacksonville, Florida;
(2913) Lance Corporal Jason C. Redifer, Stuarts Draft, Virginia;
(2914) Specialist Matthew K. Reece, Harrison, Arkansas;
(2915) Lance Corporal Aaron H. Reed, Chillicothe, Ohio;
(2916) Private First Class Christopher J. Reed, Craigmont, Idaho;
(2917) Staff Sergeant Jonathan Ray Reed, Krotz Springs/Opelousa, Louisiana;

(2918) Private First Class Ryan E. Reed, Colorado Springs, Colorado;
(2919) Sergeant Tatjana Reed, Fort Campbell, Kentucky;
(2920) Gunnery Sergeant Edward T. Reeder, Camp Verde, Arizona;
(2921) Staff Sergeant Aaron T. Reese, Reynoldsburg, Ohio;
(2922) Sergeant Gary L. Reese, Jr., Ashland City, Tennessee;
(2923) Specialist Joshua H. Reeves, Watkinsville, Georgia;
(2924) Sergeant James J. Regan, Manhasset, New York;
(2925) Specialist Jeremy F. Regnier, Littleton, New Hampshire;
(2926) Sergeant First Class Randall Scott Rehn, Longmont, Colorado;
(2927) Staff Sergeant Gavin B. Reinke, Pueblo, Colorado;
(2928) Sergeant Brendon Curtis Reiss, Casper, Wyoming;
(2929) Corporal Kyle J. Renehan, Oxford, Pennsylvania;
(2930) Staff Sergeant George S. Rentschler, Louisville, Kentucky;
(2931) Lance Corporal Justin D. Reppuhn, Hemlock, Michigan;
(2932) Captain Mark T. Resh, Fogelsville, Pennsylvania;
(2933) Sergeant Luis R. Reyes, Aurora, Colorado;
(2934) Private First Class Mario A. Reyes, Las Cruces, New Mexico;
(2935) Specialist Daniel F. Reyes, San Diego, California;
(2936) Private First Class Seferino J. Reyna, Phoenix, Arizona;
(2937) Sergeant Sean C. Reynolds, E. Lansing, Michigan;
(2938) Staff Sergeant Steven C. Reynolds, Jordan, New York;
(2939) Staff Sergeant Stanley B. Reynolds, Rock, West Virginia;
(2940) Staff Sergeant Edward C. Reynolds, Jr., Groves, Texas;
(2941) Lance Corporal Rafael Reynosasuarez, Santa Ana, California;
(2942) Sergeant Yadir G. Reynoso, Wapato, Washington;
(2943) Specialist David L. Rice, Sioux City, Iowa;
(2944) Corporal Demetrius Lamont Rice, Ortonville, Minnesota;
(2945) Corporal Bryan J. Richardson, Summersville, West Virginia;
(2946) Private First Class Stephen K. Richardson, Bridgeport, Connecticut;
(2947) Staff Sergeant William D. Richardson, Houston, Texas;
(2948) Corporal William D. Richardson, Moreno Valley, California;
(2949) Sergeant Ariel Rico, El Paso, Texas;
(2950) Sergeant Kenneth L. Ridgley, Olney, Illinois;
(2951) Specialist Jeremy L. Ridlen, Paris, Illinois;
(2952) Private First Class Andrew G. Riedel, Northglenn, Colorado;
(2953) Private First Class Nicholas E. Riehl, Shiocton, Wisconsin;
(2954) Sergeant James D. Riekena, Redmond, Washington;
(2955) Staff Sergeant David G. Ries, Clark, Washington;
(2956) Sergeant Greg N. Riewer, Frazee, Minnesota;
(2957) Private First Class Wesley R. Riggs, Baytown, Texas;
(2958) Corporal Garrywesley Tan Rimes, Santa Maria, California;
(2959) Private First Class Diego Fernando Rincon, Conyers, Georgia;
(2960) Specialist Michelle R. Ring, Martin, Tennessee;
(2961) Corporal Steven A. Rintamaki, Lynnwood, Washington;
(2962) Sergeant First Class Matthew I. Pionk, Superior, Wisconsin;
(2963) First Lieutenant Daniel P. Riordan, St. Louis, Missouri;
(2964) Sergeant Duane Roy Rios, Hammond, Indiana;
(2965) Private First Class Hernando Rios, Queens, New York;
(2966) Master Sergeant Julian Ingles Rios, Anasco, Puerto Rico;
(2967) Captain Russell Brian Rippetoe, Avarda, Colorado;
(2968) Private First Class Henry C. Risner, Golden, Colorado;
(2969) Specialist Brian E. Ritzberg, New York, New York;
(2970) Corporal Jonathan Rivadeneira, Jackson Heights, New York;
(2971) Specialist Eric G. Palacios Rivera, Atlantic City, New Jersey;
(2972) Sergeant First Class Jose A. Rivera, Bayamon, Puerto Rico;
(2973) Specialist Michael D. Rivera, Brooklyn, New York;
(2974) Staff Sergeant Rafeal Alicea Rivera, Bayamon, Puerto Rico;
(2975) Staff Sergeant Gregory Rivera-Santiago, St. Croix, Virgin Islands;
(2976) Specialist Jose A. Rivera-Serrano, Mayaguez, Puerto Rico;
(2977) Staff Sergeant Milton Rivera-Vargas, Boqueron, Puerto Rico;
(2978) Corporal John Travis Rivero, Tampa, Florida;
(2979) Specialist Frank K. Rivers, Jr., Woodbridge, Virginia;
(2980) Private First Class Christopher T. Riviere, Cooper City, Florida;
(2981) Staff Sergeant Timothy J. Roark, Houston, Texas;
(2982) Sergeant Thomas D. Robbins, Schenectady, New York;
(2983) Sergeant Todd James Robbins, Pentwater, Michigan;
(2984) Staff Sergeant William T. Robbins, North Little Rock, Arkansas;
(2985) Lance Corporal Anthony P. Roberts, Bear, Delaware;
(2986) Lance Corporal Bob W. Roberts, Newport, Oregon;
(2987) Corporal Robert D. Roberts, Winter Park, Florida;
(2988) Lance Corporal Trevor A. Roberts, Oklahoma City, Oklahoma;
(2989) Corporal Allen C. Roberts, Arcola, Illinois;
(2990) Sergeant Derek T. Roberts, Gold River, California;
(2991) Sergeant Michael T. Robertson, Houston, Texas;
(2992) Corporal Jeremiah W. Robinson, Mesa, Arizona;
(2993) Sergeant Lizbeth Robles Vega, Baja, Puerto Rico;
(2994) Staff Sergeant Joseph E. Robsky, Jr., Elizaville, New York;
(2995) Sergeant Moses Daniel Rocha, Roswell, New Mexico;
(2996) Sergeant Nathaniel S. Rock, Toronto, Ohio;
(2997) Private First Class Marlin T. Rockhold, Hamilton, Ohio;
(2998) Specialist Ricky W. Rockholt, Jr., Winston, Oregon;
(2999) Petty Officer Second Class David Sean Roddy, Aberdeen, Maryland;
(3000) Sergeant John D. Rode, Pineville, North Carolina;
(3001) Major Alan G. Rodgers, Hampton, Florida;
(3002) Private Damian Lopez Rodriguez, Tucson, Arizona;
(3003) Private First Class Jose F. Gonzalez Rodriguez, Norwalk, California;
(3004) Staff Sergeant Joseph E. Rodriguez, Las Cruces, New Mexico;
(3005) Specialist Michael J. Rodriguez, Sanford, North Carolina;
(3006) Corporal Robert Marcus Rodriguez, Queens, New York;
(3007) Corporal Yull Estrada Rodriguez, Alegre Lajas, Puerto Rico;
(3008) Sergeant Ricardo X. Rodriguez, Arecibo, Puerto Rico;
(3009) Specialist Jaime Rodriguez, Oxnard, California;
(3010) Specialist Dominic N. Rodriguez, Klamath Falls, Oregon;
(3011) Lance Corporal Juan Rodrigo Rodriguez, Velasco Laredo/El Cenizo, Texas;
(3012) Specialist Luis O. Rodriguez-Contrera, Allentown, Pennsylvania;
(3013) Private First Class George R. Roehl, Jr., Manchester, New Hampshire;
(3014) Sergeant First Class Gregory S. Rogers, Cincinnati, Ohio;
(3015) Corporal Jeffry A. Rogers, Oklahoma City, Oklahoma;
(3016) Specialist Nicholas K. Rogers, Deltona, Florida;
(3017) Specialist Philip G. Rogers, Gresham, Oregon;
(3018) Staff Sergeant Jonathan Rojas, Hammond, Indiana;
(3019) Private First Class Kenny D. Rojas, Pembroke Pines, Florida;
(3020) Corporal Michael M. Rojas, Fresno, California;
(3021) Specialist Cristian Rojas-Gallego, Loganville, Georgia;
(3022) Staff Sergeant Robb L. Rolfing, Milton, Massachusetts;
(3023) Specialist Justin A. Rollins, Newport, New Hampshire;
(3024) Specialist Alexis Roman-Cruz, Brandon, Florida;
(3025) Staff Sergeant Vincenzo Romeo, Lodi, New Jersey;
(3026) Private First Class Ramon Romero, Huntington Park, California;
(3027) Specialist Joshua G. Romero, Crowley, Texas;
(3028) Sergeant Brian M. Romines, Simpson, Illinois;
(3029) Specialist Edwin William Roodhouse, San Jose, California;
(3030) Sergeant First Class Robert E. Rooney, Nashua, New Hampshire;
(3031) Corporal Timothy D. Roos, Delhi, Ohio;
(3032) Private First Class Angel Rosa, South Portland, Maine;
(3033) Specialist Alexander R. Rosa, Orlando, Florida;
(3034) Corporal Randal Kent Rosacker, San Diego, California;
(3035) Corporal Benjamin S. Rosales, Houston, Texas;
(3036) Staff Sergeant Victor A. Rosaleslomeli, Westminster, California;
(3037) Specialist Jose E. Rosario, St. Croix, Virgin Islands;
(3038) Private First Class Richard H. Rosas, Saint Louis, Michigan;
(3039) Corporal Christopher D. Rose, San Francisco, California;
(3040) Sergeant Scott C. Rose, Fayetteville, Kentucky;
(3041) Specialist Adam J. Rosema, Pasadena, California;
(3042) Sergeant Thomas Chad Rosenbaum, Hope, Arkansas;
(3043) Sergeant Randy S. Rosenberg, Berlin, New Hampshire;
(3044) Staff Sergeant Eric Ross, Kenduskeag, Maine;
(3045) Specialist Marco D. Ross, Memphis, Tennessee;
(3046) Private First Class Jonathan M. Rossi, Safety Harbor, Florida;
(3047) Sergeant Lawrence A. Roukey, Westbrook, Maine;
(3048) Sergeant David L. Roustum, West Seneca, New York;
(3049) Petty Officer First Class Gary Rovinski, Roseville, Illinois;
(3050) Captain Alan Rowe, Hagerman, Idaho;

(3051) Specialist Brandon Jacob Rowe, Roscoe, Illinois;
(3052) Sergeant Michael D. Rowe, New Port Richey, Florida;
(3053) Sergeant Roger Dale Rowe, Bon Aqua, Tennessee;
(3054) Second Lieutenant Jonathan D. Rozier, Katy, Texas;
(3055) Second Lieutenant Charles R. Rubado, Clearwater, Florida;
(3056) Sergeant Isela Rubalcava, El Paso, Texas;
(3057) Specialist Jose A. Rubio Hernandez, Mission, Texas;
(3058) Sergeant David A. Ruhren, North Stafford, Virginia;
(3059) Specialist Jose L. Ruiz, Brentwood, New York;
(3060) Petty Officer Third Class Manuel A. Ruiz, Federalsburg, Maryland;
(3061) Lance Corporal Gregory P. Rund, Littleton, Colorado;
(3062) Specialist Gregory B. Rundell, Ramsey, Minnesota;
(3063) Specialist Luke S. Runyan, Spring Grove, Pennsylvania;
(3064) Staff Sergeant Michael L. Ruoff, Jr., Yosemite, California;
(3065) Private First Class Aaron J. Rusin, Johnstown, Pennsylvania;
(3066) Captain Blake H. Russell, Fort Worth, Texas;
(3067) Sergeant John W. Russell, Portland, Texas;
(3068) Specialist Ryan D. Russell, Elm City, North Carolina;
(3069) Lance Corporal Andrew D. Russoli, Greensboro, North Carolina;
(3070) Sergeant Monta S. Ruth, Winston-Salem, North Carolina;
(3071) First Lieutenant Christopher N. Rutherford, Newport, Ohio;
(3072) Corporal Marc T. Ryan, Gloucester, City New Jersey;
(3073) First Lieutenant Timothy Louis Ryan, Aurora, Illinois;
(3074) Specialist Lyle W. Rymer II, Fort Smith, Arkansas;
(3075) Sergeant Yevgeniy Ryndych, Brooklyn, New York;
(3076) Sergeant Corey J. Rystad, Red Lake Falls, Minnesota;
(3077) Corporal Thomas E. Saba, Toms River, New Jersey;
(3078) Chief Warrant Officer (CW2) Scott A. Saboe, Willow Lake, South Dakota;
(3079) Sergeant Dominic J. Sacco, Albany, New York;
(3080) First Sergeant Carlos N. Saenz, Las Vegas, Nevada;
(3081) Specialist Lance S. Sage, Hempstead, New York;
(3082) Specialist Rasheed Sahib, Brooklyn, New York;
(3083) Lance Corporal Gael Saintvil, Orlando/Orange, Florida;
(3084) Sergeant Steve M. Sakoda, Hilo, Hawaii;
(3085) Corporal Rudy Salas, Baldwin Park, California;
(3086) Private First Class Ricky Salas, Jr., Roswell, New Mexico;
(3087) Corporal William I. Salazar, Las Vegas, Nevada;
(3088) Private First Class Bruce C. Salazar, Jr., Tracy, California;
(3089) Sergeant First Class Rudy A. Salcido, Ontario, California;
(3090) Specialist Adriana N. Salem, Elk Grove Village, Illinois;
(3091) Sergeant First Class David J. Salie, Columbus, Georgia;
(3092) Specialist Eric D. Salinas, Houston, Texas;
(3093) Chief Warrant Officer Richard Matthew ''Matt'' Salter, Cypress, Texas;
(3094) First Lieutenant Edward M. Saltz, Bigfork, Montana;
(3095) Captain Benjamin Wilson Sammis, Rehobeth, Massachusetts;
(3096) Specialist Sonny Gene Sampler, Oklahoma City, Oklahoma;
(3097) Private First Class Joey T. Sams II, Spartanburg, South Carolina;
(3098) Specialist Dennis K. Samson, Jr., Hesperia, Michigan;
(3099) Private First Class Tenzin L. Samten, Prescott, Arizona;
(3100) Sergeant Princess Samuels, Mitchellville, Maryland;
(3101) Lance Corporal Emilian D. Sanchez, Santa Ana Pueblo, New Mexico;
(3102) Private First Class Enrique Henry Sanchez, Garner, North Carolina;
(3103) Private First Class Oscar Sanchez, Modesto, California;
(3104) Sergeant Paul T. Sanchez, Irving, Texas;
(3105) Staff Sergeant Virrueta A. Sanchez, Houston, Texas;
(3106) Private First Class Junior Cedeno Sanchez, Miami, Florida;
(3107) Lance Corporal Efrain Sanchez, Jr., Port Chester, New York;
(3108) Specialist Gregory Paul Sanders, Hobart, Indiana;
(3109) Staff Sergeant Ronnie L. Sanders, Thibodaux, Louisiana;
(3110) First Lieutenant Ryan T. Sanders, Richardson, Texas;
(3111) Sergeant Christopher A. Sanders, Roswell, New Mexico;
(3112) Private Justin T. Sanders, Watson, Louisiana;
(3113) Sergeant Frank M. Sandoval, Yuma, Arizona;
(3114) Private First Class Leroy Sandoval, Jr., Houston, Texas;
(3115) Lance Corporal Felipe D. Sandoval-Flores, Los Angeles, California;
(3116) Sergeant Matthew J. Sandri, Shamokin, Pennsylvania;
(3117) Staff Sergeant Barry Sanford, Sr., Aurora, Colorado;
(3118) Lance Corporal Daniel J. Santee, Mission Viejo, California;
(3119) Sergeant Ed Santini, Toa Baja, Puerto Rico;
(3120) First Lieutenant Neil Anthony Santoriello, Verona, Pennsylvania;
(3121) Chief Warrant Officer Isaias E. Santos, Ancon, Panama;
(3122) Corporal Jeremiah S. Santos, Minot, North Dakota;
(3123) Corporal Jonathan J. Santos, Bellingham, Washington;
(3124) Specialist Luis D. Santos, Rialto, California;
(3125) Staff Sergeant Fernando Santos, San Antonio, Texas;
(3126) Private First Class Brandon R. Sapp, Lake Worth, Florida;
(3127) Hospital Corpsman Charles O. Sare, Hemet, California;
(3128) Staff Sergeant Cameron B. Sarno, Waipahu, Hawaii;
(3129) Staff Sergeant Scott Douglas Sather, Clio, Michigan;
(3130) Private Oscar Sauceda, Del Rio, Texas;
(3131) Private Anthony J. Sausto, Lake Havasu City, Arizona;
(3132) Lance Corporal Jeremiah E. Savage, Livingston, Tennessee;
(3133) Sergeant Stephen P. Saxton, Temecula, California;
(3134) Specialist Phillip N. Sayles, Jacksonville, Arkansas;
(3135) Sergeant Paul A. Saylor, Norcross, Georgia;
(3136) Lance Corporal Michael P. Scarborough, Washington, Georgia;
(3137) Staff Sergeant William D. Scates, Oklahoma City, Oklahoma;
(3138) Sergeant Kenneth J. Schall, Peoria, Arizona;
(3139) Sergeant Kurt D. Schamberg, Euclid, Ohio;
(3140) Captain Robert C. Scheetz, Jr., Dothan, Alabama;
(3141) Sergeant First Class Daniel E. Scheibner, Muskegon, Michigan;
(3142) Staff Sergeant Jens E. Schelbert, New Orleans, Louisiana;
(3143) Staff Sergeant Daniel R. Schelle, Antioch, California;
(3144) Corporal Christopher G. Scherer, East Northport, New York;
(3145) Lance Corporal Daniel R. Scherry, Rocky River, Ohio;
(3146) Private First Class Jason D. Scheuerman, Lynchburg, Virginia;
(3147) Lance Corporal Nickolas David Schiavoni, Haverhill, Massachusetts;
(3148) Sergeant First Class Richard L. Schild, Tabor, South Dakota;
(3149) Lance Corporal Juan M. Garcia Schill, Grants Pass, Oregon;
(3150) Corporal Jonathan E. Schiller, Ottumwa, Iowa;
(3151) Captain Rhett W. Schiller, Waterford, Wisconsin;
(3152) Specialist Justin B. Schmidt, Bradenton, Florida;
(3153) Corporal Peter W. Schmidt, Eureka, California;
(3154) Lance Corporal John T. Schmidt III, Brookfield, Connecticut;
(3155) Sergeant Joshua A. Schmit, Willmar, Minnesota;
(3156) Corporal Joshua M. Schmitz, Spencer, Wisconsin;
(3157) Sergeant Jacob S. Schmuecker, Atkinson, Nebraska;
(3158) Specialist Jeremiah W. Schmunk, Richland/Kennewick, Washington;
(3159) Specialist Matthew E. Schneider, Gorham, New Hampshire;
(3160) Private First Class Sean M. Schneider, Janesville, Wisconsin;
(3161) Seaman Apprentice Shayna Ann Schnell, Tell City, Indiana;
(3162) Sergeant Anthony J. Schober, Reno, Nevada;
(3163) Specialist Collin R. Schockmel, Richwood, Texas;
(3164) Private First Class Brian J. Schoff, Manchester, Tennessee;
(3165) Lance Corporal Michael D. Scholl, Lincoln, Nebraska;
(3166) Specialist Jon M. Schoolcraft III, Wapakoneta, Ohio;
(3167) Staff Sergeant Christopher J. Schornak, Hoover, Alabama;
(3168) Corporal Dustin H. Schrage, Brevard, Florida;
(3169) Major Matthew E. Schram, Brookfield, Wisconsin;
(3170) Lance Corporal Brian K. Schramm, Rochester, New York;
(3171) Lance Corporal Edward August Schroeder II, Columbus, Ohio;
(3172) Corporal Nathan A. Schubert, Cherokee, Iowa;
(3173) Corporal Brandon S. Schuck, Safford, Arizona;
(3174) Special Agent Nathan J. Schuldheiss, Newport, Rhode Island;
(3175) Specialist Christian C. Schultz, Colleyville, Texas;
(3176) Captain David E. Schultz, Illinois;
(3177) Lance Corporal Darrell J. Schumann, Hampton, Virginia;
(3178) Sergeant Jason A. Schumann, Hawley, Minnesota;
(3179) Private First Class Benjamin C. Schuster, Williamsville, New York;
(3180) Staff Sergeant Coby G. Schwab, Puyallup, Washington;
(3181) Lance Corporal Michael A. Schwarz, Carlstadt, New Jersey;
(3182) Petty Officer Second Class Joseph C. Schwedler, Crystal Falls, Michigan;
(3183) Master Sergeant David A. Scott, Union, Ohio;

(3184) Lance Corporal Joshua A. Scott, Tunnel Hill, Georgia;
(3185) Chief Warrant Officer (CW2) Joshua Michael Scott, Sun Prairie, Wisconsin;
(3186) Private First Class Kerry D. Scott, Mount Vernon, Washington;
(3187) Staff Sergeant Rickey Scott, Columbus, Georgia;
(3188) Specialist Stephen M. Scott, Lawton, Oklahoma;
(3189) Corporal Bryan J. Scripsick, Wayne, Oklahoma;
(3190) Corporal Aaron L. Seal, Elkhart, Indiana;
(3191) Staff Sergeant Stephen A. Seale, Grafton, West Virginia;
(3192) Private First Class Timothy J. Seamans, Jacksonville, Florida;
(3193) Lance Corporal Myles Cody Sebastien, Opelousas, Louisiana;
(3194) Sergeant First Class Benjamin L. Sebban, Chattanooga, Tennessee;
(3195) Captain Robert M. Secher, Germantown, Tennessee;
(3196) Sergeant Michael T. Seeley, Fredericton, Canada;
(3197) First Lieutenant Aaron N. Seesan, Massillon, Ohio;
(3198) Lance Corporal Juan E. Segura, Homestead, Florida;
(3199) Sergeant Leroy Segura, Jr., Clovis, New Mexico;
(3200) First Lieutenant Robert Seidel III, Emmitsburg, Maryland;
(3201) Specialist Tyler R. Seideman, Lincoln, Arkansas;
(3202) Specialist Marc S. Seiden, Brigantine, New Jersey;
(3203) Captain Christopher Scott Seifert, Easton, Pennsylvania;
(3204) Private First Class Anthony P. Seig, Sunman, Indiana;
(3205) Sergeant Carl Leonard Seigart, San Luis Obispo, California;
(3206) Private First Class Dustin M. Sekula, Edinburg, Texas;
(3207) Staff Sergeant John T. Self, Pontotoc, Mississippi;
(3208) Specialist Dennis L. Sellen, Jr., Newhall, California;
(3209) Sergeant Bernard L. Sembly, Bossier City, Louisiana;
(3210) Lance Corporal Matthew K. Serio, North Providence, Rhode Island;
(3211) Sergeant Juan M. Serrano, Manati, Puerto Rico;
(3212) Lance Corporal Nazario Serrano, Irving, Texas;
(3213) Sergeant Daniel L. Sesker, Ogden, Iowa;
(3214) Lance Corporal Darin T. Settle, Henley, Missouri;
(3215) Private First Class Robert J. Settle, Owensboro, Kentucky;
(3216) Sergeant Raymond S. Sevaaetasi, Pago Pago, American Samoa;
(3217) Lance Corporal Devon Paul Seymour, St. Louisville, Ohio;
(3218) Staff Sergeant Michael B. Shackelford, Grand Junction, Colorado;
(3219) Sergeant Edward W. Shaffer, Mont Alto, Pennsylvania;
(3220) Specialist Jason A. Shaffer, Derry, Pennsylvania;
(3221) Private First Class Jeffrey Shaffer, Harrison, Arkansas;
(3222) Staff Sergeant Wentz Jerome Henry Shanaberger III, Naples, Florida;
(3223) Private First Class Jeremy R. Shank, Jackson, Missouri;
(3224) First Lieutenant Neale M. Shank, Fort Wayne, Indiana;
(3225) Corporal Stephen D. Shannon, Guttenberg, Iowa;
(3226) Private First Class David H. Sharrett II, Oakton, Virginia;
(3227) Sergeant Jeffrey R. Shaver, Maple Valley, Washington;
(3228) Staff Sergeant Alan W. Shaw, Little Rock, Arkansas;
(3229) Sergeant Daniel J. Shaw, West Seneca, New York;
(3230) Major Kevin M. Shea, Washington, District of Columbia;
(3231) Corporal Timothy M. Shea, Sonoma, California;
(3232) Specialist Casey Sheehan, Vacaville, California;
(3233) Sergeant Kevin F. Sheehan, Milton, Vermont;
(3234) Sergeant Ronnie L. ''Rod'' Shelley, Sr., Valdosta, Georgia;
(3235) Corporal Jimmy Lee Shelton, Lehigh Acres, Florida;
(3236) Private Randol S. Shelton, Schiller Park, Illinois;
(3237) Chief Warrant Officer Steven E. Shepard, Purcell, Oklahoma;
(3238) Private First Class Adam R. Shepherd, Somerville, Ohio;
(3239) Sergeant Daniel Michael Shepherd, Elyria, Ohio;
(3240) Staff Sergeant Kristopher L. Shepherd, Lynchburg, Virginia;
(3241) Specialist Joshua D. Sheppard, Quinton, Oklahoma;
(3242) Sergeant Alan David Sherman, Wanamassa, New Jersey;
(3243) Lieutenant Colonel Anthony L. Sherman, Pottstown, Pennsylvania;
(3244) Sergeant Stephen R. Sherman, Neptune, New Jersey;
(3245) Sergeant James Alexander Sherrill, Ekron, Kentucky;
(3246) First Lieutenant Andrew C. Shields, Campobello, South Carolina;
(3247) Sergeant Jonathan B. Shields, Atlanta, Georgia;
(3248) Specialist Bradley N. Shilling, Stanwood, Michigan;
(3249) Private First Class Darrell W. Shipp, San Antonio, Texas;
(3250) Lance Corporal Jeremy S. Shock, Tiffin, Ohio;
(3251) Corporal Jared M. Shoemaker, Tulsa, Oklahoma;
(3252) Staff Sergeant Russell K. Shoemaker, Sweet Springs, Missouri;
(3253) Private First Class Harry N. Shondee, Jr., Ganado, Arizona;
(3254) Lance Corporal Brad S. Shuder, El Dorado, California;
(3255) Captain James A. Shull, Kirkland, Washington;
(3256) First Lieutenant Dustin M. Shumney, Benicia/Vallejo, California;
(3257) Private First Class Kenneth L. Sickels, Apple Valley, California;
(3258) Lance Corporal Dustin L. Sides, Yakima, Washington;
(3259) Captain Todd M. Siebert, Baden, Pennsylvania;
(3260) Specialist Eric R. Sieger, Layton, Utah;
(3261) Private First Class Thomas C. Siekert, Lovelock, Nevada;
(3262) Specialist Ashley Sietsema, Melrose Park, Illinois;
(3263) Specialist John P. Sigsbee, Waterville, New York;
(3264) Sergeant William M. Sigua, Los Altos Hills, California;
(3265) Sergeant Alfred Barton Siler, Duff, Tennessee;
(3266) Sergeant Alfredo B. Silva, Calexico, California;
(3267) Corporal Erik Hernandez, Silva Chula Vista, California;
(3268) Staff Sergeant Marco A. Silva, Alva, Florida;
(3269) Private Sean A. Silva, Roseville, California;
(3270) Private First Class David N. Simmons, Kokomo, Indiana;
(3271) Sergeant Leonard D. Simmons, New Bern, North Carolina;
(3272) Specialist Windell J. Simmons, Hopkinsville, Kentucky;
(3273) Staff Sergeant Chad J. Simon, Monona/Madison, Wisconsin;
(3274) Lance Corporal Aaron William Simons, Modesto, California;
(3275) Lance Corporal Abraham Simpson, Chino, California;
(3276) Sergeant Jacob M. Simpson, Hood River/Ashland, Oregon;
(3277) Sergeant Jonathan J. Simpson, Rockport, Texas;
(3278) Sergeant Christopher C. Simpson, Hampton, Virginia;
(3279) Private First Class Charles M. Sims, Miami, Florida;
(3280) Lance Corporal Justin D. Sims, Covington, Kentucky;
(3281) Captain Sean P. Sims, El Paso, Texas;
(3282) Lance Corporal John T. Sims, Jr., Alexander City, Alabama;
(3283) Sergeant Isiah J. Sinclair, Natchitoches, Louisiana;
(3284) Sergeant Uday Singh, Lake Forest, Illinois;
(3285) Specialist Channing G. Singletary, Sylvester, Georgia;
(3286) Sergeant Todd A. Singleton, Muskegon, Michigan;
(3287) Private First Class Steven F. Sirko, Portage, Indiana;
(3288) Specialist Aaron J. Sissel, Tipton, Iowa;
(3289) Private First Class Christopher A. Sisson, Oak Park, Illinois;
(3290) Petty Officer Third Class David Sisung, Phoenix, Arizona;
(3291) Staff Sergeant Garth D. Sizemore, Mount Sterling, Kentucky;
(3292) Staff Sergeant Bradley J. Skelton, Gordonville, Missouri;
(3293) Private First Class Nicholas M. Skinner, Davenport, Iowa;
(3294) Private Michael J. Slater Scott, Depot, West Virginia;
(3295) Private First Class Ben Slaven, Plymouth, Nebraska;
(3296) First Lieutenant Brian D. Slavenas, Genoa, Illinois;
(3297) Staff Sergeant Russell L. Slay, Humble, Texas;
(3298) Sergeant Eric W. Slebodnik, Greenfield Township, Pennsylvania;
(3299) Private Brandon Ulysses Sloan, Cleveland, Ohio;
(3300) Lance Corporal Richard Patrick Slocum, Saugus, California;
(3301) Lance Corporal Thomas Jonathan Slocum, Adams, Colorado;
(3302) Private First Class Corey L. Small, East Berlin, Pennsylvania;
(3303) Specialist Erich S. Smallwood, Trumann, Arkansas;
(3304) Lieutenant Colonel Albert E. Smart, San Antonio, Texas;
(3305) Sergeant Keith L. Smette, Makoti, North Dakota;
(3306) Sergeant Aaron A. Smith, Killeen, Texas;
(3307) Lance Corporal Antoine D. Smith, Orlando, Florida;
(3308) Captain Benedict J. Smith, Monroe City, Missouri;
(3309) Specialist Benjamin A. Smith, Hudson, Wisconsin;
(3310) Sergeant Benjamin K. Smith, Carterville, Illinois;
(3311) Private First Class Brandon C. Smith, Washington, Arkansas;
(3312) Second Lieutenant Brian D. Smith, McKinney, Texas;
(3313) Chief Warrant Officer Bruce A. Smith, West Liberty, Iowa;
(3314) Corporal Darrell L. Smith, Otwell, Indiana;
(3315) First Sergeant Edward Smith, Chicago, Illinois;

(3316) Chief Warrant Officer (CW3) Eric Allen Smith, Rochester, New York;
(3317) Lance Corporal Jason E. Smith, Phoenix, Arizona;
(3318) Private First Class Jeremiah D. Smith, Odessa, Missouri;
(3319) Sergeant John M. Smith, Wilmington, North Carolina;
(3320) Specialist Jonathan K. Smith, Atlanta, Georgia;
(3321) Lance Corporal Jonathan L. Smith, Eva, Alabama;
(3322) First Lieutenant Justin S. Smith, Lansing, Michigan;
(3323) First Lieutenant Kevin J. Smith, Brandon, Florida;
(3324) Lance Corporal Kevin S. Smith, Springfield, Ohio;
(3325) Corporal Matthew R. Smith, West Valley City, Utah;
(3326) Lance Corporal Matthew R. Smith, Anderson, Indiana;
(3327) Sergeant Michael A. Smith, Camden, Arkansas;
(3328) Specialist Michael J. Smith, Media, Pennsylvania;
(3329) Sergeant Orenthial Javon Smith, Allendale, South Carolina;
(3330) Sergeant First Class Paul Ray Smith, Tampa, Florida;
(3331) Corporal Raleigh C. Smith, Troy, Montana;
(3332) Corporal Richard A. Smith, Grand Prairie, Texas;
(3333) Corporal Ross A. Smith, Wyoming, Michigan;
(3334) Sergeant First Class Scott R. Smith, Punxsutawney, Pennsylvania;
(3335) Specialist Tristan Smith, Bryn Athyn, Pennsylvania;
(3336) Private First Class Tyler J. Smith, Bethel, Maine;
(3337) Private Daren A. Smith, Helena, Montana;
(3338) Lance Corporal Michael J. Smith, Jr., Jefferson, Ohio;
(3339) Specialist Brandon W. Smitherman, Conroe, Texas;
(3340) Sergeant Mark T. Smykowski, Mentor, Ohio;
(3341) Sergeant First Class Brandon K. Sneed, Norman, Oklahoma;
(3342) Sergeant Eric L. Snell, Trenton, New Jersey;
(3343) Private First Class Stephen P. Snowberger III, Lopez, Pennsylvania;
(3344) Corporal Joshua D. Snyder, Hampstead, Maryland;
(3345) Lance Corporal Matthew A. Snyder, Finksburg, Maryland;
(3346) Captain Adam P. Snyder, Fort Pierce, Florida;
(3347) Captain Christopher F. Soelzer, Sturgis, South Dakota;
(3348) Private First Class Katie M. Soenksen, Davenport, Iowa;
(3349) Staff Sergeant Gordon George Solomon, Fairborn, Ohio;
(3350) Sergeant Roderic Antoine Solomon, Fayetteville, North Carolina;
(3351) Specialist Ismael Solorio, San Luis, Arizona;
(3352) Staff Sergeant Juan M. Solorio, Dallas, Texas;
(3353) Corporal Adrian V. Soltau, Milwaukee, Wisconsin;
(3354) Major Charles R. Soltes, Jr., Irvine, California;
(3355) Major Kevin H. Sonnenberg, McClure, Ohio;
(3356) Sergeant Mike T. Sonoda, Jr., Fallbrook, California;
(3357) Sergeant Matthew Soper, Kalamazoo, Michigan;
(3358) Sergeant Skipper Soram, Kolonia, Pohnpei, Federated States of Micronesia;
(3359) Lance Corporal Ryan J. Sorensen, Boca Raton, Florida;
(3360) Private First Class Armando Soriano, Houston, Texas;
(3361) Corporal Tomas Sotelo, Jr., Houston, Texas;
(3362) Sergeant Danny R. Soto, Houston, Texas;
(3363) Staff Sergeant Karl O. Soto-Pinedo, San Juan, Puerto Rico;
(3364) Petty Officer First Class Luis A. Souffront, Miami, Florida;
(3365) Sergeant Richard A. Soukenka, Oceanside, California;
(3366) Sergeant Kampha B. Sourivong, Iowa City, Iowa;
(3367) Private First Class Kenneth C. Souslin, Mansfield, Ohio;
(3368) Sergeant Nicholas R. Sowinski, Tempe, Arizona;
(3369) Major John C. Spahr, Cherry Hill, New Jersey;
(3370) Specialist Philip I. Spakosky, Browns Mill, New Jersey;
(3371) Private First Class Jacob D. ''Jake'' Spann, Columbus/Westerville, Ohio;
(3372) Staff Sergeant Gina R. Sparks, Drury, Missouri;
(3373) Private First Class Jason L. Sparks, Monroeville, Ohio;
(3374) Sergeant Corey E. Spates, LaGrange, Georgia;
(3375) Staff Sergeant Theodore A. Spatol, Thermopolis, Wyoming;
(3376) Lance Corporal Jonathan R. Spears, Molino, Florida;
(3377) Corporal Michael Raymond Speer, Redfield, Kansas;
(3378) Lance Corporal Joseph B. Spence, Scotts Valley, California;
(3379) Private Cole E. Spencer, Gays, Illinois;
(3380) Lance Corporal William D. Spencer, Paris, Tennessee;
(3381) Private First Class Raymond N. Spencer, Jr., Carmichael, California;
(3382) Sergeant First Class William C. Spillers, Terry, Mississippi;
(3383) Staff Sergeant Trevor Spink, Farmington, Missouri;
(3384) Specialist Curtis R. Spivey, Chula Vista, California;
(3385) Major Christopher J. Splinter, Platteville, Wisconsin;
(3386) Specialist Clifford A. Spohn III, Albuquerque, New Mexico;
(3387) Sergeant Marvin R. Sprayberry III, Tehachapi, California;
(3388) Specialist Lance C. Springer II, Benbrook, Texas;
(3389) Private Bryan N. Spry, Chestertown, Maryland;
(3390) Corporal Brad D. Squires, Middleburg Heights, Ohio;
(3391) Corporal Shannon L. Squires, Virginia Beach, Virginia;
(3392) Corporal Brian R. St. Germain, West Warwick, Rhode Island;
(3393) Private First Class Jon B. St. John II, Neenah, Wisconsin;
(3394) Staff Sergeant David R. Staats, Pueblo, Colorado;
(3395) Specialist Jeremy L. Stacey, Bismarck, Arkansas;
(3396) Sergeant Major Michael Boyd Stack, Lake City, South Carolina;
(3397) Lance Corporal Steven A. Stacy, Coos Bay, Oregon;
(3398) Private First Class Nathan E. Stahl, Highland, Indiana;
(3399) Corporal John R. Stalvey, Conroe, Texas;
(3400) Specialist Matthew J. Stanley Wolfeboro, Falls New, Hampshire;
(3401) Staff Sergeant Robert Stanley, Spotsylvania, Virginia;
(3402) Private First Class Seth M. Stanton, Colorado Springs, Colorado;
(3403) Private First Class Kenny F. Stanton, Jr., Hemet, California;
(3404) Private First Class Lucas V. Starcevich, Canton, Illinois;
(3405) Lance Corporal Shawn V. Starkovich, Arlington, Washington;
(3406) Corporal Jeffrey B. Starr, Snohomish, Washington;
(3407) Lance Corporal Michael L. Starr, Jr., Baltimore, Maryland;
(3408) Staff Sergeant Eric M. Steffeney, Waterloo, Iowa;
(3409) Specialist Nicholas P. Steinbacher, La Crescenta, California;
(3410) Sergeant David S. Stelmat, Littleton, New Hampshire;
(3411) Sergeant Derek T. Stenroos, North Pole, Alaska;
(3412) Sergeant Blake C. Stephens, Pocatello, Idaho;
(3413) Sergeant First Class John S. Stephens, San Antonio, Texas;
(3414) First Lieutenant Andrew K. Stern, Germantown, Tennessee;
(3415) Sergeant Andy A. Stevens, Tomah, Wisconsin;
(3416) Staff Sergeant Joseph W. Stevens, Sacramento, California;
(3417) Specialist Randy Lee Stevens, Swartz Creek, Michigan;
(3418) Staff Sergeant Robert Anthony Stever, Pendleton, Oregon;
(3419) Specialist Carla Jane Stewart, Sun Valley, California;
(3420) Corporal David S. Stewart, Bogalusa, Louisiana;
(3421) Corporal Ian W. Stewart, Lake Hughes, California;
(3422) Sergeant James D. Stewart, Chattanooga, Tennessee;
(3423) Corporal Joshua C. Sticklen, Virginia Beach, Virginia;
(3424) Private Shane M. Stinson, Fullerton, California;
(3425) Staff Sergeant John C. Stock, Longview, Texas;
(3426) Sergeant Michael J. Stokely, Sharpsburg, Georgia;
(3427) Corporal Sean A. Stokes, Auburn, California;
(3428) Sergeant First Class Douglas C. Stone, Taylorsville, Utah;
(3429) Major Gregory Lewis Stone, Boise, Idaho;
(3430) Staff Sergeant Clint J. Storey, Enid, Oklahoma;
(3431) Specialist Brandon L. Stout, Grand Rapids, Michigan;
(3432) Second Lieutenant Matthew R. Stovall, Horn Lake, Mississippi;
(3433) Major Michael D. Stover, Mansfield, Ohio;
(3434) Sergeant Morgan W. Strader, Crossville, Tennessee;
(3435) Lance Corporal Adam J. Strain, Smartville, California;
(3436) Private First Class William R. Strange, Adrian, Georgia;
(3437) Sergeant Kirk Allen Straseskie, Beaver Dam, Wisconsin;
(3438) Sergeant Francis J. Straub, Jr., Philadelphia, Pennsylvania;
(3439) Sergeant Matthew Straughter, St. Charles, Missouri;
(3440) Sergeant Thomas J. Strickland, Douglasville, Georgia;
(3441) Sergeant Jesse W. Strong, Irasburg, Vermont;
(3442) Specialist Joseph A. Strong, Lebanon, Indiana;
(3443) Lance Corporal Johnny R. Strong, Waco, Texas;
(3444) Captain Mark N. Stubenhofer, Springfield, Virginia;
(3445) Sergeant Michael R. Sturdivant, Conway, Arkansas;
(3446) Private First Class Brandon C. Sturdy, Urbandale, Iowa;
(3447) Specialist William R. Sturges, Jr., Spring Church, Pennsylvania;

(3448) Specialist Paul J. Sturino, Rice Lake, Wisconsin;
(3449) Lance Corporal Jesus Alberto Suarez del Solar, Escondido, California;
(3450) Private First Class Roger A. Suarez-Gonzalez, Miami, Florida;
(3451) Sergeant Joseph D. Suell, Lufkin, Texas;
(3452) Staff Sergeant Wilberto Suliveras, Humacao, Puerto Rico;
(3453) Captain Christopher J. Sullivan, Princeton, Massachusetts;
(3454) Sergeant John M. Sullivan, Hixon, Tennessee;
(3455) Specialist John R. Sullivan, Countryside, Illinois;
(3456) Specialist Narson Bertil Sullivan, N. Brunswick, New Jersey;
(3457) Lance Corporal Vincent M. Sullivan, Chatham, New Jersey;
(3458) Staff Sergeant Vincent E. Summers, South Haven, Michigan;
(3459) Corporal James E. Summers III, Missouri, Bourbon;
(3460) Private First Class Ming Sun, Cathedral City, California;
(3461) Specialist Astor A. Sunsin-Pineda, Long Beach, California;
(3462) Sergeant Robert A. Surber, Inverness, Florida;
(3463) Staff Sergeant Stephen J. Sutherland, West Deptford, New Jersey;
(3464) Private First Class Ernest Harold Sutphin, Parkersburg, West Virginia;
(3465) Staff Sergeant Michael J. Sutter, Tinley Park, Illinois;
(3466) Sergeant Timothy J. Sutton, Springfield, Missouri;
(3467) Sergeant First Class Greg L. Sutton, Spring Lake, North Carolina;
(3468) Sergeant First Class Sean M. Suzch, Hilltown, Pennsylvania;
(3469) Lance Corporal Daniel Freeman Swaim, Yadkinville, North Carolina;
(3470) Lance Corporal James E. Swain, Kokomo, Indiana;
(3471) Lance Corporal Harry R. Swain IV, Cumberland, New Jersey;
(3472) Lance Corporal Shane C. Swanberg, Kirkland, Washington;
(3473) Private First Class Robert A. Swaney, West Jefferson, Ohio;
(3474) Sergeant Brett D. Swank, Northumberland Co., Pennsylvania;
(3475) Staff Sergeant Christopher Swanson, Rose Haven, Maryland;
(3476) Corporal Timothy A. Swanson, San Antonio, Texas;
(3477) Chief Warrant Officer (CW5) Sharon T. Swartworth, Virginia;
(3478) Sergeant Robert Wesley Sweeney III, Pineville, Louisiana;
(3479) Private First Class Jack T. Sweet, Alexandria Bay, New York;
(3480) Sergeant Thomas J. Sweet II, Bismarck, North Dakota;
(3481) Lance Corporal Franklin A. Sweger, San Antonio, Texas;
(3482) Sergeant Jason Swiger, South Portland, Maine;
(3483) Sergeant Nathaniel T. Swindell, Bronx, New York;
(3484) Staff Sergeant Christopher W. Swisher, Lincoln, Nebraska;
(3485) Captain Tyler B. Swisher, Cincinnati, Ohio;
(3486) Major Paul R. Syverson III, Lake Zurich, Illinois;
(3487) Lance Corporal Steven W. Szwydek, Warfordsburg, Pennsylvania;
(3488) Sergeant Joseph M. Tackett, Whitehouse, Kentucky;
(3489) Staff Sergeant Ayman A. Taha, Vienna, Virginia;
(3490) Sergeant Patrick S. Tainsh, Oceanside, California;
(3491) Sergeant DeForest L. ''Dee'' Talbert, Charleston, West Virginia;
(3492) Sergeant Matthew L. Tallman, Groveland, California;
(3493) Lance Corporal Fernando S. Tamayo, Fontana, California;
(3494) Lance Corporal Jeremy P. Tamburello, Denver, Colorado;
(3495) Specialist Eddie D. Tamez, Galveston, Texas;
(3496) Corporal Jonh C. Tanner, Columbus, Georgia;
(3497) Private First Class Nickolas A. Tanton, San Antonio, Texas;
(3498) Lance Corporal Samuel Tapia, San Benito, Texas;
(3499) Sergeant First Class Linda Ann Tarango-Griess, Sutton, Nebraska;
(3500) Captain Michael Yury Tarlavsky, Passaic, New Jersey;
(3501) Sergeant Nimo W. Tauala, Honolulu, Hawaii;
(3502) Staff Sergeant Ioasa F. Tavae, Jr., Pago Pago, American Samoa;
(3503) Sergeant Michael E. Tayaotao, Sunnyvale, California;
(3504) Lance Corporal Bryan N. Taylor, Milford, Ohio;
(3505) Sergeant Christopher J. Taylor, Opelika, Alabama;
(3506) Specialist Christopher M. Taylor, Daphne, Alabama;
(3507) Major David G. Taylor, Apex, North Carolina;
(3508) Lieutenant Commander Keith Edward Taylor, Irvine, California;
(3509) Major Mark D. Taylor, Stockton, California;
(3510) Major Michael Taylor, Little Rock, Arkansas;
(3511) Sergeant Michael C. Taylor, Hockley, Texas;
(3512) Sergeant Shannon D. Taylor, Smithville, Tennessee;
(3513) Corporal William G. Taylor, Macon, Georgia;
(3514) Sergeant Norman R. Taylor III, Blythe, California;
(3515) Captain John R. Teal, Mechanicsville, Virginia;
(3516) Sergeant Brandon L. Teeters, Lafayette, Louisiana;
(3517) Specialist Prince K. Teewia, Durham, North Carolina;
(3518) Corporal Luis E. Tejeda, Huntington Park, California;
(3519) Staff Sergeant Riayan Augusto Tejeda, New York, New York;
(3520) Sergeant Joshua A. Terando, Morris, Illinois;
(3521) Lance Corporal Miguel Terrazas, El Paso, Texas;
(3522) Sergeant First Class Jonathan Tessar, Simi Valley, California;
(3523) Lance Corporal Jason Tetrault, Moreno Valley, California;
(3524) Private Nathan Z. Thacker, Greenbrier, Arkansas;
(3525) Petty Officer First Class Jerry A. Tharp, Aledo, Illinois;
(3526) Private First Class Sean D. Tharp, Orlando, Florida;
(3527) Corporal Joseph C. Thibodeaux III, Lafayette, Louisiana;
(3528) Master Sergeant Thomas R. Thigpen, Sr., Augusta, Georgia;
(3529) Corporal Jesse L. Thiry, Casco, Wisconsin;
(3530) Sergeant Carl Thomas, Phoenix, Arizona;
(3531) Sergeant John Frank Thomas, Valdosta, Georgia;
(3532) Staff Sergeant Kendall Thomas, St. Thomas, United States Virgin Islands;
(3533) Specialist Kyle G. Thomas, Topeka, Kansas;
(3534) Master Sergeant Sean Michael Thomas, Harrisburg, Pennsylvania;
(3535) Sergeant Paul W. Thomason III, Talbot, Tennessee;
(3536) Sergeant Anthony O. Thompson, Orangeburg, South Carolina;
(3537) Petty Officer Third Class Christopher W. Thompson, North Wilkesboro, North Carolina;
(3538) Sergeant Jarrett B. Thompson, Dover, Delaware;
(3539) Corporal Lance M. Thompson, Marion/Upland, Indiana;
(3540) Private First Class Nils George Thompson, Confluence, Pennsylvania;
(3541) Private First Class William E. Thorne, Hospers, Iowa;
(3542) Lance Corporal Jonathan B. Thornsberry, McDowell, Kentucky;
(3543) Lance Corporal John Joshua Thornton, Phoenix, Arizona;
(3544) Major Steven W. Thornton, Eugene, Oregon;
(3545) Staff Sergeant Robert C. Thornton, Jr., Rainbow City, Alabama;
(3546) Specialist Brandon T. Thorsen, Trenton, Florida;
(3547) Sergeant Robert B. Thrasher, Folsom, California;
(3548) Staff Sergeant Frank F. Tiai, Pago Pago, American Samoa;
(3549) Captain Benjamin D. Tiffner, West Virginia;
(3550) Sergeant James Rodney Tijerina, Beasley, Texas;
(3551) Lance Corporal Jesse D. Tillery, Vesper, Wisconsin;
(3552) Lance Corporal Harry H. Timberman, Minong, Wisconsin;
(3553) Sergeant Tina Safaira Time, Tucson, Arizona;
(3554) First Lieutenant Jason G. Timmerman, Cottonwood/Tracy, Minnesota;
(3555) Sergeant Humberto F. Timoteo, Newark, New Jersey;
(3556) Lance Corporal Jeremy L. Tinnel, Mechanicsville, Virginia;
(3557) Private First Class Patrick A. Tinnell, Lake Havasu City, Arizona;
(3558) Specialist Douglas L. Tinsley, Chester, South Carolina;
(3559) Captain John E. Tipton, Fort Walton Beach, Florida;
(3560) Private First Class Joshua K. Titcomb, Somerset, Kentucky;
(3561) Specialist Brandon T. Titus, Boise, Idaho;
(3562) Sergeant First Class John J. Tobiason, Bloomington, Minnesota;
(3563) Specialist Brandon Scott Tobler, Portland, Oregon;
(3564) Major Jeffrey P. Toczylowski, Upper Moreland, Pennsylvania;
(3565) Sergeant Lee Duane Todacheene, Farmington, New Mexico;
(3566) Corporal John H. Todd III, Bridgeport, Pennsylvania;
(3567) Corporal Victor H. Toledo Pulido, Hanford, California;
(3568) Specialist John O. Tollefson, Fond du Lac, Wisconsin;
(3569) Sergeant Norman L. Tollett, Columbus, Ohio;
(3570) Corporal Joseph A. Tomci, Stow, Ohio;
(3571) Staff Sergeant Zachary B. Tomczak, Huron, South Dakota;
(3572) Sergeant Nicholas A. Tomko, Pittsburgh, Pennsylvania;
(3573) Staff Sergeant Jacob M. Tompson, North Mankato, Minnesota;
(3574) Master Sergeant Timothy Toney, Manhattan, New York;
(3575) Private First Class David T. Toomalatai, Long Beach, California;
(3576) Lance Corporal Joshua L. Torrence, Lexington, South Carolina;
(3577) Sergeant Daniel Torres, Fort Worth, Texas;
(3578) Private First Class George D. Torres, Long Beach, California;
(3579) Lance Corporal Michael S. Torres, El Paso, Texas;

(3580) Specialist Ramon Reyes Torres, Caguas, Puerto Rico;
(3581) Second Lieutenant Richard Torres, Clarksville, Tennessee;
(3582) Specialist Teodoro Torres, Las Vegas, Nevada;
(3583) Private First Class Omar E. Torres, Chicago, Illinois;
(3584) Lance Corporal Elias Torrez III, Veribest, Texas;
(3585) Sergeant Michael L. Tosto, Apex, North Carolina;
(3586) Specialist Eric L. Toth, Edmonton, Kentucky;
(3587) Staff Sergeant Michael L. Townes, Las Vegas, Nevada;
(3588) Staff Sergeant Robin L. Towns, Sr., Upper Marlboro, Maryland;
(3589) Sergeant Tromaine K. Toy, Sr., Eastville, Virginia;
(3590) Private First Class Jacob T. Tracy, Palestine, Illinois;
(3591) Sergeant Seth R. Trahan, Crowley, Louisiana;
(3592) Sergeant Quoc Binh Tran, Mission Viejo, California;
(3593) Staff Sergeant Philip L. Travis, Snellville, Georgia;
(3594) Corporal Joseph S. Tremblay, New Windsor, New York;
(3595) Specialist Richard K. Trevithick, Gaines, Michigan;
(3596) Private First Class Brett L. Tribble, Lake Jackson, Texas;
(3597) Staff Sergeant Marvin Lee Trost III, Goshen, Indiana;
(3598) Sergeant John Byron Trotter, Marble Falls, Texas;
(3599) Corporal Tyler S. Trovillion, Richardson, Texas;
(3600) Chief Warrant Officer 4 Chester W. Troxel, Anchorage, Alaska;
(3601) Lance Corporal Tyler J. Troyer, Tangent, Oregon;
(3602) Specialist Francis M. Trussel, Jr., Lincoln, Illinois;
(3603) Sergeant Daniel A. Tsue, Honolulu, Hawaii;
(3604) Private First Class Andrew L. Tuazon, Chesapeake, Virginia;
(3605) Lance Corporal Marc Lucas Tucker, Pontotoc, Mississippi;
(3606) Sergeant Robert W. Tucker, Hilham, Tennessee;
(3607) Private First Class Thomas Lowell Tucker, Madras, Oregon;
(3608) Staff Sergeant Steven R. Tudor, Dunmore, Pennsylvania;
(3609) Staff Sergeant Salamo J. Tuialuuluu, Pago Pago, American Samoa;
(3610) Lieutenant Commander Morgan C. Tulang, Hilo, Hawaii;
(3611) Master Sergeant Tulsa T. Tuliau, Watertown, New York;
(3612) Sergeant Gregory L. Tull, Pocahontas, Iowa;
(3613) Sergeant First Class Michael J. Tully, Falls Creek, Pennsylvania;
(3614) Sergeant Lui Tumanuvao, Fagaalu, American Samoa;
(3615) Sergeant Nicholas D. Turcotte, Maple Grove, Minnesota;
(3616) Staff Sergeant Roger C. Turner, Jr., Parkersburg, West Virginia;
(3617) Sergeant Thomas B. Turner, Jr., Cottonwood, California;
(3618) Sergeant Bryan J. Tutten, St. Augustine, Florida;
(3619) Staff Sergeant Abraham G. Twitchell, Yelm, Washington;
(3620) Lance Corporal Bobby L. Twitty, Bedias, Texas;
(3621) Specialist Wade Michael Twyman Vista California
(3622) Captain Corry P. Tyler, Georgia;
(3623) Private Scott Matthew Tyrrell, Sterling, Illinois;
(3624) First Lieutenant Andre D. Tyson, Riverside, California;
(3625) Specialist Eugene A. Uhl III, Amherst, Wisconsin;
(3626) Lance Corporal Drew M. Uhles, Du Quoin, Illinois;
(3627) Private First Class Brian Scott ''Scotty'' Ulbrich, Chapmanville, West Virginia;
(3628) Civilian Rick A. Ulbright, Waldorf, Maryland;
(3629) Sergeant George M. Ulloa, Jr., Austin, Texas;
(3630) First Lieutenant Colby J. Umbrell, Doylestown, Pennsylvania;
(3631) Private First Class Daniel Paul Unger, Exeter, California;
(3632) Corporal David M. Unger, Leavenworth, Kansas;
(3633) Specialist Robert Oliver Unruh, Tucson, Arizona;
(3634) Sergeant Gregory D. Unruh, Dickinson, Texas;
(3635) Specialist Clinton R. Upchurch, Garden City, Kansas;
(3636) Private First Class Wilfredo F. Urbina, Baldwin, New York;
(3637) Sergeant Iosiwo Uruo, Agana Heights, Guam;
(3638) First Sergeant Ernest E. Utt, Hammond, Illinois;
(3639) Sergeant Michael A. Uvanni, Rome, New York;
(3640) Sergeant Nathan J. Vacho, Janesville, Wisconsin;
(3641) Corporal Steve Vahaviolos, Airmont, New York;
(3642) Staff Sergeant Gary A. Vaillant, Trujillo, Puerto Rico;
(3643) Lance Corporal Eric P. Valdepenas, Seekonk, Massachusetts;
(3644) Corporal Ramona M. Valdez, Bronx, New York;
(3645) Lance Corporal Ruben Valdez, Jr., San Diego, Texas;
(3646) Petty Officer First Class Jennifer A. Valdivia, Cambridge, Illinois;
(3647) Specialist Donald E. Valentine III, Orange Park, Florida;
(3648) Sergeant Melissa Valles, Eagle Pass, Texas;
(3649) Chief Warrant Officer Brian K. Van Dusen, Columbus, Ohio;
(3650) Lance Corporal Gary F. Van Leuven, Klamath Falls, Oregon;
(3651) Sergeant Timothy R. Van Orman, Port Matilda, Pennsylvania;
(3652) Lance Corporal Brandon J. Van Parys, New Tripoli, Pennsylvania;
(3653) Private First Class Bufford ''Kenny'' Van Slyke, Bay City, Michigan;
(3654) Lance Corporal Adam J. VanAlstine, Superior, Wisconsin;
(3655) Specialist Allen Jeffrey ''A.J.'' Vandayburg, Mansfield, Ohio;
(3656) Specialist Jacob T. Vanderbosch, Vadnais Heights, Minnesota;
(3657) Staff Sergeant Christopher J. Vanderhorn, Pierce, Washington;
(3658) Specialist Josiah H. Vandertulip, Irving, Texas;
(3659) Sergeant Thomas E. Vandling, Jr., Pittsburgh, Pennsylvania;
(3660) Sergeant Joseph M. Vanek, Elmhurst, Illinois;
(3661) Lance Corporal John J. Vangyzen IV, Bristol, Massachusetts;
(3662) Staff Sergeant Darren D. VanKomen, Bluefield, West Virginia;
(3663) Private First Class Alexander R. Varela, Fernley, Nevada;
(3664) Specialist Robert D. Varga, Monroe City, Missouri;
(3665) Staff Sergeant Oscar D. Vargas-Medina, Chicago, Illinois;
(3666) Sergeant Daniel Ryan Varnado, Saucier, Mississippi;
(3667) Staff Sergeant Justin L. Vasquez, Manzanola, Colorado;
(3668) Staff Sergeant Mark D. Vasquez, Port Huron, Michigan;
(3669) Lance Corporal Cristian Vasquez, Coalinga, California;
(3670) Second Lieutenant John Shaw Vaughan, Edwards, Colorado;
(3671) Sergeant Michael L. Vaughan, Otis, Oregon;
(3672) Specialist Brian A. Vaughn, Pell City, Alabama;
(3673) Sergeant Jason W. Vaughn, Luca, Mississippi;
(3674) Lance Corporal Dennis J. Veater, Jessup, Pennsylvania;
(3675) Sergeant Mark Richard Vecchione, Tucson, Arizona;
(3676) Specialist Frances M. Vega, Fort Buchanan, Puerto Rico;
(3677) First Lieutenant Michael W. Vega, Lathrop, California;
(3678) Private First Class Jerimiah J. Veitch, Dibble, Oklahoma;
(3679) Staff Sergeant Paul A. Velasquez, San Diego, California;
(3680) Corporal Jose A. Velez, Lubbock, Texas;
(3681) Sergeant Jose M. Velez, Bronx, New York;
(3682) Lance Corporal Juan C. Venegas, Simi Valley, California;
(3683) Private First Class Justin A. Verdeja, La Puente, California;
(3684) Staff Sergeant Russell J. Verdugo, Phoenix, Arizona;
(3685) Staff Sergeant David Michael Veverka, Jamestown, Pennsylvania;
(3686) Corporal David M. Vicente, Methuen, Massachusetts;
(3687) Staff Sergeant Eric R. Vick, Spring Hope, North Carolina;
(3688) Sergeant Chirasak Vidhyarkorn, Queens, New York;
(3689) Private First Class Caesar S. Viglienzone, Santa Rosa, California;
(3690) Sergeant First Class Ruben J. Villa, Jr., El Paso, Texas;
(3691) Specialist Javier A. Villanueva, Temple, Texas;
(3692) Sergeant First Class Joselito O. Villanueva, Los Angeles, California;
(3693) Civilian Linda J. Villar, Franklinton, Louisiana;
(3694) Lance Corporal Emmanuel Villarreal, Eagle Pass, Texas;
(3695) Private First Class Ramon A. Villatoro, Jr., Bakersfield, California;
(3696) Sergeant Franklin R. Vilorio, Miami, Florida;
(3697) Corporal Scott M. Vincent, Bokoshe, Oklahoma;
(3698) Specialist Anthony M. K. Vinnedge, Okeana, Ohio;
(3699) Specialist Travis M. Virgadamo, Las Vegas, Nevada;
(3700) Staff Sergeant Thomas E. Vitagliano, New Haven, Connecticut;
(3701) Specialist Eric Vizcaino, Albuquerque, New Mexico;
(3702) Staff Sergeant Kimberly A. Voelz, Carlisle, Pennsylvania;
(3703) Specialist Robert J. Volker, Big Spring, Texas;
(3704) Sergeant Chad J. Vollmer, Grand Rapids, Michigan;
(3705) Private First Class Kenneth G. Vonronn, Bloomingburg, New York;
(3706) Sergeant Matthew J. Vosbein, Metairie, Louisiana;
(3707) Staff Sergeant Michael S. Voss, Aberdeen, North Carolina;
(3708) Private First Class Brent T. Vroman, Oshkosh, Wisconsin;
(3709) Specialist Thai Vue, Willows, California;
(3710) Chief Petty Officer Patrick L. Wade, Key West, Florida;
(3711) Lance Corporal Michael B. Wafford, Spring, Texas;
(3712) Sergeant Christopher A. Wagener, Fairview Heights, Illinois;

(3713) Private First Class Peter D. Wagler, Partridge, Kansas;
(3714) Staff Sergeant Gregory A. Wagner, Mitchell, South Dakota;
(3715) Staff Sergeant Terry D. Wagoner, Piedmont, South Carolina;
(3716) Sergeant Gregory L. Wahl, Salisbury, North Carolina;
(3717) Specialist Andrew K. Waits, Waterford, Michigan;
(3718) Sergeant Dustin S. Wakeman, Fort Worth, Texas;
(3719) Private First Class Steven J. Walberg, Paradise, California;
(3720) Sergeant First Class Brett Eugene Walden, Fort Walton Beach, Florida;
(3721) Staff Sergeant Allan K. Walker, Lancaster, California;
(3722) Sergeant Antwan L. ''Twan'' Walker, Tampa, Florida;
(3723) Sergeant Jeffrey C. Walker, Havre de Grace, Maryland;
(3724) Lance Corporal Jeffrey D. Walker, Macon, Georgia;
(3725) Specialist Kristofer C. Walker, Creve Coeur, Illinois;
(3726) Specialist Ryan D. Walker, Stayton, Oregon;
(3727) Specialist Aaron J. Walker, Harker Heights, Texas;
(3728) Lance Corporal Jeffrey D. Walker, Macon, Georgia;
(3729) Specialist Zandra T. Walker, Greenville, South Carolina;
(3730) First Lieutenant Frank B. Walkup IV, Woodbury, Tennessee;
(3731) Staff Sergeant Mark A. Wall, Alden, Iowa;
(3732) Sergeant Andrew P. Wallace, Oshkosh, Wisconsin;
(3733) Sergeant Brandon L. Wallace, St. Louis, Missouri;
(3734) Private First Class Jeffrey R. Wallace, Hoopeston, Illinois;
(3735) Corporal Matthew P. Wallace, Lexington Park, Maryland;
(3736) Sergeant First Class Terry O. P. Wallace, Winnsboro, Louisiana;
(3737) Corporal Richard P. Waller, Fort Worth, Texas;
(3738) Master Sergeant Thomas A. Wallsmith, Carthage, Missouri;
(3739) Petty Officer Second Class Christopher Walsh, St. Louis, Missouri;
(3740) Sergeant Justin T. Walsh, Cuyahoga Falls, Ohio;
(3741) Sergeant Nicholas R. Walsh, Millstadt, Illinois;
(3742) Private First Class Rowan D. Walter, Winnetka, California;
(3743) Sergeant Donald Ralph Walters, Kansas City, Missouri;
(3744) Corporal Gary W. Walters, Jr., Victoria, Texas;
(3745) Private First Class Brett Andre Walton, Hillsboro, Oregon;
(3746) Private First Class Andrew M. Ward, Kirkland, Washington;
(3747) Private Jason M. Ward, Tulsa, Oklahoma;
(3748) Corporal Joshua J. Ware, Apache, Oklahoma;
(3749) Airman First Class Carl Jerome Ware, Jr., Glassboro, New Jersey;
(3750) Corporal William T. Warford III, Temple, Texas;
(3751) Corporal Christopher Tyler Warndorf, Burlington, Kentucky;
(3752) Private First Class Heath Warner, Canton, Ohio;
(3753) Lance Corporal Richard D. Warner, Waukesha, Wisconsin;
(3754) Corporal Robert P. Warns II, Waukesha, Wisconsin;
(3755) Sergeant First Class Charles Houghton Warren, Duluth, Georgia;
(3756) Lance Corporal Kristopher C. Warren, Resaca, Georgia;
(3757) Sergeant First Class Mark C. Warren, La Grande, Oregon;
(3758) First Sergeant William T. Warren, Little Rock, Arkansas;
(3759) Lance Corporal Kevin G. Waruinge, Tampa, Florida;
(3760) Private First Class Nachez Washalanta, Bryan, Oklahoma;
(3761) Corporal Rusty L. Washam, Huntsville, Tennessee;
(3762) Sergeant Bennie J. Washington, Atlanta, Georgia;
(3763) Staff Sergeant Javares J. Washington, Pensacola, Florida;
(3764) Lance Corporal Christopher B. Wasser, Ottawa, Kansas;
(3765) Specialist Forrest J. Waterbury, Richmond, Texas;
(3766) Private David L. Waters, Auburn, California;
(3767) Staff Sergeant Kendall Damon Waters-Bey, Baltimore, Maryland;
(3768) Corporal Glenn J. Watkins, Carlsbad, California;
(3769) Corporal Joshua C. Watkins, Jacksonville, Florida;
(3770) Specialist Timothy D. Watkins, San Bernardino, California;
(3771) Major William Randolph Watkins III, Danville, Virginia;
(3772) Lance Corporal Cody G. Watson, Oxford, Alabama;
(3773) Lance Corporal Craig N. Watson, Union City, Michigan;
(3774) Specialist David L. Watson, New Port, Arkansas;
(3775) Sergeant Kimel L. Watt, Brooklyn, New York;
(3776) Petty Officer Second Class Christopher E. Watts, Knoxville, Tennessee;
(3777) Command Sergeant Major Donovan E. Watts, Atlanta, Georgia;
(3778) Corporal Justin J. Watts, Crownsville, Maryland;
(3779) Chief Warrant Officer Aaron A. Weaver, Inverness, Florida;
(3780) Corporal Christopher L. Weaver, Fredericksburg, Virginia;
(3781) Lance Corporal Drew W. Weaver, St. Charles, Missouri;
(3782) Staff Sergeant Shannon V. Weaver, Urich, Missouri;
(3783) Lance Corporal Brandon J Webb, Swartz Creek, Michigan;
(3784) Sergeant Charles Joseph Webb, Hamilton, Ohio;
(3785) Staff Sergeant Christopher R. Webb, Winchester, California;
(3786) Sergeant Matthew A. Webber, Kalamazoo, Michigan;
(3787) Corporal Robert Weber, Western Hills, Ohio;
(3788) Chief Warrant Officer (CW5) Jamie D. Weeks, Daleville, Alabama;
(3789) Specialist Michael S. Weger, Houston, Texas;
(3790) Staff Sergeant Kyle B. Wehrly, Galesburg, Illinois,
(3791) Sergeant Michael R. Weidemann, Newport, Rhode Island;
(3792) Staff Sergeant Joseph M. Weiglein, Audubon, New Jersey;
(3793) Captain Ian P. Weikel, Colorado Springs, Colorado;
(3794) Corporal David G. Weimortz, Irmo, South Carolina;
(3795) Technical Sergeant Timothy R. Weiner, Tamarac, Florida;
(3796) Sergeant David Thomas Weir, Cleveland, Tennessee;
(3797) Staff Sergeant David J. Weisenburg, Portland, Oregon;
(3798) Specialist Douglas J. Weismantle, Pittsburgh, Pennsylvania;
(3799) Specialist Andrew R. Weiss, Lafayette, Indiana;
(3800) Lance Corporal Joseph T. Welke, Rapid City, South Dakota;
(3801) Lance Corporal Larry L. Wells, Mount Hermon, Louisiana;
(3802) Sergeant Lonny D. Wells, Vandergrift, Pennsylvania;
(3803) Chief Warrant Officer Stephen M. Wells, Egremont, Massachusetts;
(3804) Warrant Officer Charles G. Wells, Jr., Montgomery, Alabama;
(3805) Specialist Michael J. Wendling, Mayville, Wisconsin;
(3806) Sergeant Brad A. Wentz, Gladwin, Michigan;
(3807) Specialist Cody L. Wentz, Williston, North Dakota;
(3808) Private Raymond M. Werner, Boise, Idaho;
(3809) Specialist Jeffrey M. Wershow, Gainesville, Florida;
(3810) Specialist Christopher Jude Rivera Wesley, Portland, Oregon;
(3811) Private First Class Kevin S. K. Wessel, Newport, Oregon;
(3812) Corporal Bobby R. West, Beebe, Arkansas;
(3813) Sergeant James G. West, Watertown, New York;
(3814) Captain Jason M. West, Pittsburgh, Pennsylvania;
(3815) Lance Corporal Jeromy D. West, Aguanga, California;
(3816) Lance Corporal Phillip G. West, American Canyon, California;
(3817) Master Sergeant Robert H. West, Elyria, Ohio;
(3818) Private First Class Theodore M. West, Richmond, Kentucky;
(3819) Staff Sergeant Laurent J. West, Raleigh, North Carolina;
(3820) Specialist Christopher J. West, Arlington, Texas;
(3821) First Lieutenant Kile G. West, Texas, Pasadena;
(3822) Sergeant Marshall A. Westbrook, Farmington, New Mexico;
(3823) Colonel Theodore S. Westhusing, Dallas, Texas;
(3824) First Lieutenant Alexander E. Wetherbee, Fairfax, Virginia;
(3825) Specialist Donald L. Wheeler, Concord, Michigan;
(3826) Sergeant First Class Dexter E. Wheelous, Winder, Georgia;
(3827) Sergeant Mason Douglas Whetstone, Anchorage, Alaska;
(3828) Staff Sergeant Jerald A. Whisenhunt, Orrick, Missouri;
(3829) Private First Class Marquis A. Whitaker, Columbus, Georgia;
(3830) Staff Sergeant Aaron Dean White, Shawnee, Oklahoma;
(3831) Private Anthony White, Columbia, South Carolina;
(3832) Private First Class Christopher N. White, Southport, North Carolina;
(3833) Sergeant Lucas T. White, Moses, Lake Washington;
(3834) Lieutenant Nathan Dennis White, Mesa, Arizona;
(3835) Specialist Raymond L. White, Elwood, Indiana;
(3836) Sergeant First Class Stephen J. White, Talladega, Alabama;
(3837) Sergeant Steven W. White, Lawton, Oklahoma;
(3838) Lance Corporal William Wayne White, Brooklyn, New York;
(3839) Private Dewayne L. White, Country Club Hills, Illinois;
(3840) Staff Sergeant Delmar White, Wallins, Kentucky;
(3841) Specialist Doonewey White, Milpitas, California;
(3842) Staff Sergeant Jason D. Whitehouse, Phoenix, Arizona;
(3843) Private First Class Joey D. Whitener, Nebo, North Carolina;
(3844) Staff Sergeant Justin R. Whiting, Hancock, New York;

(3845) Lance Corporal Dion M. Whitley, Los Angeles, California;
(3846) Specialist Chase R. Whitman, Eugene, Oregon;
(3847) Lance Corporal Nicholas J. Whyte, Brooklyn, New York;
(3848) Lance Corporal Travis M. Wichlacz, West Bend, Wisconsin;
(3849) Corporal Vernon R. Widner, Redlands, California;
(3850) Specialist Lee A. Wiegand, Hallstead, Pennsylvania;
(3851) Staff Sergeant David A. Wieger, North Huntingdon, Pennsylvania;
(3852) Petty Officer Third Class Jeffery L. Wiener, Louisville, Kentucky;
(3853) Corporal Kory D. Wiens, Independence, Oregon;
(3854) Specialist Michael J. Wiesemann, North Judson, Indiana;
(3855) Staff Sergeant Michael J. Wiggins, Cleveland, Ohio;
(3856) Lance Corporal William Brett Wightman, Sabina, Ohio;
(3857) Corporal Joshua S. Wilfong, Walker, West Virginia;
(3858) Sergeant Charles T. Wilkerson, Kansas City, Missouri;
(3859) Private First Class David A. Wilkey, Jr., Elkhart, Indiana;
(3860) First Lieutenant Charles L. Wilkins III, Columbus, Ohio;
(3861) Private Eric R. Wilkus, Hamilton, New Jersey;
(3862) Seargent Gary D. Willett, Alamogordo, New Mexico;
(3863) Sergeant Cheyenne C. Willey, Fremont, California;
(3864) Corporal Andre L. Williams, Galloway, Ohio;
(3865) Staff Sergeant Benjamin D. Williams, Orange, Texas;
(3866) Sergeant Christian B. Williams, Winter Haven, Florida;
(3867) Sergeant Clint E. Williams, Kingston, Oklahoma;
(3868) Staff Sergeant Dwayne E. Williams, Baltimore, Maryland;
(3869) Sergeant Eugene Williams, Highland, New York;
(3870) Corporal Jeffrey A. Williams, Warrenville, Illinois;
(3871) Staff Sergeant Jesse L. Williams, Santa Rosa, California;
(3872) Corporal Luke C. Williams, Knoxville, Tennessee;
(3873) Lance Corporal Michael Jason Williams, Yuma, Arizona;
(3874) Specialist Michael L. Williams, Buffalo, New York;
(3875) Private First Class Phillip B. Williams, Gardnerville, Nevada;
(3876) Specialist Ronnie D. Williams, Erlanger, Kentucky;
(3877) Sergeant Taft V. Williams, New Orleans, Louisiana;
(3878) Private Wesley J. Williams, Philadelphia, Pennsylvania;
(3879) Sergeant David B. Williams, Tarboro, North Carolina;
(3880) Sergeant Arthur C. Williams IV, Edgewater, Florida;
(3881) Specialist Tracy C. Willis, Marshall, Texas;
(3882) Sergeant First Class Christopher R. Willoughby, Phenix City, Alabama;
(3883) Corporal Bryan S. Wilson, Otterbein, Indiana;
(3884) Specialist Dana N. Wilson, Fountain, Colorado;
(3885) Staff Sergeant Jamie D. Wilson, San Diego, California;
(3886) Command Sergeant Major Jerry L. Wilson, Thomson, Georgia;
(3887) Staff Sergeant Joe Nathan Wilson, Crystal Springs, Mississippi;
(3888) Lance Corporal Lamont N. Wilson, Lawton, Oklahoma;
(3889) Petty Officer Third Class Nicholas Wilson, Valley Newark, New York;
(3890) Specialist Nicholas E. Wilson, Glendale, Arizona;
(3891) Staff Sergeant Robert J. Wilson, Boynton Beach, Florida;
(3892) Sergeant Lee C. Wilson, Chapel Hill, North Carolina;
(3893) Staff Sergeant Stephen J. Wilson, Duluth, Georgia;
(3894) Private First Class Le Ron A. Wilson, Queens, New York;
(3895) Lance Corporal Nicholas Wilt, Tampa, Florida;
(3896) Specialist Thomas J. Wilwerth, Mastic, New York;
(3897) Sergeant David Neil Wimberg, Louisville, Kentucky;
(3898) Corporal Christopher D. Winchester, Flomaton, Alabama;
(3899) First Lieutenant Ronald Winchester, Rockville Center, New York;
(3900) Sergeant First Class Nathan L. Winder, Blanding, Utah;
(3901) Lance Corporal Nathanial Dain Windsor, Scappoose, Oregon;
(3902) Specialist Trevor A. Wine, Orange, California;
(3903) Sergeant Daniel W. Winegeart, Kountze, Texas;
(3904) Lance Corporal Jordan D. Winkler, Tulsa, Oklahoma;
(3905) Private First Class Harry A. Winkler III, Clarksville, Tennessee;
(3906) Private First Class Ryan G. Winslow, Jefferson, Alabama;
(3907) Lieutenant Colonel Peter E. Winston, Plant City, Florida;
(3908) Corporal Jonathan D. Winterbottom, Falls Church, Virginia;
(3909) Lance Corporal William J. Wiscowiche, Victorville, California;
(3910) Staff Sergeant Clinton Lee Wisdom, Atchison, Kansas;
(3911) Specialist Robert A. Wisem Tallahassee, Florida;
(3912) Sergeant Justin D. Wisniewski, Standish, Michigan;
(3913) Private First Class Donovan D. Witham, Malvern, Arkansas;
(3914) Sergeant James Witkowski, Surprise, Arizona;
(3915) Specialist Michelle M. Witmer, New Berlin, Wisconsin;
(3916) Private First Class Owen D. Witt, Sand Springs, Montana;
(3917) Staff Sergeant Kevin M. Witte, Beardsley, Minnesota;
(3918) Private First Class Brett Witteveen, Shelby, Michigan;
(3919) Staff Sergeant Zachary Ryan Wobler, Ottawa, Ohio;
(3920) Specialist James R. Wolf, Scottsbluff, Nebraska;
(3921) Private First Class Colin Joseph Wolfe, Manassas, Virginia;
(3922) Second Lieutenant Jeremy L. Wolfe, Menomonie, Wisconsin;
(3923) Sergeant Elijah Tai Wah Wong, Mesa, Arizona;
(3924) Sergeant Brian M. Wood, Torrance, California;
(3925) Captain George A. Wood, New York, New York;
(3926) Specialist John Edward Wood, Humboldt, Kansas;
(3927) Lance Corporal Nathan R. Wood, Kirkland, Washington;
(3928) Sergeant First Class Ronald T. Wood, Cedar City, Utah;
(3929) Colonel William W. Wood, Panama City, Florida;
(3930) Sergeant Ryan M. Wood, Oklahoma City, Oklahoma;
(3931) Sergeant Peter Woodall, Sarasota, Florida;
(3932) Corporal Julian M. Woodall, Tallahassee, Florida;
(3933) Sergeant Daniel E. Woodcock, Glennallen, Alaska;
(3934) Sergeant Michael R. Woodliff, Port Charlotte, Florida;
(3935) Private First Class Eric Paul Woods, Omaha, Nebraska;
(3936) Petty Officer Third Class Julian Woods, Jacksonville, Florida;
(3937) Specialist Shane W. Woods, Palmer, Alaska;
(3938) Corporal Ryan A. Woodward, Fort Wayne, Indiana;
(3939) Private First Class Curtis L. Wooten III, Spanaway, Washington;
(3940) Specialist Dustin L. Workman II, Greenwood, Nebraska;
(3941) Major Matthew W. Worrel, Lewisville, Texas;
(3942) Sergeant James R. Worster, Broadview Heights, Ohio;
(3943) Private First Class Robert A. Worthington, Jackson, Georgia;
(3944) Sergeant James M. Wosika, Jr., St. Paul, Minnesota;
(3945) Lieutenant Colonel Thomas A. Wren, Lorton, Virginia;
(3946) Specialist Brian A. Wright, Keensburg, Illinois;
(3947) Sergeant Gregroy A. Wright, Boston, Massachusetts;
(3948) Specialist James C. Wright, Morgan, Texas;
(3949) Private First Class Jason G. Wright, Luzerne, Michigan;
(3950) Sergeant Thomas G. Wright, Holly, Michigan;
(3951) Second Lieutenant John Thomas ''J.T.'' Wroblewski, Oak Ridge, New Jersey;
(3952) First Lieutenant Luke C. Wullenwaber, Lewiston, Idaho;
(3953) Lance Corporal Daniel R. Wyatt, Calendonia, Wisconsin;
(3954) Corporal Matthew A. Wyatt, Millstadt, Illinois;
(3955) Private First Class Stephen E. Wyatt, Kilgore, Texas;
(3956) Specialist Benyahmin B. Yahudah, Bogart, Georgia;
(3957) Private First Class Dustin A. Yancey, Goose Creek, South Carolina;
(3958) Sergeant Michael J. Yarbrough, Malvern, Arkansas;
(3959) Sergeant Michael E. Yashinski, Monument, Colorado;
(3960) Corporal Nyle Yates III, Lake Odessa, Michigan;
(3961) Sergeant Clifton J. Yazzie, Fruitland, New Mexico;
(3962) Sergeant Henry Ybarra III, Austin, Texas;
(3963) Lance Corporal Hatak Yuka Keyu M. Yearby, Overbrook, Oklahoma;
(3964) Lance Corporal Luke C. Yepsen, Kingwood, Texas;
(3965) Chief Warrant Officer Keith Yoakum, Hemet, California;
(3966) Private Justin R. Yoemans, Eufaula, Alabama;
(3967) Specialist Viktar V. Yolkin, Spring Branch, Texas;
(3968) Master Sergeant Anthony R. C. Yost, Millington/Flint, Michigan;
(3969) Sergeant Joshua V. Youmans, Flushing, Michigan;
(3970) Private First Class Rodricka Antwan Youmans, Allendale, South Carolina;
(3971) Specialist Christopher D. Young, Los Angeles, California;
(3972) Sergeant Ryan C. Young, Corona, California;
(3973) Private First Class Joshua A. R. Young, Riddle, Oregon;
(3974) Specialist Donald M. Young, Helena, Montana;
(3975) Specialist John J. Young, Savannah, Georgia;
(3976) Private Kelly D. Youngblood, Mesa, Arizona;

(3977) Petty Officer Third Class Travis L. Youngblood, Surrency, Georgia;
(3978) Lance Corporal Andrew J. Zabierek, Chelmsford, Massachusetts;
(3979) Corporal Jesse M. Zamora, Las Cruces, New Mexico;
(3980) Corporal Jose Zamora Sunland, Park, New Mexico;
(3981) Specialist Nicholas J. Zangara, Philadelphia, Pennsylvania;
(3982) Civilian Robert J. Zangas, Prince William County, Virginia;
(3983) Corporal Adam O. Zanutto, Caliente, California;
(3984) Specialist Mark Anthony Zapata, Edinburg, Texas;
(3985) Sergeant First Class William A. Zapfe, Muldraugh, Kentucky;
(3986) Lance Corporal Thomas J. Zapp, Houston, Texas;
(3987) Sergeant First Class Mickey E. Zaun, Brooklyn Park, Minnesota;
(3988) Private First Class Angelo A. Zawaydeh, San Bruno, California;
(3989) Specialist Edgardo Zayas, Dorchester, Massachusetts;
(3990) Staff Sergeant Kevin L. Zeigler, Overland Park, Kansas;
(3991) Private First Class Kenneth E. Zeigler II, Dillsburg, Pennsylvania;
(3992) Private Matthew T. Zeimer, Glendive, Montana;
(3993) Major Douglas Zembiec, Albuquerque, New Mexico;
(3994) Private First Class Benjamin T. Zieske, Concord, California;
(3995) First Lieutenant Dennis W. Zilinski, Freehold, New Jersey;
(3996) Private First Class Nicholaus E. Zimmer, Columbus, Ohio;
(3997) Sergeant Christopher Michael Zimmerman, Stephenville, Texas;
(3998) Sergeant Luke J. Zimmerman, Luxemburg, Wisconsin;
(3999) Private Travis C. Zimmerman, New Berlinville, Pennsylvania;
(4000) Corporal Christopher E. Zimny, Cook, Illinois;
(4001) Corporal Matthew R. Zindars, Watertown, Wisconsin;
(4002) Corporal Nicholas L. Ziolkowski, Towson, Maryland;
(4003) Corporal Ian T. Zook, Port St. Lucie, Florida;
(4004) Lance Corporal Brent Zoucha, Clarks, Nebraska;
(4005) Lance Corporal Scott A. Zubowski, Manchester, Indiana;
(4006) Lance Corporal Robert Paul Zurheide, Jr., Tucson, Arizona;
(4007) Staff Sergeant Michael S. Zyla, Elgin, Oregon; and
(4008) Corporal Casey P. Zylman, Coleman, Michigan; and
(4009) Sergeant Jevon K. Jordan, Norfolk, Virginia

Whereas the following 487 members of the United States Armed Forces have lost their lives in support of the war in Afghanistan:

(1) Captain Clayton Lee Adamkavicius, Fairdale, Kentucky;
(2) Sergeant Kevin D. Akins, Burnsville, North Carolina;
(3) Sergeant Major Phillip R. Albert, Terryville, Connecticut;
(4) Staff Sergeant Leroy E. Alexander, Dale City, Virginia;
(5) Chief Warrant Officer Christopher M. Allgaier, Middleton, Missouri;
(6) Specialist Thomas F. Allison, Roy, Washington;
(7) Corporal William M. Amundson, Jr., The Woodlands, Texas;
(8) Lance Corporal Nicholas R. Anderson, Sauk City, Wisconsin;
(9) Specialist Marc A. Anderson, Brandon, Florida;
(10) Master Sergeant Evander E. Andrews, Solon, Maine;
(11) First Lieutenant Tamara Long Archuleta, Belen, New Mexico;
(12) Sergeant Jan M. Argonish, Peckville, Pennsylvania;
(13) Sergeant First Class Moses E. Armstead, Rochester, New York;
(14) Private Alan J. Austin, Houston, Texas;
(15) Petty Officer Second Class Matthew G. Axelson, Cupertino, California;
(16) Chief Warrant Officer David Ayala, New York, New York;
(17) Staff Sergeant Charlie L. Bagwell, Lake Toxaway, North Carolina;
(18) Private Michael V. Bailey, Waldorf, Maryland;
(19) Master Sergeant Scott R. Ball, Mount Holly Springs, Pennsylvania;
(20) Captain Matthew W. Bancroft, Shasta, California;
(21) Sergeant Major Barbaralien Banks, Harvey, Louisiana;
(22) Sergeant Michael C. Barry, Overland Park, Kansas;
(23) Major Larry J. Bauguess, Jr., Moravian Falls, North Carolina;
(24) Sergeant Tane T. Baum, Pendleton, Oregon;
(25) Sergeant Bobby E. Beasley, Inwood, West Virginia;
(26) Lieutenant Colonel Richard J. Berrettini, Wilcox, Pennsylvania;
(27) Private First Class Matthew L. Bertolino, Hampstead, New Hampshire;
(28) Lance Corporal Bryan P. Bertrand, Coos Bay, Oregon;
(29) Private Joseph R. Blake, Portland, Oregon;
(30) Sergeant Jesse Blamires, South Jordan, Utah;
(31) Corporal Joshua C. Blaney, Matthews, North Carolina;
(32) Sergeant First Class Matthew D. Blaskowski, Levering, Michigan;
(33) Sergeant Jay A. Blessing, Tacoma, Washington;
(34) Sergeant Phillip Allen Bocks, Troy, Michigan;
(35) Captain David A. Boris, Pennsylvania;
(36) Major Thomas G. Bostick, Jr., Llano, Texas;
(37) Chief Petty Officer Matthew J. Bourgeois, Tallahassee, Florida;
(38) Staff Sergeant Collin J. Bowen, Millersville, Maryland;
(39) Private First Class Brian J. Bradbury, Saint Joseph, Missouri;
(40) Sergeant Joshua C. Brennan, Ontario, Oregon;
(41) Sergeant Bryan A. Brewster, Fontana, California;
(42) Lance Corporal Billy D. Brixey, Jr., Ferriday, Louisiana;
(43) Sergeant First Class William R. Brown, Fort Worth, Texas;
(44) Sergeant Charles R. Browning, Tucson, Arizona;
(45) Master Sergeant Thomas L. Bruner, Owensboro, Kentucky;
(46) Gunnery Sergeant Stephen L. Bryson, Montgomery, Alabama;
(47) Staff Sergeant James D. Bullard, Marion, South Carolina;
(48) Staff Sergeant Eric Caban, Fort Worth, Texas;
(49) Major Jeffrey R. Calero, Queens Village, New York;
(50) Specialist Isaiah Calloway, Jacksonville, Florida;
(51) Staff Sergeant Damion G. Campbell, Baltimore, Maryland;
(52) Lance Corporal Dustin L. Canham, Lake Stevens, Washington;
(53) Petty Officer Third Class Mark R. Cannon, Lubbock, Texas;
(54) Staff Sergeant Nicholas R. Carnes, Dayton, Kentucky;
(55) Sergeant First Class Scott M. Carney, Ankeny, Iowa;
(56) Specialist Curtis A. Carter, Lafayette, Louisiana;
(57) Sergeant First Class Victor H. Cervantes, Stockton, California;
(58) Captain Jeremy A. Chandler, Clarksville, Tennessee;
(59) Technical Sergeant John A. Chapman, Waco, Texas;
(60) Sergeant First Class Nathan R. Chapman, San Antonio, Texas;
(61) Staff Sergeant Kyu H. Chay, Fayetteville, North Carolina;
(62) Sergeant Steven Checo, New York, New York;
(63) Staff Sergeant Craig W. Cherry, Winchester, Virginia;
(64) Staff Sergeant Robert J. Chiomento, Fort Dix, New Jersey;
(65) Sergeant Cory L. Clark, Plant City, Florida;
(66) Lance Corporal Jeffery L. Clark, Bay City, Florida;
(67) Gunnery Sergeant Theodore Clark, Jr., Emporia, Virginia;
(68) Master Sergeant Herbert R. Claunch, Wetumpka, Alabama;
(69) Staff Sergeant Shawn M. Clemens, Allegany, New York;
(70) Specialist Brian Michael Clemens, Kokomo, Indiana;
(71) Staff Sergeant Jesse G. Clowers, Jr., Herndon, Virginia;
(72) Staff Sergeant Walter F. Cohee III, Wicomico, Maryland;
(73) Corporal Jeremiah S. Cole, Hiawatha, Kansas;
(74) Staff Sergeant Casey D. Combs, Auburn, Washington;
(75) Private First Class Matthew A. Commons, Boulder City, Nevada;
(76) Captain David S. Connolly, Boston, Massachusetts;
(77) Specialist Robert J. Cook, Sun Prairie, Wisconsin;
(78) Tech. Sergeant Sean M. Corlew, Thousand Oaks, California;
(79) Corporal Bernard P. Corpuz, Watsonville, California;
(80) Staff Sergeant Heathe N. Craig, Severn, Maryland;
(81) Staff Sergeant Brian T. Craig, Houston, Texas;
(82) Specialist Richard M. Crane, Independence, Missouri;
(83) Sergeant Peter P. Crose, Orange Park, Florida;
(84) Private First Class Joseph Cruz, Whittier, California;
(85) Senior Airman Jason D. Cunningham, Camarillo, California;
(86) Staff Sergeant Joseph F. Curreri, Los Angeles, California;
(87) First Sergeant Michael S. Curry, Jr., Dania Beach, Florida;
(88) Captain Patrick Damon, Falmouth, Maine;
(89) Private First Class Adam J. Davis, Twin Falls, Idaho;
(90) Private First Class Justin R. Davis, Gaithersburg, Maryland;
(91) Sergeant Robert G. Davis, Jackson, Missouri;
(92) Master Sergeant Jefferson D. Davis, Clarksville, Tennessee;
(93) Machinist's Mate Fireman Apprentice Bryant L. Davis, Chicago, Illinois;
(94) Staff Sergeant Edwin H. Dazachacon, Belleville, Illinois;
(95) Specialist Robert W. Defazio, West Babylon, New York;
(96) Sergeant First Class Bernard Lee Deghand, Mayetta, Kansas;
(97) Private Jerod R. Dennis, Antlers, Oklahoma;
(98) Sergeant Jeremy E. DePottey, Ironwood, Michigan;
(99) Specialist Isaac E. Diaz Rio, Hondo, Texas;

(100) Petty Officer Second Class Danny P. Dietz, Littleton, Colorado;
(101) Private First Class James R. Dillon, Jr., Grove City, Pennsylvania;
(102) Specialist Jason A. Disney, Fallon, Nevada;
(103) Major Duane W. Dively, Rancho California, California;
(104) Staff Sergeant John G. Doles, Claremore, Oklahoma;
(105) Chief Warrant Officer Christopher B. Donaldson, Illinois;
(106) Staff Sergeant James P. Dorrity, Goldsboro, North Carolina;
(107) Sergeant David J. Drakulich, Reno, Nevada;
(108) Private First Class Robert E. Drawl, Jr., Alexandria, Virginia;
(109) First Lieutenant Brandon R. Dronet, Erath, Louisiana;
(110) Technical Sergeant Scott E. Duffman, Albuquerque, New Mexico;
(111) Sergeant Russell M. Durgin, Henniker, New Hampshire;
(112) Specialist Ciara M. Durkin, Quincy, Massachusetts;
(113) Chief Warrant Officer Scott W. Dyer, Cocoa Beach, Florida;
(114) Private James H. Ebbers, Bridgeview, Illinois;
(115) Private First Class Kevin F. Edgin, Dyersburg, Tennessee;
(116) Specialist Jonn Joseph Edmunds, Cheyenne, Wyoming;
(117) Captain Daniel W. Eggers, Cape Coral, Florida;
(118) Chief Warrant Officer Jody L. Egnor, Middletown, Ohio;
(119) Senior Airman Nicholas D. Eischen, Sanger, California;
(120) Staff Sergeant Gregory L. Elam, Columbus, Georgia;
(121) Master Sergeant Emigdio E. Elizarraras, Pico Rivera, California;
(122) Private First Class Zachary R. Endsley, Spring, Texas;
(123) Sergeant Michael J. Esposito, Jr., Brentwood, New York;
(124) First Lieutenant Forrest P. Ewens, Washington;
(125) Staff Sergeant Troy S. Ezernack, Lancaster, Pennsylvania;
(126) Staff Sergeant Christopher M. Falkel, Highlands Ranch, Colorado;
(127) Major Curtis D. Feistner, White Bear Lake, Minnesota;
(128) Sergeant Gregory D. Fejeran, Barrigada, Guam;
(129) Lieutenant Colonel Joseph J. Fenty, Florida;
(130) Sergeant Christopher J. C. Fernandez, Dededo, Guam;
(131) Specialist Kyle Ka Eo Fernandez, Waipahu, Hawaii;
(132) First Lieutenant Matthew C. Ferrara, Torrance, California;
(133) Captain Michael T. Fiscus, Milford, Indiana;
(134) Chief Warrant Officer (CW3) William T. Flanigan, Milan, Tennessee;
(135) Corporal Jacob R. Fleischer, St. Louis, Missouri;
(136) Chief Warrant Officer John M. Flynn, Sparks, Nevada;
(137) Chief Petty Officer Jacques J. Fontan, New Orleans, Louisiana;
(138) Sergeant Ryan D. Foraker, Logan, Ohio;
(139) Sergeant James F. Fordyce, Newton Square, Pennsylvania;
(140) Sergeant Jeremy D. Foshee, Jackson, Alabama;
(141) Corporal Dale E. Fracker, Jr., Apple Valley, California;
(142) Corporal David M. Fraise, New Orleans, Louisiana;
(143) Petty Officer Third Class John T. Fralish, New Kingstown, Pennsylvania;
(144) Sergeant Gregory Michael Frampton, Fresno, California;
(145) Private First Class Benny S. Franklin, Hammond, Louisiana;
(146) Staff Sergeant Jacob L. Frazier, St. Charles, Illinois;
(147) Specialist Daniel J. Freeman, Cincinnati, Ohio;
(148) Staff Sergeant Kerry W. Frith, Las Vegas, Nevada;
(149) Staff Sergeant William R. Fritsche, Martinsville, Indiana;
(150) Staff Sergeant Joseph F. Fuerst III, Tampa, Florida;
(151) Sergeant First Class Mike Fuga, Nuuli, American Samoa;
(152) Specialist Chad C. Fuller, Potsdam, New York;
(153) Staff Sergeant Michael J. Gabel, Crowley, Louisiana;
(154) Staff Sergeant Justin J. Galewski, Olathe, Kansas;
(155) Sergeant Daniel Lee Galvan, Moore, Oklahoma;
(156) Private First Class Ryan C. Garbs, Edwardsville, Illinois;
(157) Private First Class Damian J. Garza, Odessa, Texas;
(158) Specialist Rogelio R. Garza, Jr., Corpus Christi, Texas;
(159) Sergeant Christopher P. Geiger, Allentown, Pennsylvania;
(160) Lance Corporal Phillip C. George, Houston, Texas;
(161) Staff Sergeant Scott N. Germosen, Queens, New York;
(162) Chief Warrant Officer (CW2) Thomas J. Gibbons, Calvert County, Maryland;
(163) Master Sergeant Randy J. Gillespie, Coaldale, Colorado;
(164) Sergeant Benjamin L. Gilman, Meriden, Connecticut;
(165) Staff Sergeant Shamus O. Goare, Danville, Ohio;
(166) Sergeant Nicholes Darwin Golding, Addison, Maine;
(167) Corporal Billy Gomez, Perris, California;
(168) Sergeant First Class Chad A. Gonsalves, Turlock, California;
(169) Specialist Rodrigo Gonzalez-Garza, San Antonio, Texas;
(170) Senior Airman Alecia S. Good, Broadview Heights, Ohio;
(171) Private First Class Jordan E. Goode, Kalamazoo, Michigan;
(172) Caporal Nathan J. Goodiron, Mandaree, North Dakota;
(173) Chief Warrant Officer Corey J. Goodnature, Clarks Grove, Minnesota;
(174) Staff Sergeant Robert S. Goodwin, Albany, Georgia;
(175) Specialist Brandon D. Gordon, Naples, Florida;
(176) Specialist Brian Gorham, Woodburn, Kentucky;
(177) Seaman Katrina Renee Grady, Greenville, Mississippi;
(178) Major Michael L. Green, Chagrin Falls, Ohio;
(179) Corporal Jeremy R. Greene, Springfield, Ohio;
(180) Sergeant John C. Griffith, Las Vegas, Nevada;
(181) Corporal Aaron M. Griner, Tampa, Florida;
(182) Chief Warrant Officer Travis W. Grogan, Virginia Beach, Virginia;
(183) Specialist Agustin Gutierrez, San Jacinto, California;
(184) Specialist Kelvin Feliciano Gutierrez, Anasco, Puerto Rico;
(185) Sergeant Gabriel Guzman, Hornbrook, California;
(186) Sergeant Brandon E. Hadaway, Valley, Alabama;
(187) First Lieutenant Benjamin J. Hall, Virginia;
(188) Specialist Blake W. Hall, East Prairie, Missouri;
(189) Specialist David E. Hall, Uniontown, Kansas;
(190) Chief Warrant Officer (CW2) Stanley L. Harriman, Wade, North Carolina;
(191) Sergeant Taurean T. Harris, Liberty, Mississippi;
(192) Private First Class Joseph G. Harris, Sugar Land, Texas;
(193) Colonel James W. Harrison, Jr., Missouri;
(194) Private First Class Jason D. Hasenauer, Hilton, New York;
(195) Sergeant Nathan P. Hays, Lincoln, Washington;
(196) Sergeant James K. Healy, Hesperia, California;
(197) Senior Chief Petty Officer Daniel R. Healy, Exeter, New Hampshire;
(198) Private First Class Kyle M. Hemauer, Chilton, Wisconsin;
(199) Sergeant First Class Christopher Dale Henderson, Hillsboro, Oregon;
(200) Private John M. Henderson, Jr., Columbus, Georgia;
(201) Sergeant First Class John Henning, Lake Charles, Louisiana;
(202) Sergeant Edelman L. Hernandez, Hyattsville, Maryland;
(203) Private First Class Emmanuel Hernandez, Yauco, Puerto Rico;
(204) Sergeant First Class Rocky H. Herrera, Salt Lake City, Utah;
(205) Specialist Brett M. Hershey, State College, Pennsylvania;
(206) Sergeant Edward R. Heselton, Easley, South Carolina;
(207) Specialist Julie R. Hickey, Galloway, Ohio;
(208) Staff Sergeant Jason Carlyle Hicks, Jefferson, South Carolina;
(209) Sergeant David M. Hierholzer, Lewisburg, Tennessee;
(210) Master Sergeant Michael T. Hiester, Bluffton, Indiana;
(211) Sergeant Anton J. Hiett, Mount Airy, North Carolina;
(212) Sergeant Stephen C. High, Spartanburg, South Carolina;
(213) Sergeant Adrian E. Hike, Callender, Iowa;
(214) Sergeant Shawn F. Hill, Wellford, South Carolina;
(215) Specialist Joshua Lee Hill, Fairmount, Indiana;
(216) First Lieutenant Derek S. Hines, Newburyport, Massachusetts;
(217) Staff Sergeant Brian S. Hobbs, Mesa, Arizona;
(218) Specialist Christopher S. Honaker, Cleveland, North Carolina;
(219) Sergeant Bryce D. Howard, Vancouver, Washington;
(220) Sergeant First Class Merideth Howard, Waukesha, Wisconsin;
(221) Staff Sergeant Christopher T. Howick, Hamburg, New York;
(222) Sergeant Buddy J. Hughie, Poteau, Oklahoma;
(223) First Lieutenant Joshua M. Hyland, Missoula, Montana;
(224) Specialist Wakkuna Jackson, Jacksonville, Florida;
(225) Sergeant First Class Mark Wayne Jackson, Glennie, Michigan;
(226) Sergeant Kip A. Jacoby, Pompano Beach, Florida;
(227) Electrician's Mate Fireman Apprentice Michael J. Jakes, Jr., Brooklyn, New York;
(228) Command Sergeant Dennis Jallah, Jr., Fayetteville, North Carolina;
(229) Petty Officer Second Class Laquita Pate James, Orange Park, Florida;
(230) Technical Sergeant William H. Jefferson, Jr., Norfolk, Virginia;
(231) Private First Class Joseph A. Jeffries, Beaverton, Oregon;

(232) Private First Class Jason D. Johns, Frankton, Indiana;
(233) Sergeant Travon T. Johnson, Palmdale, California;
(234) Sergeant First Class Allen C. Johnson, Los Molinos, California;
(235) Electronics Technician Third Class Benjamin Johnson, Rochester, New York;
(236) Petty Officer Second Class Darrell Jones, Wellston, Ohio;
(237) Lance Corporal Kevin B. Joyce, Ganado, Arizona;
(238) Sergeant First Class Matthew Ryan Kahler, Granite Falls, Minnesota;
(239) Sergeant Robert P. Kassin, Las Vegas, Nevada;
(240) Specialist Christopher M. Katzenberger, St. Louis, Missouri;
(241) Specialist James C. Kearney III, Emerson, Iowa;
(242) First Lieutenant Benjamin D. Keating, Shapleigh, Maine;
(243) Sergeant Michael J. Kelley, Scituate, Massachusetts;
(244) Technical Sergeant William J. Kerwood, Houston, Missouri;
(245) Sergeant First Class Jeffrey D. Kettle, Madill, Oklahoma;
(246) Lieutenant Colonel Paul W. Kimbrough, Little Rock, Arkansas;
(247) Specialist Adam G. Kinser, Sacramento, California;
(248) Lance Corporal Nicholas C. Kirven, Fairfax/Richmond, Virginia;
(249) Staff Sergeant Daniel Leon Kisling, Jr., Neosho, Missouri;
(250) Sergeant Charles B. Kitowski III, Farmers Branch, Texas;
(251) Specialist Chris Kleinwachter, Wahpeton, North Dakota;
(252) Specialist Steven R. Koch, Milltown, New Jersey;
(253) Staff Sergeant Shane M. Koele, Wayne, Nebraska;
(254) Lieutenant Commander Erik S. Kristensen, San Diego, California;
(255) Staff Sergeant Patrick F. Kutschbach, McKees Rocks, Pennsylvania;
(256) Staff Sergeant Anthony S. Lagman, Yonkers, New York;
(257) Private First Class Joseph M. Lancour, Swartz Creek, Michigan;
(258) Sergeant First Class Mitchell A. Lane, Lompoc, California;
(259) Specialist Sean K. A. Langevin, Walnut Creek, California;
(260) Lance Corporal Samuel W. Large, Jr., Villa Rice, Georgia;
(261) Sergeant James Shawn Lee, Mount Vernon, Indiana;
(262) Sergeant Michael R. Lehmiller, Anderson, South Carolina;
(263) Sergeant Donnie Leo F. Levens, Long Beach, Mississippi;
(264) Captain Darrell C. Lewis, Washington, District of Columbia;
(265) Corporal Timothy D. Lewis, Lawrenceburg, Kentucky;
(266) Staff Sergeant Roy P. Lewsader, Jr., Clinton, Indiana;
(267) Specialist George V. Libby, Aberdeen, North Carolina;
(268) Second Lieutenant Stuart F. Liles, Hot Spring, Arkansas;
(269) Master Sergeant Arthur L. Lilley, Smithfield, Pennsylvania;
(270) Sergeant Nathaniel Brad Lindsey, Troutdale, Oregon;
(271) Staff Sergeant Christian Longsworth, Newark, New Jersey;
(272) Airman First Class Raymond Losano, Del Rio, Texas;
(273) Private First Class Jacob Michael Lowell, New Lenox, Illinois;
(274) Specialist Jason A. Lucas, Columbus, Ohio;
(275) Petty Officer First Class Jeffery A. Lucas, Corbett, Oregon;
(276) Second Lieutenant Scott B. Lundell, Hurricane, Utah;
(277) Staff Sergeant Patrick L. Lybert, Ladysmith, Wisconsin;
(278) Master Sergeant Patrick D. Magnani, Martinez, California;
(279) Master Sergeant Thomas D. Maholic, Bradford, Pennsylvania;
(280) Master Sergeant Michael Maltz, St. Petersburg, Florida;
(281) Sergeant First Class Curtis Mancini, Fort Lauderdale, Florida;
(282) Corporal Matthieu Marcellus, Gainesville, Florida;
(283) Private Giovanny Maria, New York, New York;
(284) Private First Class Conor G. Masterson, Inver Grove Heights, Minnesota;
(285) Master Sergeant Edwin A. Matoscolon, Juana Diaz, Puerto Rico;
(286) Sergeant Jamie O. Maugans, Wichita, Kansas;
(287) Petty Officer First Class Alec Mazur, Vernon, New York;
(288) Chief Warrant Officer Hershel D. McCants, Jr., Arizona;
(289) Sergeant Charles J. McClain, Fort Riley, Kansas;
(290) Private First Class Daniel B. McClenney, Shelbyville, Tennessee;
(291) Sergeant Jonathan E. McColley, Gettysburg, Pennsylvania;
(292) Captain Daniel G. McCollum, Richland, South Carolina;
(293) Master Sergeant William L. McDaniel II, Greenville, Ohio;
(294) Sergeant Edmund W. McDonald, Casco, Maine;
(295) Sergeant Thomas P. McGee, Hawthorne, California;
(296) Staff Sergeant Robert K. McGee, Martinsville, Virginia;
(297) Lieutenant Michael M. McGreevy, Jr., Portville, New York;
(298) Sergeant Major Jeff McLochlin, Rochester, Indiana;
(299) Lieutenant Colonel Michael J. McMahon, Connecticut;
(300) Private First Class Spence A. McNeil, Bennettsville, South Carolina;
(301) Specialist Curtis R. Mehrer, Bismarck, North Dakota;
(302) Specialist Daniel F. Mehringer, Morgantown, West Virginia;
(303) First Sergeant Tobias C. Meister, Jenks, Oklahoma;
(304) Staff Sergeant Luis M. Melendez, Sanchez Bayamon, Puerto Rico;
(305) Specialist Hugo V. Mendoza, Glendale, Arizona;
(306) Sergeant Jeffery S. Mersman, Parker, Kansas;
(307) Captain Seth R. Michaud, Hudson, Massachusetts;
(308) Petty Officer Second Class Charles Luke Milam, Littleton, Colorado;
(309) Staff Sergeant Robert J. Miller, Iowa City, Iowa;
(310) Private First Class Mykel F. Miller, Phoenix, Arizona;
(311) Sergeant First Class Daniel E. Miller, Rossford, Ohio;
(312) Specialist Harley D. R. Miller, Spokane, Washington;
(313) Private First Class Joseph A. Miracle, Ortonville, Michigan;
(314) Sergeant First Class Sean K. Mitchell, Monterey, California;
(315) Chief Warrant Officer Timothy Wayne Moehling, Panama City, Florida;
(316) Staff Sergeant Robert J. Mogensen, Leesville, Louisiana;
(317) Sergeant First Class Jared C. Monti, Raynham, Massachusetts;
(318) Sergeant Alberto D. Montrond, Suffolk, Massachusetts;
(319) Private Brian M. Moquin, Jr., Worcester, Massachusetts;
(320) Sergeant Orlando Morales, Manati, Puerto Rico;
(321) Petty Officer Third Class Fabricio Moreno, Brooklyn, New York;
(322) Staff Sergeant Dwight J. Morgan, Mendocino, California;
(323) Sergeant First Class John D. Morton, Stanton, Kentucky;
(324) Staff Sergeant James D. Mowris, Aurora, Missouri;
(325) Specialist Scott J. Mullen, Tucson, Arizona;
(326) Lieutenant Colonel Charles E. Munier, Wheatland, Wyoming;
(327) Sergeant First Class Pedro A. Munoz, Aquada, Puerto Rico;
(328) Sergeant First Class Marcus V. Muralles, Shelbyville, Indiana;
(329) Lieutenant Michael P. Murphy, Patchogue, New York;
(330) Major Edward J. Murphy, South Carolina;
(331) Lance Corporal Ryan J. Nass, Franklin, Wisconsin;
(332) Staff Sergeant William R. Neil, Holmden, New Jersey;
(333) Staff Sergeant Clinton T. Newman, San Antonio, Texas;
(334) Sergeant Long N. Nguyen, Portland, Oregon;
(335) Travis W. Nixon, St. John, Washington;
(336) Specialist Justin L. O'Donohoe, San Diego, California;
(337) Private First Class Alex Oceguera, San Bernardino, California;
(338) Sergeant First Class James S. Ochsner, Waukegan, Illinois;
(339) Major Henry S. Ofeciar, Agana, Guam;
(340) Staff Sergeant Tony B. Olaes, Walhalla, South Carolina;
(341) Corporal Tanner J. O'Leary, Eagle Butte, South Dakota;
(342) Sergeant Michael C. O'Neill, Mansfield, Ohio;
(343) Private First Class Evan W. O'Neill, Haverhill, Massachusetts;
(344) Chief Warrant Officer (CW3) Mark O'Steen, Ozark, Alabama;
(345) Petty Officer First Class Brian J. Ouellette, Needham, Massachusetts;
(346) Captain Bartt D. Owens, Middletown, Ohio;
(347) Sergeant Timothy P. Padgett, Defuniak Springs, Florida;
(348) Private Christopher L. Palmer, Sacramento, California;
(349) Sergeant Jason T. Palmerton, Auburn, Nebraska;
(350) Private First Class Kristian E. Parker, Slidell, Louisiana;
(351) Engineman First Class Vincent Parker, Preston, Mississippi;
(352) Petty Officer Second Class Eric Shane Patton, Boulder City, Nevada;
(353) Staff Sergeant Robert J. Paul, The Dalles, Oregon;
(354) Corporal Ronald R. Payne, Jr., Lakeland, Florida;
(355) Specialist Pedro Pena, Florida;
(356) Sergeant Roger P. Peña, Jr., San Antonio, Texas;
(357) Sergeant Theodore L. Perreault, Webster, Massachusetts;
(358) Sergeant Dustin J. Perrott, Fredericksburg, Virginia;
(359) Sergeant First Class Daniel H. Petithory, Cheshire, Massachusetts;
(360) Private First Class Christopher F. Pfeifer, Spalding, Nebraska;
(361) Staff Sergeant Joseph E. Phaneuf II, Eastford, Connecticut;
(362) Sergeant Edward O. Philpot, Latta, South Carolina;
(363) Staff Sergeant Christopher N. Piper, Marblehead, Massachusetts;
(364) Senior Airman Jason Thomas Plite, Lansing, Michigan;

(365) Major Steven Plumhoff, Neshanic Station, New Jersey;
(366) Master Sergeant James W. ''Tré'' Ponder III, Franklin, Tennessee;
(367) Ensign Jerry O. Pope II, Tallahassee, Florida;
(368) Chief Warrant Officer Clint J. Prather, Cheney, Washington;
(369) Chief Warrant Officer Bruce E. Price, Maryland;
(370) Navy Petty Officer Third Class Jason Profitt, Charlestown, Indiana;
(371) Staff Sergeant Brian C. Prosser, Frazier Park, California;
(372) Chief Warrant Officer John A. Quinlan, New Jersey;
(373) Corporal Adam D. Quinn, Orange City, Florida;
(374) First Sergeant Christopher C. Rafferty, Brownsville, Pennsylvania;
(375) Sergeant Robert T. Rapp, Sonora, California;
(376) Staff Sergeant Joseph R. Ray, Asheville, North Carolina;
(377) Major Stephen C. Reich, Washington Depot, Connecticut;
(378) Private First Class Juan S. Restrepo, Pembroke Pines, Florida;
(379) First Class Petty Officer Thomas E. Retzer, San Diego, California;
(380) Staff Sergeant Juan M. Ridout, Maple Tree, Washington;
(381) Specialist Jeffrey G. Roberson, Phelan, California;
(382) Aviation Boatswain's Mate-Handling First Class Neil C. Roberts, Woodland, California;
(383) Private First Class Antione V. Robinson, Detroit, North Carolina;
(384) Lieutenant Colonel Michael A. Robinson, Sylacauga, Alabama;
(385) Specialist Fernando D. Robinson, Hawthorne, California;
(386) Staff Sergeant Christopher L. Robinson, Brandon, Mississippi;
(387) Captain Charles D. Robinson, Haddon Heights, New Jersey;
(388) Lieutenant Commander Thomas L. Robinson, Kingston, Massachusetts;
(389) Chief Warrant Officer Joshua R. Rodgers, Carson City, Nevada;
(390) Private First Class Jessy S. Rogers, Copper Center, Alaska;
(391) Staff Sergeant Alan L. Rogers, Kearns, Utah;
(392) Sergeant First Class Daniel A. Romero, Lafayette, Colorado;
(393) Specialist Lester G. Roque, Torrance, California;
(394) Sergeant Kenneth G. Ross, Peoria, Arizona;
(395) Staff Sergeant Larry I. Rougle, West Jordan, Utah;
(396) Staff Sergeant Bruce A. Rushforth, Jr., Bridgewater, Massachusetts;
(397) Sergeant First Class Michael L. Russell, Stafford, Virginia;
(398) Master Sergeant Wilberto Sabalu, Jr., Chicago, Illinois;
(399) Airman First Class Jesse M. Samek, Rogers, Arkansas;
(400) Sergeant Ian T. Sanchez, Staten Island, New York;
(401) Staff Sergeant Charles R. Sanders, Jr., Charleston, Missouri;
(402) Staff Sergeant Michael W. Schafer, Spring Hill, Florida;
(403) Chief Warrant Officer Chris J. Scherkenbach, Jacksonville, Florida;
(404) Corporal Richard P. Schoener, Hayes, Louisiana;
(405) Specialist Justin A. Scott, Bellevue, Kentucky;
(406) Sergeant Danton K. Seitsinger, Oklahoma City, Oklahoma;
(407) Senior Airman Adam P. Servais, Onalaska, Wisconsin;
(408) Staff Sergeant Michael A. Shank, Bonham, Texas;
(409) Staff Sergeant Anissa A. Shero, Grafton, West Virginia;
(410) Specialist Chris Sitton, Montrose, Colorado;
(411) Lance Corporal Antonio J. Sledd, Tampa, Florida;
(412) Major Douglas E. Sloan, Charlevoix, Michigan;
(413) Private First Class Andrew Small, Wiscasset, Maine;
(414) Chief Warrant Officer John D. Smith, West Valley City, Utah;
(415) Private First Class Norman K. Snyder, Carlisle, Indiana;
(416) Lance Corporal Nicholas J. Sovie, Ogdensburg, New York;
(417) Sergeant First Class Christopher J. Speer, Albuquerque, New Mexico;
(418) Specialist Michael K. Spivey, Fayetteville, North Carolina;
(419) Corporal Derek A. Stanley, Tulsa, Oklahoma;
(420) Captain Joshua E. Steele, North Henderson, Illinois;
(421) Lieutenant Colonel John Stein, Bardolph, Illinois;
(422) Sergeant David A. Stephens, Tullahoma, Tennessee;
(423) Sergeant Patrick D. Stewart, Fernley, Nevada;
(424) Specialist Matthew P. Steyart, Mount Shasta, California;
(425) Sergeant First Class James J. Stoddard, Jr., Crofton, Maryland;
(426) Sergeant First Class John Thomas, Stone Tunbridge/Norwich, Vermont;
(427) Private First Class Kristofor T. Stonesifer, Missoula, Montana;
(428) Specialist Chrystal Gaye Stout, Travelers Rest, South Carolina;
(429) Specialist Sascha Struble, Philadelphia, New York;
(430) Warrant Officer Adrian B. Stump, Pendleton, Oregon;
(431) Petty Officer Second Class James Suh, Deerfield Beach, Florida;
(432) Sergeant First Class Daniel Suplee, Ocala, Florida;
(433) Sergeant Philip J. Svitak, Joplin, Missouri;
(434) Staff Sergeant Paul A. Sweeney, Lakeville, Pennsylvania;
(435) Private First Class Pendelton L. Sykes II, Chesapeake, Virginia;
(436) Commander Adrian Basil Szwec, Chicago, Illinois;
(437) Staff Sergeant Donald T. Tabb, Norcross, Georgia;
(438) Petty Officer First Class David M. Tapper, Camden County, New Jersey;
(439) Private First Class Mathew D. Taylor, Cameron Park, California;
(440) Petty Officer First Class Jeffrey S. Taylor, Midway, West Virginia;
(441) Sergeant First Class John E. Taylor, Wichita Falls, Texas;
(442) Staff Sergeant John ''Mike'' Teal, Dallas, Texas;
(443) Sergeant Zachary D. Tellier, Charlotte, North Carolina;
(444) Lance Corporal Juston Tyler Thacker, Bluefield, West Virginia;
(445) Staff Sergeant Michael D. Thomas, Seffner, Florida;
(446) Private First Class Kristofer D. S. Thomas, Roseville, California;
(447) Private First Class Adam L. Thomas, Palos Hills, Illinois;
(448) Specialist Patrick D. Tillman, Chandler, Arizona;
(449) Specialist David N. Timmons, Jr., Lewisville, North Carolina;
(450) Specialist Juan Manuel Torres, Houston, Texas;
(451) Chief Warrant Officer (CW3) Eric W. Totten, Texas;
(452) Sergeant William John Tracy, Jr., Webster, New Hampshire;
(453) Corporal Steven Charles Tucker, Grapevine, Texas;
(454) Petty Officer Third Class Emory J. Turpin, Dahlonega, Georgia;
(455) Sergeant First Class Peter P. Tycz II, Tonawanda, New York;
(456) Angelo J. Vaccaro, Deltona, Florida;
(457) Lance Corporal Steven A. Valdez, McRea, Arkansas;
(458) Sergeant Alex Van Aalten, Monterey, Tennessee;
(459) Sergeant Travis A. Van Zoest, Larimore, North Dakota;
(460) Sergeant Gene A. Vance, Jr., Morgantown, West Virginia;
(461) Specialist Travis R. Vaughn, Reinbeck, Iowa;
(462) Specialist Andrew Velez, Lubbock, Texas;
(463) Private First Class Timothy R. Vimoto, Fort Campbell, Kentucky;
(464) Private First Class Brandon James Wadman, West Palm Beach, Florida;
(465) First Lieutenant Laura M. Walker, Texas;
(466) Staff Sergeant Thomas A. Walkup, Jr., Millville, New Jersey;
(467) Sergeant First Class Johnny C. Walls, Bremerton, Washington;
(468) Technical Sergeant Howard A. Walters, Port Huron, Michigan;
(469) Specialist Wesley R. Wells, Libertyville, Illinois;
(470) Staff Sergeant Joshua R. Whitaker, Long Beach, California;
(471) Staff Sergeant Robert F. White, Cross Lanes, West Virginia;
(472) Lance Corporal Russell P. White, Dagsboro, Delaware;
(473) Private Robert C. White III, Camden, New Jersey;
(474) Private First Class James P. White, Jr., Huber Heights, Ohio;
(475) Sergeant Jeffery S. Wiekamp, Utopia, Texas;
(476) Sergeant Adam A. Wilkinson, Fort Carson, Colorado;
(477) Captain Bryan D. Willard, Hummelstown, Pennsylvania;
(478) Private First Class Thomas R. Wilson, Maurertown, Virginia;
(479) Specialist Christopher M. Wilson, Bangor, Maine;
(480) Sergeant Jeannette L. Winters, Du Page, Illinois;
(481) Specialist Phillip L. Witkowski, Fredonia, New York;
(482) Sergeant Roy A. Wood, Alva, Florida;
(483) Staff Sergeant Romanes L. Woodard, Hertford, North Carolina;
(484) Corporal Travis M. Woods, Redding, California;
(485) Sergeant Jeremy R. Wright, Shelbyville, Indiana;
(486) Sergeant Charles E. Wyckoff, Jr., Chula Vista, California; and
(487) Private First Class Daniel Zizumbo, Chicago, Illinois; and

Whereas these American men and women have paid the ultimate sacrifice for their country: Now, therefore, be it

Resolved, That the Senate honors the service and sacrifice of the men and women who have lost their lives in support of Operation Iraqi Freedom and Operation Enduring Freedom and honors their families and loved ones.

SENATE RESOLUTION 502—COMMEMORATING THE 25TH ANNIVERSARY OF THE SPACE FOUNDATION

Mr. ALLARD submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 502

Whereas 2008 marks the 25th year of excellence and service of the Space Foundation;

Whereas the mission of the Space Foundation is to advance space-related endeavors to inspire, enable, and propel humanity;

Whereas the Space Foundation has become the leading nonprofit organization advancing the exploration, development, and use of space and space education for the benefit of all humankind;

Whereas the Space Foundation embraces all aspects of space including commercial, civil, and national security;

Whereas the current national security environment requires extensive use and advancement of space-based assets;

Whereas the Space Foundation has contributed to space education programs in all 50 States and also in Europe and Asia;

Whereas the Space Foundation is regarded internationally as a leading space advocacy organization, and is a member of the United States Delegation to the United Nations Committee on the Peaceful Uses of Outer Space; and

Whereas the Space Foundation hosts the National Space Symposium and Strategic Space and Defense, 2 of the top conferences for space professionals: Now, therefore, be it

Resolved, That the Senate—

(a) recognizes the contributions made by the Space Foundation; and

(b) commemorates the Space Foundation's 25 years of excellence and support to the Nation.

Mr. ALLARD. Mr. President, today I rise to commemorate the Space Foundation's 25th anniversary. Throughout this time, space has become an integral part of our national security and everyday life. The Space Foundation has been instrumental in our advancements in space, and I am proud to recognize their 25th anniversary.

The Space Foundation is a nonprofit organization which was founded in 1983 by a small group of innovative individuals in Colorado Springs, CO. It began as an organization ''to foster, develop and promote, among the citizens of the U.S. and among other people of the world, a greater understanding and awareness of the practical and theoretical utilization of space for the benefit of civilization and the fostering of a peaceful and prosperous world.'' They have certainly lived up to this creed and have more than excelled in their promotion and edification of space.

The Space Foundation is a leader in exploration and development. They work with all components of space including commercial, civil, and national security. The Foundation is regarded internationally as a leading space advocacy organization, and is a member of the U.S. Delegation to the United Nation's Committee on the Peaceful Uses of Outer Space.

The Space Foundation has recognized the need for increased attention to space education. Their one-of-a-kind program allocates resources and helps prepare teachers to not only teach children about space, but to excite them about space. They have connected with teachers in all 50 States as well as countries in Europe and Asia. Beyond the classroom, the Space Foundation seeks to raise awareness and involvement in community programs. They hold two of the three top conferences for space professionals in the world: Strategic Space and Defense and the National Space Symposium. The National Space Symposium is the premier space policy and program forum in the world. It is a unique opportunity for interaction and discussion among the world's space community.

There is no question that space will continue to play an increasingly important strategic role in both technological advancement and national security. The Space Foundation will undoubtedly continue to play a major role in this arena. I commend the Space Foundation on their 25th anniversary, and wish them continued success in the future as they remain an invaluable advocate for space.

SENATE RESOLUTION 503—RECOGNIZING AND HONORING THE 40TH ANNIVERSARY OF THE FAIR HOUSING ACT AND THE 20TH ANNIVERSARY OF THE FAIR HOUSING AMENDMENTS ACT OF 1988

Mr. DURBIN (for himself, Mr. SPECTER, Mr. KENNEDY, Mr. DODD, Mr. BROWN, and Mr. VOINOVICH) submitted the following resolution; which was considered and agreed to:

S. RES. 503

Whereas 2008 marks the 40th anniversary of the enactment of the Fair Housing Act (42 U.S.C. 3601 et seq.);

Whereas 2008 also marks the 20th anniversary of the enactment of the Fair Housing Amendments Act of 1988 (Public Law 100–430; 102 Stat. 1619);

Whereas the Chicago Freedom Movement, which took place from 1965 to 1967 and was led by the Reverend Doctor Martin Luther King, Jr., raised the national consciousness about housing discrimination and shaped the debate that led to landmark fair housing legislation;

Whereas the National Advisory Commission on Civil Disorders, appointed by President Lyndon B. Johnson and commonly known as the Kerner Commission, found in 1968 that ''[o]ur nation is moving toward two societies, one black, one white—separate and unequal'';

Whereas Congress passed the Fair Housing Act as part of the Civil Rights Act of 1968 (Public Law 90–284; 82 Stat. 73), and President Johnson signed the Act into law on April 11, 1968, one week after the assassination of Dr. King;

Whereas the Fair Housing Act prohibits discrimination in housing and housing-related transactions on the basis of race, color, national origin, and religion;

Whereas, in section 808 of the Housing and Community Development Act of 1974 (Public Law 93–383; 88 Stat. 728), Congress amended the Fair Housing Act to include protection on the basis of sex;

Whereas the Fair Housing Amendments Act of 1988 (Public Law 100–430; 102 Stat. 1619), passed by overwhelming margins in Congress, included protection on the basis of familial status and disability and expanded the definition of ''discriminatory housing practices'' to include interference and intimidation;

Whereas Congress's intent in passing the Fair Housing Act was broad and inclusive, to advance equal opportunity in housing and achieve racial integration for the benefit of all people in the United States;

Whereas housing integration affects other dimensions of life, including educational attainment, employment opportunities, access to health care, and home equity;

Whereas the majority of people in the United States support neighborhood integration and numerous studies have shown the universal benefits of residential integration;

Whereas the National Fair Housing Alliance estimates that 3,700,000 violations of fair housing laws still occur each year against African Americans, Latinos, Asian Americans, and American Indians, and that number does not include violations that occur on the basis of other national origins, religion, sex, or familial status or against persons with disabilities;

Whereas the Department of Housing and Urban Development estimates that only 1 percent of individuals who believe they are victims of housing discrimination report those violations of fair housing laws to the government, and this underreporting is a major obstacle to achieving equal opportunity in housing;

Whereas testing of the enforcement of fair housing laws continues to uncover a high rate of discrimination in the rental, sales, mortgage lending, and insurance markets; and

Whereas the Fair Housing Act is an essential component of our Nation's civil rights legislation: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes and honors the 40th anniversary of the enactment of the Fair Housing Act (42 U.S.C. 3601 et seq.) and the 20th anniversary of the enactment of the Fair Housing Amendments Act of 1988 (Public Law 100–430; 102 Stat. 1619);

(2) supports activities to recognize and celebrate the historical milestone represented by the anniversaries of the enactment of the Fair Housing Act and the enactment of the Fair Housing Amendments Act of 1988; and

(3) encourages all levels of government to rededicate themselves to the enforcement and the ideals of fair housing laws.

SENATE CONCURRENT RESOLUTION 73—EXPRESSING CONGRESSIONAL SUPPORT FOR THE GOALS AND IDEALS OF NATIONAL HEALTH CARE DECISIONS DAY

Mr. WYDEN (for himself, Mr. ENZI, Mr. WICKER, Mr. BROWN, and Mr. WHITEHOUSE) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 73

Whereas National Health Care Decisions Day is designed to raise public awareness of the need to plan ahead for health care decisions related to end-of-life care and medical decision-making whenever patients are unable to speak for themselves and to encourage the specific use of advance directives to communicate these important decisions;

Whereas the Patient Self-Determination Act (42 U.S.C. 1395cc(f) et seq.) guarantees patients the right to information about their rights under State law regarding accepting or refusing medical treatment;

Whereas it is estimated that only a minority of Americans have executed advance directives, including those who are terminally ill or living with life-threatening or life-limiting illnesses;

Whereas advance directives offer individuals the opportunity to discuss with loved ones in advance of a health care crisis and decide what measures would be appropriate for them when it comes to end-of-life care;

Whereas the preparation of an advance directive would advise family members, health care providers, and other persons as to how an individual would want to be treated with respect to health care;

Whereas to avoid any legal or medical confusion due to the emotions involved in end-of-life decisions, it is in the best interest of all Americans that each person over the age of 18 communicate his or her wishes by creating an advance directive;

Whereas the Conditions of Participation in Medicare and Medicaid, section 489.102 of title 42, Code of Federal Regulations (as in effect on the date of enactment of this resolution), require all participating facilities to provide information to patients and the public on the topic of advance directives;

Whereas the Centers for Medicare & Medicaid Services has recognized that the use of advance directives is tied to quality health care and has included discussions of advance directives in the criteria of the Physician Quality Reporting Initiative;

Whereas establishing National Health Care Decisions Day will encourage health care facilities and professionals as well as chaplains, attorneys, and others to participate in a collective, nationwide effort to provide clear, concise, and consistent information to the public about health care decision-making, particularly advance directives; and

Whereas as a result of National Health Care Decisions Day, recognized on April 16, 2008, more Americans will have conversations about their health care decisions, more Americans will execute advance directives to make their wishes known, and fewer families and health care providers will have to struggle with making difficult health care decisions in the absence of guidance from the patient: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) supports the goals and ideals of National Health Care Decisions Day;

(2) supports the goals and ideals of advance care planning for all adult Americans;

(3) encourages each person in the United States who is over the age of 18 to prepare an advance directive to assist his or her loved ones, health care providers, and others as they honor his or her wishes;

(4) calls upon all members of Congress to execute such documents and discussions for themselves; and

(5) encourages health care, civic, educational, religious, and for- and non-profit organizations to encourage individuals to prepare advance directives to ensure that their wishes and rights with respect to health care are protected.

AMENDMENTS SUBMITTED AND PROPOSED

SA 4387. Mr. DODD (for himself and Mr. SHELBY) submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation.

SA 4388. Mr. DURBIN (for himself, Mr. REID, Mr. OBAMA, Mrs. CLINTON, Mr. WHITEHOUSE, Mr. SCHUMER, Mrs. FEINSTEIN, Mr. MENENDEZ, Mrs. BOXER, Mr. BROWN, Mr. KENNEDY, Mr. HARKIN, Mr. KERRY, Mr. REED, and Mr. BIDEN) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra.

SA 4389. Ms. LANDRIEU (for herself, Mr. COCHRAN, Mr. VITTER, and Mr. WICKER) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra.

SA 4390. Mr. HATCH (for himself, Mr. SALAZAR, and Mr. KERRY) submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4391. Mr. WICKER (for himself and Mr. COCHRAN) submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4392. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4393. Mrs. FEINSTEIN (for herself, Mr. MARTINEZ, Mr. OBAMA, Mrs. BOXER, Mr. SALAZAR, Mr. DURBIN, and Ms. KLOBUCHAR) submitted an amendment intended to be proposed by her to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4394. Ms. MIKULSKI (for herself, Mr. KENNEDY, and Mr. HARKIN) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4395. Mr. BUNNING submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4396. Mr. BROWNBACK submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4397. Mrs. MURRAY (for herself, Mr. SCHUMER, Mr. CASEY, Mr. BROWN, Mrs. CLINTON, Mr. MENENDEZ, Mr. KERRY, Ms. KLOBUCHAR, Mr. LAUTENBERG, Mr. OBAMA, Ms. MIKULSKI, and Mr. REED) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra.

SA 4398. Mr. SALAZAR submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4399. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4400. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4401. Mr. SANDERS (for himself and Mr. DURBIN) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra.

SA 4402. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4403. Mr. KERRY (for himself and Ms. SNOWE) submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4404. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4405. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4406. Mr. VOINOVICH (for himself, Ms. STABENOW, Mr. HATCH, Mr. ROCKEFELLER, Mr. SMITH, Ms. CANTWELL, Mr. VITTER, and Mr. LEVIN) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra.

SA 4407. Mr. KYL submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra.

SA 4408. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4409. Mrs. McCASKILL submitted an amendment intended to be proposed by her to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4410. Mrs. FEINSTEIN (for herself, Mr. MARTINEZ, Mrs. BOXER, Mr. OBAMA, Mr. SALAZAR, Mrs. DOLE, Mr. DURBIN, and Mrs. CLINTON) submitted an amendment intended to be proposed by her to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4411. Mr. KOHL (for himself and Mrs. LINCOLN) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4412. Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4413. Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4414. Mr. FEINGOLD (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4415. Ms. CANTWELL (for herself, Mr. SMITH, and Mr. KERRY) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4416. Ms. CANTWELL (for herself, Mr. SMITH, and Mr. KERRY) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4417. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4418. Mr. MARTINEZ (for himself and Mr. CARPER) submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4419. Mr. ENSIGN submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4420. Mr. NELSON of Florida (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4421. Mr. CARDIN (for himself and Mr. ENSIGN) proposed an amendment to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra.

SA 4422. Mr. ROBERTS (for himself and Mr. BROWNBACK) submitted an amendment intended to be proposed to amendment SA 4389 submitted by Ms. LANDRIEU (for herself, Mr. COCHRAN, Mr. VITTER, and Mr. WICKER) to the amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill

H.R. 3221, supra; which was ordered to lie on the table.

SA 4423. Mr. NELSON of Florida (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4424. Mrs. HUTCHISON (for herself and Mr. NELSON of Florida) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4425. Mrs. HUTCHISON (for herself and Mr. NELSON of Florida) submitted an amendment intended to be proposed by her to the bill H.R. 3221, supra; which was ordered to lie on the table.

SA 4426. Mr. MARTINEZ (for himself and Mr. CARPER) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 4387. Mr. DODD (for himself and Mr. SHELBY) submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Foreclosure Prevention Act of 2008''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—FHA MODERNIZATION ACT OF 2008

SEC. 101. SHORT TITLE.

This title may be cited as the ''FHA Modernization Act of 2008''.

Subtitle A—Building American Homeownership

SEC. 111. SHORT TITLE.

This subtitle may be cited as the ''Building American Homeownership Act of 2008''.

SEC. 112. MAXIMUM PRINCIPAL LOAN OBLIGATION.

(a) IN GENERAL.—Paragraph (2) of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended—

(1) by amending subparagraphs (A) and (B) to read as follows:

''(A) not to exceed the lesser of—

''(i) in the case of a 1-family residence, 110 percent of the median 1-family house price in the area, as determined by the Secretary; and in the case of a 2-, 3-, or 4-family residence, the percentage of such median price that bears the same ratio to such median price as the dollar amount limitation in effect for 2007 under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) for a 2-, 3-, or 4-family residence, respectively, bears to the dollar amount limitation in effect for 2007 under such section for a 1-family residence; or

''(ii) 132 percent of the dollar amount limitation in effect for 2007 under such section 305(a)(2) for a residence of the applicable size (without regard to any authority to increase such limitations with respect to properties located in Alaska, Guam, Hawaii, or the Virgin Islands), except that each such maximum dollar amount shall be adjusted effective January 1 of each year beginning with 2009, by adding to or subtracting from each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase or decrease, during the most recently completed 12-month or 4-quarter period ending before the time of determining such annual adjustment, in an housing price index developed or selected by the Secretary for purposes of adjustments under this clause;

except that the dollar amount limitation in effect under this subparagraph for any size residence for any area may not be less than the greater of: (I) the dollar amount limitation in effect under this section for the area on October 21, 1998; or (II) 65 percent of the dollar amount limitation in effect for 2007 under such section 305(a)(2) for a residence of the applicable size, as such limitation is adjusted by any subsequent percentage adjustments determined under clause (ii) of this subparagraph; and

''(B) not to exceed 100 percent of the appraised value of the property.''; and

(2) in the matter following subparagraph (B), by striking the second sentence (relating to a definition of ''average closing cost'') and all that follows through ''section 3103A(d) of title 38, United States Code.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect upon the expiration of the date described in section 202(a) of the Economic Stimulus Act of 2008 (Public Law 110-185).

SEC. 113. CASH INVESTMENT REQUIREMENT AND PROHIBITION OF SELLER-FUNDED DOWNPAYMENT ASSISTANCE.

Paragraph 9 of section 203(b) of the National Housing Act (12 U.S.C. 1709(b)(9)) is amended to read as follows:

''(9) CASH INVESTMENT REQUIREMENT.—

''(A) IN GENERAL.—A mortgage insured under this section shall be executed by a mortgagor who shall have paid, in cash, on account of the property an amount equal to not less than 3.5 percent of the appraised value of the property or such larger amount as the Secretary may determine.

''(B) FAMILY MEMBERS.—For purposes of this paragraph, the Secretary shall consider as cash or its equivalent any amounts borrowed from a family member (as such term is defined in section 201), subject only to the requirements that, in any case in which the repayment of such borrowed amounts is secured by a lien against the property, that—

''(i) such lien shall be subordinate to the mortgage; and

''(ii) the sum of the principal obligation of the mortgage and the obligation secured by such lien may not exceed 100 percent of the appraised value of the property.

''(C) PROHIBITED SOURCES.—In no case shall the funds required by subparagraph (A) consist, in whole or in part, of funds provided by any of the following parties before, during, or after closing of the property sale:

''(i) The seller or any other person or entity that financially benefits from the transaction.

''(ii) Any third party or entity that is reimbursed, directly or indirectly, by any of the parties described in clause (i).''.

SEC. 114. MORTGAGE INSURANCE PREMIUMS.

Section 203(c)(2) of the National Housing Act (12 U.S.C. 1709(c)(2)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''or of the General Insurance Fund'' and all that follows through ''section 234(c),,''; and

(2) in subparagraph (A)—

(A) by striking ''2.25 percent'' and inserting ''3 percent''; and

(B) by striking ''2.0 percent'' and inserting ''2.75 percent''.

SEC. 115. REHABILITATION LOANS.

Subsection (k) of section 203 of the National Housing Act (12 U.S.C. 1709(k)) is amended—

(1) in paragraph (1), by striking ''on'' and all that follows through ''1978''; and

(2) in paragraph (5)—

(A) by striking ''General Insurance Fund'' the first place it appears and inserting ''Mutual Mortgage Insurance Fund''; and

(B) in the second sentence, by striking the comma and all that follows through ''General Insurance Fund''.

SEC. 116. DISCRETIONARY ACTION.

The National Housing Act is amended—

(1) in subsection (e) of section 202 (12 U.S.C. 1708(e))—

(A) in paragraph (3)(B), by striking ''section 202(e) of the National Housing Act'' and inserting ''this subsection''; and

(B) by redesignating such subsection as subsection (f);

(2) by striking paragraph (4) of section 203(s) (12 U.S.C. 1709(s)(4)) and inserting the following new paragraph:

''(4) the Secretary of Agriculture;''; and

(3) by transferring subsection (s) of section 203 (as amended by paragraph (2) of this section) to section 202, inserting such subsection after subsection (d) of section 202, and redesignating such subsection as subsection (e).

SEC. 117. INSURANCE OF CONDOMINIUMS.

(a) IN GENERAL.—Section 234 of the National Housing Act (12 U.S.C. 1715y) is amended—

(1) in subsection (c), in the first sentence—

(A) by striking ''and'' before ''(2)''; and

(B) by inserting before the period at the end the following: '', and (3) the project has a blanket mortgage insured by the Secretary under subsection (d)''; and

(2) in subsection (g), by striking '', except that'' and all that follows and inserting a period.

(b) DEFINITION OF MORTGAGE.—Section 201(a) of the National Housing Act (12 U.S.C. 1707(a)) is amended—

(1) before ''a first mortgage'' insert ''(A)'';

(2) by striking ''or on a leasehold (1)'' and inserting ''(B) a first mortgage on a leasehold on real estate (i)'';

(3) by striking ''or (2)'' and inserting '', or (ii)''; and

(4) by inserting before the semicolon the following: '', or (C) a first mortgage given to secure the unpaid purchase price of a fee interest in, or long-term leasehold interest in, real estate consisting of a one-family unit in a multifamily project, including a project in which the dwelling units are attached, or are manufactured housing units, semi-detached, or detached, and an undivided interest in the common areas and facilities which serve the project''.

(c) DEFINITION OF REAL ESTATE.—Section 201 of the National Housing Act (12 U.S.C. 1707) is amended by adding at the end the following new subsection:

''(g) The term 'real estate' means land and all natural resources and structures permanently affixed to the land, including residential buildings and stationary manufactured housing. The Secretary may not require, for treatment of any land or other property as real estate for purposes of this title, that such land or property be treated as real estate for purposes of State taxation.''.

SEC. 118. MUTUAL MORTGAGE INSURANCE FUND.

(a) IN GENERAL.—Subsection (a) of section 202 of the National Housing Act (12 U.S.C. 1708(a)) is amended to read as follows:

''(a) MUTUAL MORTGAGE INSURANCE FUND.—

''(1) ESTABLISHMENT.—Subject to the provisions of the Federal Credit Reform Act of 1990, there is hereby created a Mutual Mortgage Insurance Fund (in this title referred to as the 'Fund'), which shall be used by the Secretary to carry out the provisions of this title with respect to mortgages insured under section 203. The Secretary may enter into commitments to guarantee, and may guarantee, such insured mortgages.

''(2) LIMIT ON LOAN GUARANTEES.—The authority of the Secretary to enter into commitments to guarantee such insured mortgages shall be effective for any fiscal year only to the extent that the aggregate original principal loan amount under such mortgages, any part of which is guaranteed, does not exceed the amount specified in appropriations Acts for such fiscal year.

''(3) FIDUCIARY RESPONSIBILITY.—The Secretary has a responsibility to ensure that the Mutual Mortgage Insurance Fund remains financially sound.

''(4) ANNUAL INDEPENDENT ACTUARIAL STUDY.—The Secretary shall provide for an independent actuarial study of the Fund to be conducted annually, which shall analyze the financial position of the Fund. The Secretary shall submit a report annually to the Congress describing the results of such study and assessing the financial status of the Fund. The report shall recommend adjustments to underwriting standards, program participation, or premiums, if necessary, to ensure that the Fund remains financially sound.

''(5) QUARTERLY REPORTS.—During each fiscal year, the Secretary shall submit a report to the Congress for each calendar quarter, which shall specify for mortgages that are obligations of the Fund—

''(A) the cumulative volume of loan guarantee commitments that have been made during such fiscal year through the end of the quarter for which the report is submitted;

''(B) the types of loans insured, categorized by risk;

''(C) any significant changes between actual and projected claim and prepayment activity;

''(D) projected versus actual loss rates; and

''(E) updated projections of the annual subsidy rates to ensure that increases in risk to the Fund are identified and mitigated by adjustments to underwriting standards, program participation, or premiums, and the financial soundness of the Fund is maintained.

The first quarterly report under this paragraph shall be submitted on the last day of the first quarter of fiscal year 2008, or on the last day of the first full calendar quarter following the enactment of the Building American Homeownership Act of 2008, whichever is later.

''(6) ADJUSTMENT OF PREMIUMS.—If, pursuant to the independent actuarial study of the Fund required under paragraph (4), the Secretary determines that the Fund is not meeting the operational goals established under paragraph (7) or there is a substantial probability that the Fund will not maintain its established target subsidy rate, the Secretary may either make programmatic adjustments under this title as necessary to reduce the risk to the Fund, or make appropriate premium adjustments.

''(7) OPERATIONAL GOALS.—The operational goals for the Fund are—

''(A) to minimize the default risk to the Fund and to homeowners by among other actions instituting fraud prevention quality control screening not later than 18 months after the date of enactment of the Building American Homeownership Act of 2008; and

''(B) to meet the housing needs of the borrowers that the single family mortgage insurance program under this title is designed to serve.''.

(b) OBLIGATIONS OF FUND.—The National Housing Act is amended as follows:

(1) HOMEOWNERSHIP VOUCHER PROGRAM MORTGAGES.—In section 203(v) (12 U.S.C. 1709(v))—

(A) by striking ''Notwithstanding section 202 of this title, the'' and inserting ''The''; and

(B) by striking ''General Insurance Fund'' the first place such term appears and all that follows through the end of the subsection and inserting ''Mutual Mortgage Insurance Fund.''.

(2) HOME EQUITY CONVERSION MORTGAGES.—Section 255(i)(2)(A) of the National Housing Act (12 U.S.C. 1715z–20(i)(2)(A)) is amended by striking ''General Insurance Fund'' and inserting ''Mutual Mortgage Insurance Fund''.

(c) CONFORMING AMENDMENTS.—The National Housing Act is amended—

(1) in section 205 (12 U.S.C. 1711), by striking subsections (g) and (h); and

(2) in section 519(e) (12 U.S.C. 1735c(e)), by striking ''203(b)'' and all that follows through ''203(i)'' and inserting ''203, except as determined by the Secretary''.

SEC. 119. HAWAIIAN HOME LANDS AND INDIAN RESERVATIONS.

(a) HAWAIIAN HOME LANDS.—Section 247(c) of the National Housing Act (12 U.S.C. 1715z–12(c)) is amended—

(1) by striking ''General Insurance Fund established in section 519'' and inserting ''Mutual Mortgage Insurance Fund''; and

(2) in the second sentence, by striking ''(1) all references'' and all that follows through ''and (2)''.

(b) INDIAN RESERVATIONS.—Section 248(f) of the National Housing Act (12 U.S.C. 1715z–13(f)) is amended—

(1) by striking ''General Insurance Fund'' the first place it appears through ''519'' and inserting ''Mutual Mortgage Insurance Fund''; and

(2) in the second sentence, by striking ''(1) all references'' and all that follows through ''and (2)''.

SEC. 120. CONFORMING AND TECHNICAL AMENDMENTS.

(a) REPEALS.—The following provisions of the National Housing Act are repealed:

(1) Subsection (i) of section 203 (12 U.S.C. 1709(i)).

(2) Subsection (o) of section 203 (12 U.S.C. 1709(o)).

(3) Subsection (p) of section 203 (12 U.S.C. 1709(p)).

(4) Subsection (q) of section 203 (12 U.S.C. 1709(q)).

(5) Section 222 (12 U.S.C. 1715m).

(6) Section 237 (12 U.S.C. 1715z–2).

(7) Section 245 (12 U.S.C. 1715z–10).

(b) DEFINITION OF AREA.—Section 203(u)(2)(A) of the National Housing Act (12 U.S.C. 1709(u)(2)(A)) is amended by striking ''shall'' and all that follows and inserting

''means a metropolitan statistical area as established by the Office of Management and Budget;''.

(c) DEFINITION OF STATE.—Section 201(d) of the National Housing Act (12 U.S.C. 1707(d)) is amended by striking ''the Trust Territory of the Pacific Islands'' and inserting ''the Commonwealth of the Northern Mariana Islands''.

SEC. 121. INSURANCE OF MORTGAGES.

Subsection (n)(2) of section 203 of the National Housing Act (12 U.S.C. 1709(n)(2)) is amended—

(1) in subparagraph (A), by inserting ''or subordinate mortgage or'' before ''lien given''; and

(2) in subparagraph (C), by inserting ''or subordinate mortgage or'' before ''lien''.

SEC. 122. HOME EQUITY CONVERSION MORTGAGES.

(a) IN GENERAL.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended—

(1) in subsection (b)(2), insert '' 'real estate,' '' after '' 'mortgagor','';

(2) in subsection (g), by striking ''established under section 203(b)(2)'' and all that follows through ''located'' and inserting ''limitation established under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a 1-family residence'';

(3) in subsection (i)(1)(C), by striking ''limitations'' and inserting ''limitation''; and

(4) by adding at the end the following new subsection:

''(o) AUTHORITY TO INSURE HOME PURCHASE MORTGAGE.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary may insure, upon application by a mortgagee, a home equity conversion mortgage upon such terms and conditions as the Secretary may prescribe, when the home equity conversion mortgage will be used to purchase a 1- to 4-family dwelling unit, one unit of which that the mortgagor will occupy as a primary residence, and to provide for any future payments to the mortgagor, based on available equity, as authorized under subsection (d)(9).

''(2) LIMITATION ON PRINCIPAL OBLIGATION.—A home equity conversion mortgage insured pursuant to paragraph (1) shall involve a principal obligation that does not exceed the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a 1-family residence.''.

(b) MORTGAGES FOR COOPERATIVES.—Subsection (b) of section 255 of the National Housing Act (12 U.S.C. 1715z–20(b)) is amended—

(1) in paragraph (4)—

(A) by inserting ''a first or subordinate mortgage or lien'' before ''on all stock'';

(B) by inserting ''unit'' after ''dwelling''; and

(C) by inserting ''a first mortgage or first lien'' before ''on a leasehold''; and

(2) in paragraph (5), by inserting ''a first or subordinate lien on'' before ''all stock''.

(c) LIMITATION ON ORIGINATION FEES.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20), as amended by the preceding provisions of this section, is further amended—

(1) by redesignating subsections (k), (l), and (m) as subsections (l), (m), and (n), respectively; and

(2) by inserting after subsection (j) the following new subsection:

''(k) LIMITATION ON ORIGINATION FEES.—The Secretary shall establish limits on the origination fee that may be charged to a mortgagor under a mortgage insured under this section, which limitations shall—

''(1) equal 1.5 percent of the maximum claim amount of the mortgage unless adjusted thereafter on the basis of—

''(A) the costs to the mortgagor; and

''(B) the impact of such fees on the reverse mortgage market;

''(2) be subject to a minimum allowable amount;

''(3) provide that the origination fee may be fully financed with the mortgage;

''(4) include any fees paid to correspondent mortgagees approved by the Secretary; and

''(5) have the same effective date as subsection (o)(2) regarding the limitation on principal obligation.''.

(d) STUDY REGARDING PROGRAM COSTS AND CREDIT AVAILABILITY.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study regarding the costs and availability of credit under the home equity conversion mortgages for elderly homeowners program under section 255 of the National Housing Act (12 U.S.C. 1715z–20) (in this subsection referred to as the ''program'').

(2) PURPOSE.—The purpose of the study required under paragraph (1) is to help Congress analyze and determine the effects of limiting the amounts of the costs or fees under the program from the amounts charged under the program as of the date of the enactment of this title.

(3) CONTENT OF REPORT.—The study required under paragraph (1) should focus on—

(A) the cost to mortgagors of participating in the program;

(B) the financial soundness of the program;

(C) the availability of credit under the program; and

(D) the costs to elderly homeowners participating in the program, including—

(i) mortgage insurance premiums charged under the program;

(ii) up-front fees charged under the program; and

(iii) margin rates charged under the program.

(4) TIMING OF REPORT.—Not later than 12 months after the date of the enactment of this title, the Comptroller General shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives setting forth the results and conclusions of the study required under paragraph (1).

SEC. 123. ENERGY EFFICIENT MORTGAGES PROGRAM.

Section 106(a)(2) of the Energy Policy Act of 1992 (42 U.S.C. 12712 note) is amended—

(1) by amending subparagraph (C) to read as follows:

''(C) COSTS OF IMPROVEMENTS.—The cost of cost-effective energy efficiency improvements shall not exceed the greater of—

''(i) 5 percent of the property value (not to exceed 5 percent of the limit established under section 203(b)(2)(A)) of the National Housing Act (12 U.S.C. 1709(b)(2)(A); or

''(ii) 2 percent of the limit established under section 203(b)(2)(B) of such Act.''; and

(2) by adding at the end the following:

''(D) LIMITATION.—In any fiscal year, the aggregate number of mortgages insured pursuant to this section may not exceed 5 percent of the aggregate number of mortgages for 1- to 4-family residences insured by the Secretary of Housing and Urban Development under title II of the National Housing Act (12 U.S.C. 1707 et seq.) during the preceding fiscal year.''.

SEC. 124. PILOT PROGRAM FOR AUTOMATED PROCESS FOR BORROWERS WITHOUT SUFFICIENT CREDIT HISTORY.

(a) ESTABLISHMENT.—Title II of the National Housing Act (12 U.S.C. 1707 et seq.) is amended by adding at the end the following new section:

''SEC. 257. PILOT PROGRAM FOR AUTOMATED PROCESS FOR BORROWERS WITHOUT SUFFICIENT CREDIT HISTORY.

''(a) ESTABLISHMENT.—The Secretary shall carry out a pilot program to establish, and make available to mortgagees, an automated process for providing alternative credit rating information for mortgagors and prospective mortgagors under mortgages on 1- to 4-family residences to be insured under this title who have insufficient credit histories for determining their creditworthiness. Such alternative credit rating information may include rent, utilities, and insurance payment histories, and such other information as the Secretary considers appropriate.

''(b) SCOPE.—The Secretary may carry out the pilot program under this section on a limited basis or scope, and may consider limiting the program to first-time homebuyers.

''(c) LIMITATION.—In any fiscal year, the aggregate number of mortgages insured pursuant to the automated process established under this section may not exceed 5 percent of the aggregate number of mortgages for 1- to 4-family residences insured by the Secretary under this title during the preceding fiscal year.

''(d) SUNSET.—After the expiration of the 5-year period beginning on the date of the enactment of the Building American Homeownership Act of 2008, the Secretary may not enter into any new commitment to insure any mortgage, or newly insure any mortgage, pursuant to the automated process established under this section.''.

(b) GAO REPORT.—Not later than the expiration of the two-year period beginning on the date of the enactment of this subtitle, the Comptroller General of the United States shall submit to the Congress a report identifying the number of additional mortgagors served using the automated process established pursuant to section 257 of the National Housing Act (as added by the amendment made by subsection (a) of this section) and the impact of such process and the insurance of mortgages pursuant to such process on the safety and soundness of the insurance funds under the National Housing Act of which such mortgages are obligations.

SEC. 125. HOMEOWNERSHIP PRESERVATION.

The Secretary of Housing and Urban Development and the Commissioner of the Federal Housing Administration, in consultation with industry, the Neighborhood Reinvestment Corporation, and other entities involved in foreclosure prevention activities, shall—

(1) develop and implement a plan to improve the Federal Housing Administration's loss mitigation process; and

(2) report such plan to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

SEC. 126. USE OF FHA SAVINGS FOR IMPROVEMENTS IN FHA TECHNOLOGIES, PROCEDURES, PROCESSES, PROGRAM PERFORMANCE, STAFFING, AND SALARIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for each of fiscal years 2009 through 2013, $25,000,000, from negative credit subsidy for the mortgage insurance programs under title II of the National Housing Act, to the Secretary of Housing and Urban Development for increasing funding for the purpose of improving technology, processes, program performance, eliminating fraud, and for providing appropriate staffing in connection with the mortgage insurance programs under title II of the National Housing Act.

(b) CERTIFICATION.—The authorization under subsection (a) shall not be effective for a fiscal year unless the Secretary of Housing and Urban Development has, by rulemaking

in accordance with section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section), made a determination that—

(1) premiums being, or to be, charged during such fiscal year for mortgage insurance under title II of the National Housing Act are established at the minimum amount sufficient to—

(A) comply with the requirements of section 205(f) of such Act (relating to required capital ratio for the Mutual Mortgage Insurance Fund); and

(B) ensure the safety and soundness of the other mortgage insurance funds under such Act; and

(2) any negative credit subsidy for such fiscal year resulting from such mortgage insurance programs adequately ensures the efficient delivery and availability of such programs.

(c) STUDY AND REPORT.—The Secretary of Housing and Urban Development shall conduct a study to obtain recommendations from participants in the private residential (both single family and multifamily) mortgage lending business and the secondary market for such mortgages on how best to update and upgrade processes and technologies for the mortgage insurance programs under title II of the National Housing Act so that the procedures for originating, insuring, and servicing of such mortgages conform with those customarily used by secondary market purchasers of residential mortgage loans. Not later than the expiration of the 12-month period beginning on the date of the enactment of this title, the Secretary shall submit a report to the Congress describing the progress made and to be made toward updating and upgrading such processes and technology, and providing appropriate staffing for such mortgage insurance programs.

SEC. 127. POST-PURCHASE HOUSING COUNSELING ELIGIBILITY IMPROVEMENTS.

Section 106(c)(4) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(4)) is amended:

(1) in subparagraph (C)—

(A) in clause (i), by striking ''; or'' and inserting a semicolon;

(B) in clause (ii), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

''(iii) a significant reduction in the income of the household due to divorce or death; or

''(iv) a significant increase in basic expenses of the homeowner or an immediate family member of the homeowner (including the spouse, child, or parent for whom the homeowner provides substantial care or financial assistance) due to—

''(I) an unexpected or significant increase in medical expenses;

''(II) a divorce;

''(III) unexpected and significant damage to the property, the repair of which will not be covered by private or public insurance; or

''(IV) a large property-tax increase; or'';

(2) by striking the matter that follows subparagraph (C); and

(3) by adding at the end the following:

''(D) the Secretary of Housing and Urban Development determines that the annual income of the homeowner is no greater than the annual income established by the Secretary as being of low- or moderate-income.''.

SEC. 128. PRE-PURCHASE HOMEOWNERSHIP COUNSELING DEMONSTRATION.

(a) ESTABLISHMENT OF PROGRAM.—For the period beginning on the date of enactment of this title and ending on the date that is 3 years after such date of enactment, the Secretary of Housing and Urban Development shall establish and conduct a demonstration program to test the effectiveness of alternative forms of pre-purchase homeownership counseling for eligible homebuyers.

(b) FORMS OF COUNSELING.—The Secretary of Housing and Urban Development shall provide to eligible homebuyers pre-purchase homeownership counseling under this section in the form of—

(1) telephone counseling;

(2) individualized in-person counseling;

(3) web-based counseling;

(4) counseling classes; or

(5) any other form or type of counseling that the Secretary may, in his discretion, determine appropriate.

(c) SIZE OF PROGRAM.—The Secretary shall make available the pre-purchase homeownership counseling described in subsection (b) to not more than 3,000 eligible homebuyers in any given year.

(d) INCENTIVE TO PARTICIPATE.—The Secretary of Housing and Urban Development may provide incentives to eligible homebuyers to participate in the demonstration program established under subsection (a). Such incentives may include the reduction of any insurance premium charges owed by the eligible homebuyer to the Secretary.

(e) ELIGIBLE HOMEBUYER DEFINED.—For purposes of this section an ''eligible homebuyer'' means a first-time homebuyer who has been approved for a home loan with a loan-to-value ratio between 97 percent and 98.5 percent.

(f) REPORT TO CONGRESS.—The Secretary of Housing and Urban Development shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representative—

(1) on an annual basis, on the progress and results of the demonstration program established under subsection (a); and

(2) for the period beginning on the date of enactment of this title and ending on the date that is 5 years after such date of enactment, on the payment history and delinquency rates of eligible homebuyers who participated in the demonstration program.

SEC. 129. FRAUD PREVENTION.

Section 1014 of title 18, United States Code, is amended in the first sentence—

(1) by inserting ''the Federal Housing Administration'' before ''the Farm Credit Administration''; and

(2) by striking ''commitment, or loan'' and inserting ''commitment, loan, or insurance agreement or application for insurance or a guarantee''.

SEC. 130. LIMITATION ON MORTGAGE INSURANCE PREMIUM INCREASES.

(a) IN GENERAL.—Notwithstanding any other provision of law, including any provision of this title and any amendment made by this title—

(1) for the period beginning on the date of the enactment of this title and ending on October 1, 2009, the premiums charged for mortgage insurance under multifamily housing programs under the National Housing Act may not be increased above the premium amounts in effect under such program on October 1, 2006, unless the Secretary of Housing and Urban Development determines that, absent such increase, insurance of additional mortgages under such program would, under the Federal Credit Reform Act of 1990, require the appropriation of new budget authority to cover the costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a) of such insurance; and

(2) a premium increase pursuant to paragraph (1) may be made only if not less than 30 days prior to such increase taking effect, the Secretary of Housing and Urban Development—

(A) notifies the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives of such increase; and

(B) publishes notice of such increase in the Federal Register.

(b) WAIVER.—The Secretary of Housing and Urban Development may waive the 30-day notice requirement under subsection (a)(2), if the Secretary determines that waiting 30-days before increasing premiums would cause substantial damage to the solvency of multifamily housing programs under the National Housing Act.

SEC. 131. SAVINGS PROVISION.

Any mortgage insured under title II of the National Housing Act before the date of enactment of this subtitle shall continue to be governed by the laws, regulations, orders, and terms and conditions to which it was subject on the day before the date of the enactment of this subtitle.

SEC. 132. IMPLEMENTATION.

The Secretary of Housing and Urban Development shall by notice establish any additional requirements that may be necessary to immediately carry out the provisions of this subtitle. The notice shall take effect upon issuance.

SEC. 133. MORATORIUM ON IMPLEMENTATION OF RISK-BASED PREMIUMS.

For the 12-month period beginning on the date of enactment of this title, the Secretary of Housing and Urban Development shall not enact, execute, or take any action to make effective the planned implementation of risk-based premiums, which are designed for mortgage lenders to offer borrowers an FHA-insured product that provides a range of mortgage insurance premium pricing, based on the risk the insurance contract represents, as such planned implementation was set forth in the Notice published in the Federal Register on September 20, 2007 (Vol. 72, No. 182, Page 53872).

Subtitle B—Manufactured Housing Loan Modernization

SEC. 141. SHORT TITLE.

This subtitle may be cited as the ''FHA Manufactured Housing Loan Modernization Act of 2008''.

SEC. 142. PURPOSES.

The purposes of this subtitle are—

(1) to provide adequate funding for FHA-insured manufactured housing loans for low- and moderate-income homebuyers during all economic cycles in the manufactured housing industry;

(2) to modernize the FHA title I insurance program for manufactured housing loans to enhance participation by Ginnie Mae and the private lending markets; and

(3) to adjust the low loan limits for title I manufactured home loan insurance to reflect the increase in costs since such limits were last increased in 1992 and to index the limits to inflation.

SEC. 143. EXCEPTION TO LIMITATION ON FINANCIAL INSTITUTION PORTFOLIO.

The second sentence of section 2(a) of the National Housing Act (12 U.S.C. 1703(a)) is amended—

(1) by striking ''In no case'' and inserting ''Other than in connection with a manufactured home or a lot on which to place such a home (or both), in no case''; and

(2) by striking '': *Provided*, That with'' and inserting ''. With''.

SEC. 144. INSURANCE BENEFITS.

(a) IN GENERAL.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), is amended by adding at the end the following new paragraph:

''(8) INSURANCE BENEFITS FOR MANUFACTURED HOUSING LOANS.—Any contract of insurance with respect to loans, advances of

credit, or purchases in connection with a manufactured home or a lot on which to place a manufactured home (or both) for a financial institution that is executed under this title after the date of the enactment of the FHA Manufactured Housing Loan Modernization Act of 2008 by the Secretary shall be conclusive evidence of the eligibility of such financial institution for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of the bearer from the date of the execution of such contract, except for fraud or misrepresentation on the part of such institution.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall only apply to loans that are registered or endorsed for insurance after the date of the enactment of this title.

SEC. 145. MAXIMUM LOAN LIMITS.

(a) DOLLAR AMOUNTS.—Paragraph (1) of section 2(b) of the National Housing Act (12 U.S.C. 1703(b)(1)) is amended—

(1) in clause (ii) of subparagraph (A), by striking ''$17,500'' and inserting ''$25,090'';

(2) in subparagraph (C) by striking ''$48,600'' and inserting ''$69,678'';

(3) in subparagraph (D) by striking ''$64,800'' and inserting ''$92,904'';

(4) in subparagraph (E) by striking ''$16,200'' and inserting ''$23,226''; and

(5) by realigning subparagraphs (C), (D), and (E) 2 ems to the left so that the left margins of such subparagraphs are aligned with the margins of subparagraphs (A) and (B).

(b) ANNUAL INDEXING.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), as amended by the preceding provisions of this title, is further amended by adding at the end the following new paragraph:

''(9) ANNUAL INDEXING OF MANUFACTURED HOUSING LOANS.—The Secretary shall develop a method of indexing in order to annually adjust the loan limits established in subparagraphs (A)(ii), (C), (D), and (E) of this subsection. Such index shall be based on the manufactured housing price data collected by the United States Census Bureau. The Secretary shall establish such index no later than 1 year after the date of the enactment of the FHA Manufactured Housing Loan Modernization Act of 2008.''

(c) TECHNICAL AND CONFORMING CHANGES.—Paragraph (1) of section 2(b) of the National Housing Act (12 U.S.C. 1703(b)(1)) is amended—

(1) by striking ''No'' and inserting ''Except as provided in the last sentence of this paragraph, no''; and

(2) by adding after and below subparagraph (G) the following:

''The Secretary shall, by regulation, annually increase the dollar amount limitations in subparagraphs (A)(ii), (C), (D), and (E) (as such limitations may have been previously adjusted under this sentence) in accordance with the index established pursuant to paragraph (9).''.

SEC. 146. INSURANCE PREMIUMS.

Subsection (f) of section 2 of the National Housing Act (12 U.S.C. 1703(f)) is amended—

(1) by inserting ''(1) PREMIUM CHARGES.—'' after ''(f)''; and

(2) by adding at the end the following new paragraph:

''(2) MANUFACTURED HOME LOANS.—Notwithstanding paragraph (1), in the case of a loan, advance of credit, or purchase in connection with a manufactured home or a lot on which to place such a home (or both), the premium charge for the insurance granted under this section shall be paid by the borrower under the loan or advance of credit, as follows:

''(A) At the time of the making of the loan, advance of credit, or purchase, a single premium payment in an amount not to exceed 2.25 percent of the amount of the original insured principal obligation.

''(B) In addition to the premium under subparagraph (A), annual premium payments during the term of the loan, advance, or obligation purchased in an amount not exceeding 1.0 percent of the remaining insured principal balance (excluding the portion of the remaining balance attributable to the premium collected under subparagraph (A) and without taking into account delinquent payments or prepayments).

''(C) Premium charges under this paragraph shall be established in amounts that are sufficient, but do not exceed the minimum amounts necessary, to maintain a negative credit subsidy for the program under this section for insurance of loans, advances of credit, or purchases in connection with a manufactured home or a lot on which to place such a home (or both), as determined based upon risk to the Federal Government under existing underwriting requirements.

''(D) The Secretary may increase the limitations on premium payments to percentages above those set forth in subparagraphs (A) and (B), but only if necessary, and not in excess of the minimum increase necessary, to maintain a negative credit subsidy as described in subparagraph (C).''.

SEC. 147. TECHNICAL CORRECTIONS.

(a) DATES.—Subsection (a) of section 2 of the National Housing Act (12 U.S.C. 1703(a)) is amended—

(1) by striking ''on and after July 1, 1939,'' each place such term appears; and

(2) by striking ''made after the effective date of the Housing Act of 1954''.

(b) AUTHORITY OF SECRETARY.—Subsection (c) of section 2 of the National Housing Act (12 U.S.C. 1703(c)) is amended to read as follows:

''(c) HANDLING AND DISPOSAL OF PROPERTY.—

''(1) AUTHORITY OF SECRETARY.—Notwithstanding any other provision of law, the Secretary may—

''(A) deal with, complete, rent, renovate, modernize, insure, or assign or sell at public or private sale, or otherwise dispose of, for cash or credit in the Secretary's discretion, and upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by the Secretary, in connection with the payment of insurance heretofore or hereafter granted under this title, including any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section; and

''(B) pursue to final collection, by way of compromise or otherwise, all claims assigned to or held by the Secretary and all legal or equitable rights accruing to the Secretary in connection with the payment of such insurance, including unpaid insurance premiums owed in connection with insurance made available by this title.

''(2) ADVERTISEMENTS FOR PROPOSALS.—Section 3709 of the Revised Statutes shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of such property if the amount thereof does not exceed $25,000.

''(3) DELEGATION OF AUTHORITY.—The power to convey and to execute in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein heretofore or hereafter acquired by the Secretary pursuant to the provisions of this title may be exercised by an officer appointed by the Secretary without the execution of any express delegation of power or power of attorney. Nothing in this subsection shall be construed to prevent the Secretary from delegating such power by order or by power of attorney, in the Secretary's discretion, to any officer or agent the Secretary may appoint.''.

SEC. 148. REVISION OF UNDERWRITING CRITERIA.

(a) IN GENERAL.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), as amended by the preceding provisions of this title, is further amended by adding at the end the following new paragraph:

''(10) FINANCIAL SOUNDNESS OF MANUFACTURED HOUSING PROGRAM.—The Secretary shall establish such underwriting criteria for loans and advances of credit in connection with a manufactured home or a lot on which to place a manufactured home (or both), including such loans and advances represented by obligations purchased by financial institutions, as may be necessary to ensure that the program under this title for insurance for financial institutions against losses from such loans, advances of credit, and purchases is financially sound.''.

(b) TIMING.—Not later than the expiration of the 6-month period beginning on the date of the enactment of this title, the Secretary of Housing and Urban Development shall revise the existing underwriting criteria for the program referred to in paragraph (10) of section 2(b) of the National Housing Act (as added by subsection (a) of this section) in accordance with the requirements of such paragraph.

SEC. 149. PROHIBITION AGAINST KICKBACKS AND UNEARNED FEES.

Title I of the National Housing Act is amended by adding at the end of section 9 the following new section:

''SEC. 10. PROHIBITION AGAINST KICKBACKS AND UNEARNED FEES.

''(a) IN GENERAL.—Except as provided in subsection (b), the provisions of sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) shall apply to each sale of a manufactured home financed with an FHA-insured loan or extension of credit, as well as to services rendered in connection with such transactions.

''(b) AUTHORITY OF THE SECRETARY.—The Secretary is authorized to determine the manner and extent to which the provisions of sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) may reasonably be applied to the transactions described in subsection (a), and to grant such exemptions as may be necessary to achieve the purposes of this section.

''(c) DEFINITIONS.—For purposes of this section—

''(1) the term 'federally related mortgage loan' as used in sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) shall include an FHA-insured loan or extension of credit made to a borrower for the purpose of purchasing a manufactured home that the borrower intends to occupy as a personal residence; and

''(2) the term 'real estate settlement service' as used in sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) shall include any service rendered in connection with a loan or extension of credit insured by the Federal Housing Administration for the purchase of a manufactured home.

''(d) UNFAIR AND DECEPTIVE PRACTICES.—In connection with the purchase of a manufactured home financed with a loan or extension

of credit insured by the Federal Housing Administration under this title, the Secretary shall prohibit acts or practices in connection with loans or extensions of credit that the Secretary finds to be unfair, deceptive, or otherwise not in the interests of the borrower.''.

SEC. 150. LEASEHOLD REQUIREMENTS.

Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), as amended by the preceding provisions of this title, is further amended by adding at the end the following new paragraph:

''(11) LEASEHOLD REQUIREMENTS.—No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it, made for the purposes of financing a manufactured home which is intended to be situated in a manufactured home community pursuant to a lease, unless such lease—

''(A) expires not less than 3 years after the origination date of the obligation;

''(B) is renewable upon the expiration of the original 3 year term by successive 1 year terms; and

''(C) requires the lessor to provide the lessee written notice of termination of the lease not less than 180 days prior to the expiration of the current lease term in the event the lessee is required to move due to the closing of the manufactured home community, and further provides that failure to provide such notice to the mortgagor in a timely manner will cause the lease term, at its expiration, to automatically renew for an additional 1 year term.''.

TITLE II—MORTGAGE FORECLOSURE PROTECTIONS FOR SERVICEMEMBERS

SEC. 201. TEMPORARY INCREASE IN MAXIMUM LOAN GUARANTY AMOUNT FOR CERTAIN HOUSING LOANS GUARANTEED BY THE SECRETARY OF VETERANS AFFAIRS.

Notwithstanding subparagraph (C) of section 3703(a)(1) of title 38, United States Code, for purposes of any loan described in subparagraph (A)(i)(IV) of such section that is originated during the period beginning on the date of the enactment of this Act and ending on December 31, 2008, the term ''maximum guaranty amount'' shall mean an amount equal to 25 percent of the higher of—

(1) the limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) for the calendar year in which the loan is originated for a single-family residence; or

(2) 125 percent of the area median price for a single-family residence, but in no case to exceed 175 percent of the limitation determined under such section 305(a)(2) for the calendar year in which the loan is originated for a single-family residence.

SEC. 202. COUNSELING ON MORTGAGE FORECLOSURES FOR MEMBERS OF THE ARMED FORCES RETURNING FROM SERVICE ABROAD.

(a) IN GENERAL.—The Secretary of Defense shall develop and implement a program to advise members of the Armed Forces (including members of the National Guard and Reserve) who are returning from service on active duty abroad (including service in Operation Iraqi Freedom and Operation Enduring Freedom) on actions to be taken by such members to prevent or forestall mortgage foreclosures.

(b) ELEMENTS.—The program required by subsection (a) shall include the following:

(1) Credit counseling.

(2) Home mortgage counseling.

(3) Such other counseling and information as the Secretary considers appropriate for purposes of the program.

(c) TIMING OF PROVISION OF COUNSELING.—Counseling and other information under the program required by subsection (a) shall be provided to a member of the Armed Forces covered by the program as soon as practicable after the return of the member from service as described in subsection (a).

SEC. 203. ENHANCEMENT OF PROTECTIONS FOR SERVICEMEMBERS RELATING TO MORTGAGES AND MORTGAGE FORECLOSURES.

(a) EXTENSION OF PERIOD OF PROTECTIONS AGAINST MORTGAGE FORECLOSURES.—

(1) EXTENSION OF PROTECTION PERIOD.—Subsection (c) of section 303 of the Servicemembers Civil Relief Act (50 U.S.C. App. 533) is amended by striking ''90 days'' and inserting ''9 months''.

(2) EXTENSION OF STAY OF PROCEEDINGS PERIOD.—Subsection (b) of such section is amended by striking ''90 days'' and inserting ''9 months''.

(b) TREATMENT OF MORTGAGES AS OBLIGATIONS SUBJECT TO INTEREST RATE LIMITATION.—Section 207 of the Servicemembers Civil Relief Act (50 U.S.C. App. 527) is amended—

(1) in subsection (a)(1), by striking ''in excess of 6 percent'' and all that follows and inserting ''in excess of 6 percent—

''(A) during the period of military service and one year thereafter, in the case of an obligation or liability consisting of a mortgage, trust deed, or other security in the nature of a mortgage; or

''(B) during the period of military service, in the case of any other obligation or liability.''; and

(2) by striking subsection (d) and inserting the following new subsection:

''(d) DEFINITIONS.—In this section:

''(1) INTEREST.—The term 'interest' includes service charges, renewal charges, fees, or any other charges (except bona fide insurance) with respect to an obligation or liability.

''(2) OBLIGATION OR LIABILITY.—The term 'obligation or liability' includes an obligation or liability consisting of a mortgage, trust deed, or other security in the nature of a mortgage.''.

(c) EFFECTIVE DATE; SUNSET.—

(1) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) SUNSET.—The amendments made by subsection (a) shall expire on December 31, 2010. Effective January 1, 2011, the provisions of subsections (b) and (c) of section 303 of the Servicemembers Civil Relief Act, as in effect on the day before the date of the enactment of this Act, are hereby revived.

TITLE III—EMERGENCY ASSISTANCE FOR THE REDEVELOPMENT OF ABANDONED AND FORECLOSED HOMES

SEC. 301. EMERGENCY ASSISTANCE FOR THE REDEVELOPMENT OF ABANDONED AND FORECLOSED HOMES.

(a) DIRECT APPROPRIATIONS.—There are appropriated out of any money in the Treasury not otherwise appropriated for the fiscal year 2008, $4,000,000,000, to remain available until expended, for assistance to States and units of general local government (as such terms are defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302)) for the redevelopment of abandoned and foreclosed upon homes and residential properties.

(b) ALLOCATION OF APPROPRIATED AMOUNTS.—

(1) IN GENERAL.—The amounts appropriated or otherwise made available to States and units of general local government under this section shall be allocated based on a funding formula established by the Secretary of Housing and Urban Development (in this title referred to as the ''Secretary'').

(2) FORMULA TO BE DEVISED SWIFTLY.—The funding formula required under paragraph (1) shall be established not later than 60 days after the date of enactment of this section.

(3) CRITERIA.—The funding formula required under paragraph (1) shall ensure that any amounts appropriated or otherwise made available under this section are allocated to States and units of general local government with the greatest need, as such need is determined in the discretion of the Secretary based on—

(A) the number and percentage of home foreclosures in each State or unit of general local government;

(B) the number and percentage of homes financed by a subprime mortgage related loan in each State or unit of general local government; and

(C) the number and percentage of homes in default or delinquency in each State or unit of general local government.

(4) DISTRIBUTION.—Amounts appropriated or otherwise made available under this section shall be distributed according to the funding formula established by the Secretary under paragraph (1) not later than 30 days after the establishment of such formula.

(c) USE OF FUNDS.—

(1) IN GENERAL.—Any State or unit of general local government that receives amounts pursuant to this section shall, not later than 18 months after the receipt of such amounts, use such amounts to purchase and redevelop abandoned and foreclosed homes and residential properties.

(2) PRIORITY.—Any State or unit of general local government that receives amounts pursuant to this section shall in distributing such amounts give priority emphasis and consideration to those metropolitan areas, metropolitan cities, urban areas, rural areas, low- and moderate-income areas, and other areas with the greatest need, including those—

(A) with the greatest percentage of home foreclosures;

(B) with the highest percentage of homes financed by a subprime mortgage related loan; and

(C) identified by the State or unit of general local government as likely to face a significant rise in the rate of home foreclosures.

(3) ELIGIBLE USES.—Amounts made available under this section may be used to—

(A) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers;

(B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties;

(C) establish land banks for homes that have been foreclosed upon; and

(D) demolish blighted structures.

(d) LIMITATIONS.—

(1) ON PURCHASES.—Any purchase of a foreclosed upon home or residential property under this section shall be at a discount from the current market appraised value of the home or property, taking into account its current condition, and such discount shall ensure that purchasers are paying below-market value for the home or property.

(2) SALE OF HOMES.—If an abandoned or foreclosed upon home or residential property is purchased, redeveloped, or otherwise sold to an individual as a primary residence, then such sale shall be in an amount equal to or less than the cost to acquire and redevelop or rehabilitate such home or property up to a decent, safe, and habitable condition.

(3) REINVESTMENT OF PROFITS.—

(A) REVENUES GENERATED FROM SALES.—Any revenue generated from the sale, rental,

redevelopment, rehabilitation, or any other eligible use that is in excess of the cost to acquire and redevelop (including reasonable development fees) or rehabilitate an abandoned or foreclosed upon home or residential property shall be provided to and used by the State or unit of general local government in accordance with, and in furtherance of, the intent and provisions of this section.

(B) OTHER REVENUES.—Any revenue generated under subparagraphs (A), (C) or (D) of subsection (c)(3) shall be provided to and used by the State or unit of general local government in accordance with, and in furtherance of, the intent and provisions of this section.

(e) RULES OF CONSTRUCTION.—

(1) IN GENERAL.—Except as otherwise provided by this section, amounts appropriated, revenues generated, or amounts otherwise made available to States and units of general local government under this section shall be treated as though such funds were community development block grant funds under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

(2) NO MATCH.—No matching funds shall be required in order for a State or unit of general local government to receive any amounts under this section.

(f) AUTHORITY TO SPECIFY ALTERNATIVE REQUIREMENTS.—

(1) IN GENERAL.—In administering any amounts appropriated or otherwise made available under this section, the Secretary may specify alternative requirements to any provision under title I of the Housing and Community Development Act of 1974 (except for those related to fair housing, nondiscrimination, labor standards, and the environment) in accordance with the terms of this section and for the sole purpose of expediting the use of such funds.

(2) NOTICE.—The Secretary shall provide written notice of its intent to exercise the authority to specify alternative requirements under paragraph (1) to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives not later than 10 business days before such exercise of authority is to occur.

(3) LOW AND MODERATE INCOME REQUIREMENT.—

(A) IN GENERAL.—Notwithstanding the authority of the Secretary under paragraph (1)—

(i) all of the funds appropriated or otherwise made available under this section shall be used with respect to individuals and families whose income does not exceed 120 percent of area median income; and

(ii) not less than 25 percent of the funds appropriated or otherwise made available under this section shall be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of area median income.

(B) RECURRENT REQUIREMENT.—The Secretary shall, by rule or order, ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed upon homes and residential properties under this section remain affordable to individuals or families described in subparagraph (A).

(g) PERIODIC AUDITS.—In consultation with the Secretary of Housing and Urban Development, the Comptroller General of the United States shall conduct periodic audits to ensure that funds appropriated, made available, or otherwise distributed under this section are being used in a manner consistent with the criteria provided in this section.

TITLE IV—HOUSING COUNSELING RESOURCES

SEC. 401. HOUSING COUNSELING RESOURCES.

There are appropriated out of any money in the Treasury not otherwise appropriated for the fiscal year 2008, for an additional amount for the ''Neighborhood Reinvestment Corporation—Payment to the Neighborhood Reinvestment Corporation'' $100,000,000, to remain available until September 30, 2008, for foreclosure mitigation activities under the terms and conditions contained in the second undesignated paragraph (beginning with the phrase ''For an additional amount'') under the heading ''Neighborhood Reinvestment Corporation—Payment to the Neighborhood Reinvestment Corporation'' of Public Law 110–161.

TITLE V—MORTGAGE DISCLOSURE IMPROVEMENT ACT

SEC. 501. SHORT TITLE.

This title may be cited as the ''Mortgage Disclosure Improvement Act of 2008''.

SEC. 502. ENHANCED MORTGAGE LOAN DISCLOSURES.

(a) TRUTH IN LENDING ACT DISCLOSURES.—Section 128(b)(2) of the Truth in Lending Act (15 U.S.C. 1638(b)(2)) is amended—

(1) by inserting ''(A)'' before ''In the'';

(2) by striking ''a residential mortgage transaction, as defined in section 103(w)'' and inserting ''any extension of credit that is secured by the dwelling of a consumer'';

(3) by striking ''shall be made in accordance'' and all that follows through ''extended, or''; and

(4) by striking ''If the'' and all that follows through the end of the paragraph and inserting the following:

''(B) In the case of an extension of credit that is secured by the dwelling of a consumer, in addition to the other disclosures required by subsection (a), the disclosures provided under this paragraph shall—

''(i) state in conspicuous type size and format, the following: 'You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.'; and

''(ii) be furnished to the borrower not later than 7 business days before the date of consummation of the transaction, and at the time of consummation of the transaction, subject to subparagraph (D).

''(C) In the case of an extension of credit that is secured by the dwelling of a consumer, under which the annual rate of interest is variable, or with respect to which the regular payments may otherwise be variable, in addition to the other disclosures required by subsection (a), the disclosures provided under this paragraph shall do the following:

''(i) Label the payment schedule as follows: 'Payment Schedule: Payments Will Vary Based on Interest Rate Changes'.

''(ii) State in conspicuous type size and format examples of adjustments to the regular required payment on the extension of credit based on the change in the interest rates specified by the contract for such extension of credit. Among the examples required to be provided under this clause is an example that reflects the maximum payment amount of the regular required payments on the extension of credit, based on the maximum interest rate allowed under the contract, in accordance with the rules of the Board. Prior to issuing any rules pursuant to this clause, the Board shall conduct consumer testing to determine the appropriate format for providing the disclosures required under this subparagraph to consumers so that such disclosures can be easily understood.

''(D) In any case in which the disclosure statement provided 7 business days before the date of consummation of the transaction contains an annual percentage rate of interest that is no longer accurate, as determined under section 107(c), the creditor shall furnish an additional, corrected statement to the borrower, not later than 3 business days before the date of consummation of the transaction. A consumer may modify or waive receipt of the additional, corrected statement 3 business days before the date of consummation of the transaction in order to meet a bona fide personal financial emergency, only if the consumer provides the creditor a dated, written statement that—

''(i) describes the emergency;

''(ii) specifically modifies or waives the right; and

''(iii) bears the signature of all the consumers entitled to receive the disclosure.

''(E) The consumer shall receive the disclosures required under this subsection before paying any fee to the creditor or other person in connection with the consumer's application for a residential mortgage transaction. If the disclosures are mailed to the consumer, the consumer is considered to have received them 3 business days after they are mailed. A creditor or other person may impose a fee for obtaining the consumer's credit report before the consumer has received the disclosures under this subsection, provided the fee is bona fide and reasonable in amount.''.

(b) CIVIL LIABILITY.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended—

(1) in paragraph (2)(A)(iii), by striking ''not less than $200 or greater than $2,000'' and inserting ''not less than $400 or greater than $4,000''; and

(2) in the penultimate sentence of the undesignated matter following paragraph (4)—

(A) by inserting ''or section 128(b)(2)(C)(ii),''after ''128(a),''; and

(B) by inserting ''or section 128(b)(2)(C)(ii)'' before the period.

TITLE VI—TAX-RELATED PROVISIONS

SEC. 601. ELECTION FOR 4-YEAR CARRYBACK OF CERTAIN NET OPERATING LOSSES AND TEMPORARY SUSPENSION OF 90 PERCENT AMT LIMIT.

(a) IN GENERAL.—

(1) 4-YEAR CARRYBACK OF CERTAIN LOSSES.—Subparagraph (H) of section 172(b)(1) of the Internal Revenue Code of 1986 (relating to years to which loss may be carried) is amended to read as follows:

''(H) ADDITIONAL CARRYBACK OF CERTAIN LOSSES.—

''(i) TAXABLE YEARS ENDING DURING 2001 AND 2002.—In the case of a net operating loss for any taxable year ending during 2001 or 2002, subparagraph (A)(i) shall be applied by substituting '5' for '2' and subparagraph (F) shall not apply.

''(ii) TAXABLE YEARS ENDING DURING 2008 AND 2009.—In the case of a net operating loss with respect to any eligible taxpayer (within the meaning of section 168(k)(4)) for any taxable year ending during 2008 or 2009—

''(I) subparagraph (A)(i) shall be applied by substituting '4' for '2',

''(II) subparagraph (E)(ii) shall be applied by substituting '3' for '2', and

''(III) subparagraph (F) shall not apply.''.

(2) TEMPORARY SUSPENSION OF 90 PERCENT LIMIT ON CERTAIN NOL CARRYBACKS AND CARRYOVERS.—

(A) IN GENERAL.—Section 56(d) of the Internal Revenue Code of 1986 (relating to definition of alternative tax net operating loss deduction) is amended by adding at the end the following new paragraph:

''(3) ADDITIONAL ADJUSTMENTS.—For purposes of paragraph (1)(A), in the case of an eligible taxpayer (within the meaning of section 168(k)(4)), the amount described in subclause (I) of paragraph (1)(A)(ii) shall be increased by the amount of the net operating

loss deduction allowable for the taxable year under section 172 attributable to the sum of—

''(A) carrybacks of net operating losses from taxable years ending during 2008 and 2009, and

''(B) carryovers of net operating losses to taxable years ending during 2008 or 2009.''.

(B) CONFORMING AMENDMENT.—Subclause (I) of section 56(d)(1)(A)(i) of such Code is amended by inserting ''amount of such'' before ''deduction described in clause (ii)(I)''.

(3) EFFECTIVE DATES.—

(A) NET OPERATING LOSSES.—The amendments made by paragraph (1) shall apply to net operating losses arising in taxable years ending in 2008 or 2009.

(B) SUSPENSION OF AMT LIMITATION.—The amendments made by paragraph (2) shall apply to taxable years ending after December 31, 1997.

(4) ANTI-ABUSE RULES.—The Secretary of Treasury or the Secretary's designee shall prescribe such rules as are necessary to prevent the abuse of the purposes of the amendments made by this subsection, including anti-stuffing rules, anti-churning rules (including rules relating to sale-leasebacks), and rules similar to the rules under section 1091 of the Internal Revenue Code of 1986 relating to losses from wash sales.

(b) ELECTION AMONG STIMULUS INCENTIVES.—

(1) IN GENERAL.—

(A) BONUS DEPRECIATION.—Section 168(k) of the Internal Revenue Code of 1986 (relating to special allowance for certain property acquired after December 31, 2007, and before January 1, 2009), as amended by the Economic Stimulus Act of 2008, is amended—

(i) in paragraph (1), by inserting ''placed in service by an eligible taxpayer'' after ''any qualified property'', and

(ii) by adding at the end the following new paragraph:

''(4) ELIGIBLE TAXPAYER.—

''(A) IN GENERAL.—At such time and in such manner as the Secretary shall prescribe, each taxpayer may elect to be an eligible taxpayer with respect to 1 (and only 1) of the following:

''(i) This subsection and section 179(b)(7).

''(ii) The application of section 56(d)(1)(A)(ii)(I) and section 172(b)(1)(H)(ii) in connection with net operating losses relating to taxable years ending during 2008 and 2009.

''(B) ELIGIBLE TAXPAYER.—For purposes of each of the provisions described in subparagraph (A), a taxpayer shall only be treated as an eligible taxpayer with respect to the provision with respect to which the taxpayer made the election under subparagraph (A).

''(C) ELECTION IRREVOCABLE.—An election under subparagraph (A) may not be revoked except with the consent of the Secretary.''.

(B) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect as if included in section 103 of the Economic Stimulus Act of 2008.

(2) ELECTION FOR INCREASED EXPENSING.—

(A) IN GENERAL.—Paragraph (7) of section 179(b) of the Internal Revenue Code of 1986 (relating to limitations), as added by the Economic Stimulus Act of 2008, is amended to read as follows:

''(7) SPECIAL RULE FOR ELIGIBLE TAXPAYERS IN 2008.—In the case of any taxable year of any eligible taxpayer (within the meaning of section 168(k)(4)) beginning in 2008—

''(A) the dollar limitation under paragraph (1) shall be $250,000,

''(B) the dollar limitation under paragraph (2) shall be $800,000, and

''(C) the amounts described in subparagraphs (A) and (B) shall not be adjusted under paragraph (5).''.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall take effect as if included in section 102 of the Economic Stimulus Act of 2008.

SEC. 602. MODIFICATIONS ON USE OF QUALIFIED MORTGAGE BONDS; TEMPORARY INCREASED VOLUME CAP FOR CERTAIN HOUSING BONDS.

(a) USE OF QUALIFIED MORTGAGE BONDS PROCEEDS FOR SUBPRIME REFINANCING LOANS.—Section 143(k) of the Internal Revenue Code of 1986 (relating to other definitions and special rules) is amended by adding at the end the following new paragraph:

''(12) SPECIAL RULES FOR SUBPRIME REFINANCINGS.—

''(A) IN GENERAL.—Notwithstanding the requirements of subsection (i)(1), the proceeds of a qualified mortgage issue may be used to refinance a mortgage on a residence which was originally financed by the mortgagor through a qualified subprime loan.

''(B) SPECIAL RULES.—In applying this paragraph to any case in which the proceeds of a qualified mortgage issue are used for any refinancing described in subparagraph (A)—

''(i) subsection (a)(2)(D)(i) (relating to proceeds must be used within 42 months of date of issuance) shall be applied by substituting '12-month period' for '42-month period' each place it appears,

''(ii) subsection (d) (relating to 3-year requirement) shall not apply, and

''(iii) subsection (e) (relating to purchase price requirement) shall be applied by using the market value of the residence at the time of refinancing in lieu of the acquisition cost.

''(C) QUALIFIED SUBPRIME LOAN.—The term 'qualified subprime loan' means an adjustable rate single-family residential mortgage loan originated after December 31, 2001, and before January 1, 2008, that the bond issuer determines would be reasonably likely to cause financial hardship to the borrower if not refinanced.

''(D) TERMINATION.—This paragraph shall not apply to any bonds issued after December 31, 2010.''.

(b) INCREASED VOLUME CAP FOR CERTAIN BONDS.—

(1) IN GENERAL.—Subsection (d) of section 146 of the Internal Revenue Code of 1986 (relating to State ceiling) is amended by adding at the end the following new paragraph:

''(5) INCREASE AND SET ASIDE FOR HOUSING BONDS FOR 2008.—

''(A) INCREASE FOR 2008.—In the case of calendar year 2008, the State ceiling for each State shall be increased by an amount equal to $10,000,000,000 multiplied by a fraction—

''(i) the numerator of which is the population of such State, and

''(ii) the denominator of which is the total population of all States.

''(B) SET ASIDE.—

''(i) IN GENERAL.—Any amount of the State ceiling for any State which is attributable to an increase under this paragraph shall be allocated solely for one or more qualified purposes.

''(ii) QUALIFIED PURPOSE.—For purposes of this paragraph, the term 'qualified purpose' means—

''(I) the issuance of exempt facility bonds used solely to provide qualified residential rental projects, or

''(II) a qualified mortgage issue (determined by substituting '12-month period' for '42-month period' each place it appears in section 143(a)(2)(D)(i)).''.

(2) CARRYFORWARD OF UNUSED LIMITATIONS.—Subsection (f) of section 146 of such Code (relating to elective carryforward of unused limitation for specified purpose) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULES FOR INCREASED VOLUME CAP UNDER SUBSECTION (d)(5).—

''(A) IN GENERAL.—No amount which is attributable to the increase under subsection (d)(5) may be used—

''(i) for a carryforward purpose other than a qualified purpose (as defined in subsection (d)(5)), and

''(ii) to issue any bond after calendar year 2010.

''(B) ORDERING RULES.—For purposes of subparagraph (A), any carryforward of an issuing authority's volume cap for calendar year 2008 shall be treated as attributable to such increase to the extent of such increase.''.

(c) ALTERNATIVE MINIMUM TAX EXEMPTION FOR QUALIFIED MORTGAGE BONDS, QUALIFIED VETERANS' MORTGAGE BONDS, AND BONDS FOR QUALIFIED RESIDENTIAL RENTAL PROJECTS.—

(1) IN GENERAL.—Clause (ii) of section 57(a)(5)(C) of the Internal Revenue Code of 1986 (relating to specified private activity bonds) is amended by striking ''shall not include'' and all that follows and inserting ''shall not include—

''(I) any qualified 501(c)(3) bond (as defined in section 145), or

''(II) any qualified mortgage bond (as defined in section 143(a)), any qualified veterans' mortgage bond (as defined in section 143(b)), or any exempt facility bond (as defined in section 142(a)) issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide qualified residential rental projects (as defined in section 142(d)), but only if such bond is issued after the date of the enactment of this subclause and before January 1, 2011.

Subclause (II) shall not apply to a refunding bond unless such subclause applied to the refunded bond (or in the case of a series of refundings, the original bond).''.

(2) CONFORMING AMENDMENT.—The heading for section 57(a)(5)(C)(ii) of such Code is amended by striking ''QUALIFIED 501(c)(3) BONDS'' and inserting ''CERTAIN BONDS''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 603. CREDIT FOR CERTAIN HOME PURCHASES.

(a) ALLOWANCE OF CREDIT.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25D the following new section:

''SEC. 25E. CREDIT FOR CERTAIN HOME PURCHASES.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—In the case of an individual who is a purchaser of a qualified principal residence during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter an amount equal to so much of the purchase price of the residence as does not exceed $7,000.

''(2) ALLOCATION OF CREDIT AMOUNT.—The amount of the credit allowed under paragraph (1) shall be equally divided among the 2 taxable years beginning with the taxable year in which the purchase of the qualified principal residence is made.

''(b) LIMITATIONS.—

''(1) DATE OF PURCHASE.—The credit allowed under subsection (a) shall be allowed only with respect to purchases made—

''(A) after the date of the enactment of this section, and

''(B) before the date that is 12 months after such date.

''(2) LIMITATION BASED ON AMOUNT OF TAX.—In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this subpart (other than this section and section 23) for the taxable year.

''(3) ONE-TIME ONLY.—

''(A) IN GENERAL.—If a credit is allowed under this section in the case of any individual (and such individual's spouse, if married) with respect to the purchase of any qualified principal residence, no credit shall be allowed under this section in any taxable year with respect to the purchase of any other qualified principal residence by such individual or a spouse of such individual.

''(B) JOINT PURCHASE.—In the case of a purchase of a qualified principal residence by 2 or more unmarried individuals or by 2 married individuals filing separately, no credit shall be allowed under this section if a credit under this section has been allowed to any of such individuals in any taxable year with respect to the purchase of any other qualified principal residence.

''(c) QUALIFIED PRINCIPAL RESIDENCE.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified principal residence' means an eligible single-family residence that is purchased to be the principal residence of the purchaser.

''(2) ELIGIBLE SINGLE-FAMILY RESIDENCE.—

''(A) IN GENERAL.—The term 'eligible single-family residence' means a single-family structure that is a residence—

''(i) upon which foreclosure has been filed pursuant to the laws of the State in which the residence is located, and

''(ii) which—

''(I) is a new previously unoccupied residence for which a building permit was issued and construction began on or before September 1, 2007, or

''(II) was occupied as a principal residence by the mortgagor for at least 1 year prior to the foreclosure filing.

''(B) CERTIFICATION.—In the case of an eligible single-family residence described in subparagraph (A)(ii)(I), no credit shall be allowed under this section unless the purchaser submits a certification by the seller of such residence that such residence meets the requirements of such subparagraph.

''(3) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 121.

''(d) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section for any purchase for which a credit is allowed under section 1400C.

''(e) RECAPTURE IN THE CASE OF CERTAIN DISPOSITIONS.—In the event that a taxpayer—

''(1) disposes of the qualified principal residence with respect to which a credit is allowed under subsection (a), or

''(2) fails to occupy such residence as the taxpayer's principal residence,

at any time within 24 months after the date on which the taxpayer purchased such residence, then the remaining portion of the credit allowed under subsection (a) shall be disallowed in the taxable year during which such disposition occurred or in which the taxpayer failed to occupy the residence as a principal residence, and in any subsequent taxable year in which the remaining portion of the credit would, but for this subsection, have been allowed.

''(f) SPECIAL RULES.—

''(1) JOINT PURCHASE.—

''(A) MARRIED INDIVIDUALS FILING SEPARATELY.—In the case of 2 married individuals filing separately, subsection (a) shall be applied to each such individual by substituting '$3,500' for '$7,000' in paragraph (1) thereof.

''(B) UNMARRIED INDIVIDUALS.—If 2 or more individuals who are not married purchase a qualified principal residence, the amount of the credit allowed under subsection (a) shall be allocated among such individuals in such manner as the Secretary may prescribe, except that the total amount of the credits allowed to all such individuals shall not exceed $7,000.

''(2) PURCHASE; PURCHASE PRICE.—Rules similar to the rules of paragraphs (2) and (3) of section 1400C(e) (as in effect on the date of the enactment of this section) shall apply for purposes of this section.

''(3) REPORTING REQUIREMENT.—Rules similar to the rules of section 1400C(f) (as so in effect) shall apply for purposes of this section.

''(g) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section with respect to the purchase of any residence, the basis of such residence shall be reduced by the amount of the credit so allowed.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 24(b)(3)(B) of the Internal Revenue Code of 1986 is amended by striking ''and 25B'' and inserting '', 25B, and 25E''.

(2) Section 25(e)(1)(C)(ii) of such Code is amended by inserting ''25E,'' after ''25D,''.

(3) Section 25B(g)(2) of such Code is amended by striking ''section 23'' and inserting ''sections 23 and 25E''.

(4) Section 25D(c)(2) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(5) Section 26(a)(1) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(6) Section 904(i) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(7) Subsection (a) of section 1016 of such Code is amended by striking ''and'' at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting '', and'', and by adding at the end the following new paragraph:

''(38) to the extent provided in section 25E(g).''.

(8) Section 1400C(d)(2) of such Code is amended by striking ''and 25D'' and inserting ''25D, and 25E''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25D the following new item:

''Sec. 25E. Credit for certain home purchases.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to purchases in taxable years ending after the date of the enactment of this Act.

(e) APPLICATION OF EGTRRA SUNSET.—The amendment made by subsection (b)(1) shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 in the same manner as the provisions of such Act to which such amendment relates.

SEC. 604. ADDITIONAL STANDARD DEDUCTION FOR REAL PROPERTY TAXES FOR NONITEMIZERS.

(a) IN GENERAL.—Section 63(c)(1) of the Internal Revenue Code of 1986 (defining standard deduction) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following new subparagraph:

''(C) in the case of any taxable year beginning in 2008, the real property tax deduction.''.

(b) DEFINITION.—Section 63(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(8) REAL PROPERTY TAX DEDUCTION.—

''(A) IN GENERAL.—For purposes of paragraph (1), the real property tax deduction is so much of the amount of the eligible State and local real property taxes paid or accrued by the taxpayer during the taxable year which do not exceed $500 ($1,000 in the case of a joint return).

''(B) ELIGIBLE STATE AND LOCAL REAL PROPERTY TAXES.—For purposes of subparagraph (A), the term 'eligible State and local real property taxes' means State and local real property taxes (within the meaning of section 164), but only if the rate of tax for all residential real property taxes in the jurisdiction has not been increased at any time after April 2, 2008, and before January 1, 2009.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

TITLE VII—EMERGENCY DESIGNATION

SEC. 701. EMERGENCY DESIGNATION.

For purposes of Senate enforcement, all provisions of this Act are designated as emergency requirements and necessary to meet emergency needs pursuant to section 204 of S. Con. Res. 21 (110th Congress), the concurrent resolution on the budget for fiscal year 2008.

SA 4388. Mr. DURBIN (for himself, Mr. REID, Mr. OBAMA, Mrs. CLINTON, Mr. WHITEHOUSE, Mr. SCHUMER, Mrs. FEINSTEIN, Mr. MENENDEZ, Mrs. BOXER, Mr. BROWN, Mr. KENNEDY, Mr. HARKIN, Mr. KERRY, Mr. REED, and Mr. BIDEN) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE ____—BANKRUPTCY

SEC. ___1. SHORT TITLE.

This title may be cited as the ''Helping Families Save Their Homes in Bankruptcy Act of 2008''.

Subtitle A—Minimizing Foreclosures

SEC. ___21. DEFINITIONS.

Section 101 of title 11, United States Code, is amended—

(1) by redesignating paragraphs (40A) and (40B) as paragraphs (40B) and (40C), respectively;

(2) by inserting after paragraph (40) the following:

''(40A) The term 'nontraditional mortgage' means a security interest in the debtor's principal residence that secures a debt for a loan that at any period during the term of the loan provides for the deferral of payment of principal or interest through permitting periodic payments that do not cover the full amount of interest due or that cover only the interest due, except that such term excludes—

''(A) a loan that at any period during the term of the loan provides for the deferral of payment of principal through permitting periodic payments that cover only the interest due, if the creditor demonstrates that it determined in good faith at the time the loan was consummated, after undergoing a

full underwriting process based on verified and documented information, that the debtor had a reasonable ability to repay at the full interest and principal payment amount (assuming an initial 30 year full amortization), and payments under the loan resulted in a debt-to-income ratio of the debtor in an amount equal to or less than that which would have been permitted under guidelines and directives established by the Secretary of Housing and Urban Development pursuant to section 203.33 of title 24, Code of Federal Regulations, for loans subject to such section;

''(B) a home equity line of credit that is in a subordinate lien position; and

''(C) a reverse mortgage.'';

(3) by redesignating paragraphs (53B) through (53D) as paragraphs (53C), (53D), (53E), and (53F), respectively; and

(4) by inserting after paragraph (53A) the following:

''(53B) The term 'subprime mortgage' means a security interest in the debtor's principal residence that secures a debt for a loan that has an annual percentage rate that is greater than—

''(A) the sum of 3 percent plus the yield on United States Treasury securities having comparable periods of maturity, if the loan is secured by a first mortgage or first deed of trust; or

''(B) the sum of 5 percent plus the yield on United States Treasury securities having comparable periods of maturity, if the loan is secured by a subordinate mortgage or subordinate deed of trust.

Without regard to whether such loan is subject to or reportable under the Home Mortgage Disclosure Act, the difference between the annual percentage rate of such loan and the yield on United States Treasury securities having comparable periods of maturity shall be determined using the procedures and calculation methods applicable to loans that are subject to the reporting requirements of such Act, except that such yield shall be determined as of the 15th day of the month preceding the month in which a completed application is submitted for such loan. If such loan provides for a fixed interest rate for an introductory period and then resets or adjusts to a variable interest rate, the determination of the annual percentage rate shall be based on the greater of the introductory rate and the fully indexed rate. For purposes of this paragraph, the term 'fully indexed rate' means the prevailing index rate on a residential mortgage loan at the time at which the loan is made, plus the margin that will apply after the expiration of an introductory interest rate.''.

SEC. ___22. SPECIAL RULES FOR MODIFICATION OF LOANS SECURED BY RESIDENCES.

(a) IN GENERAL.—Section 1322(b) of title 11, United States Code, is amended—

(1) in paragraph (10), by striking ''and'' at the end;

(2) by redesignating paragraph (11) as paragraph (12); and

(3) by inserting after paragraph (10) the following:

''(11) notwithstanding paragraph (2) and otherwise applicable nonbankruptcy law—

''(A) modify an allowed secured claim for a debt incurred prior to the effective date of this paragraph secured by a nontraditional mortgage, or a subprime mortgage, and any lien subordinate to such claim, on the debtor's principal residence, as described in subparagraph (B), if, after deduction from the debtor's current monthly income of the expenses permitted for debtors described in section 1325(b)(3) of this title (other than amounts contractually due to creditors holding such allowed secured claims and additional payments necessary to maintain possession of that residence), the debtor has insufficient remaining income to retain possession of the residence by curing a default and maintaining payments while the case is pending, as provided under paragraph (5);

''(B) provide for payment of such claim—

''(i) in an amount equal to the amount of the allowed secured claim;

''(ii) for a period that is the longer of 30 years (reduced by the period for which the loan has been outstanding) or the remaining term of such loan, beginning on the date of the order for relief under this chapter; and

''(iii) at a rate of interest accruing after such date calculated at a fixed annual percentage rate, in an amount equal to the most recently published annual yield on conventional mortgages published by the Board of Governors of the Federal Reserve System, as of the applicable time set forth in the rules of the Board, plus a reasonable premium for risk; and

''(C) if a claim has been modified to an amount below the original principal of the loan pursuant to subparagraph (B)(i) and the debtor's principal residence is sold during the term of the plan, the holder of the claim shall be entitled to receive, in addition to the unpaid portion of the allowed secured claim, the net proceeds of the sale, or the amount of the holder's allowed unsecured claim, whichever is less; and''.

(b) CONFORMING AMENDMENT.—Section 1325(a)(5) of title 11, United States Code, is amended by inserting before ''with respect'' the following: ''except as otherwise provided in section 1322(b)(11) of this title,''.

SEC. ___23. WAIVER OF COUNSELING REQUIREMENT WHEN HOMES ARE IN FORECLOSURE.

Section 109(h) of title 11, United States Code, is amended by adding at the end the following:

''(5) Paragraph (1) shall not apply with respect to a debtor who files with the court a certification that a foreclosure sale of the debtor's principal residence has been scheduled.''.

Subtitle B—Providing Other Debtor Protections

SEC. ___41. COMBATING EXCESSIVE FEES.

Section 1322(c) of title 11, the United States Code, is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(3) the plan need not provide for the payment of, and the debtor, the debtor's property, and property of the estate shall not be liable for, any fee, cost, or charge, notwithstanding section 506(b), that arises in connection with a claim secured by the debtor's principal residence if the event that gives rise to such fee, cost, or charge occurs while the case is pending but before the discharge order, except to the extent that—

''(A) notice of such fees, costs or charges is filed with the court, and served on the debtor and the trustee, before the expiration of the earlier of—

''(i) 1 year after the event that gives rise to such fee, cost, or charge occurs; or

''(ii) 60 days before the closing of the case; and

''(B) such fees, costs, or charges are lawful, reasonable, and provided for in the agreement under which such claim or security interest arose;

''(4) the failure of a party to give notice described in paragraph (3) shall be deemed a waiver of any claim for fees, costs, or charges described in paragraph (3) for all purposes, and any attempt to collect such fees, costs, or charges shall constitute a violation of section 524(a)(2) of this title or, if the violation occurs before the date of discharge, of section 362(a) of this title; and

''(5) a plan may provide for the waiver of any prepayment penalty on a claim secured by the principal residence of the debtor.''.

SEC. ___42. MAINTAINING DEBTORS' LEGAL CLAIMS.

Section 554(e) of title 11, United States Code, is amended by adding at the end the following:

''(e) In any action in State or Federal court with respect to a claim or defense asserted by an individual debtor in such action that was not scheduled under section 521(a)(1) of this title, the trustee shall be allowed a reasonable time to request joinder or substitution as the real party in interest. If the trustee does not request joinder or substitution in such action, the debtor may proceed as the real party in interest, and no such action shall be dismissed on the ground that it is not prosecuted in the name of the real party in interest or on the ground that the debtor's claims were not properly scheduled in a case under this title.''.

SEC. ___43. RESOLVING DISPUTES.

Section 1334 of title 28, United States Code, is amended by adding at the end the following: ''Notwithstanding any agreement for arbitration that is subject to chapter 1 of title 9, in any core proceeding under section 157(b) of this title involving an individual debtor whose debts are primarily consumer debts, the court may hear and determine the proceeding, and enter appropriate orders and judgments, in lieu of referral to arbitration.''.

SEC. ___44. ENACTING A HOMESTEAD FLOOR FOR DEBTORS OVER 55 YEARS OF AGE.

(a) IN GENERAL.—Section 522(b)(3) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end and inserting the following:

''(D) if the debtor, as of the date of the filing of the petition, is 55 years old or older, the debtor's aggregate interest, not to exceed $75,000 in value, in real property or personal property that the debtor or a dependent of the debtor uses as a principal residence, or in a cooperative that owns property that the debtor or a dependent of the debtor uses as a principal residence.''.

(b) EXEMPTION AUTHORITY.—Section 522(d)(1) of title 11, United States Code, is amended by inserting ''or, if the debtor is 55 years of age or older, $75,000 in value,'' before ''in real property''.

SEC. ___45. DISALLOWING CLAIMS FROM VIOLATIONS OF CONSUMER PROTECTION LAWS.

Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking ''or'' at the end;

(2) in paragraph (9), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(10) the claim is subject to any remedy for damages or rescission due to failure to comply with any applicable requirement under the Truth in Lending Act (15 U.S.C. 1601 et seq.), or any other provision of applicable State or Federal consumer protection law that was in force when the noncompliance took place, notwithstanding the prior entry of a foreclosure judgment.''.

SA 4389. Ms. LANDRIEU (for herself, Mr. COCHRAN, Mr. VITTER, and Mr. WICKER) submitted an amendment intended to be proposed by her to the bill

H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end add the following:

TITLE—HURRICANE-RELATED CASUALTY LOSSES

SEC. __01. USE OF AMENDED INCOME TAX RETURNS TO TAKE INTO ACCOUNT RECEIPT OF CERTAIN HURRICANE-RELATED CASUALTY LOSS GRANTS BY DISALLOWING PREVIOUSLY TAKEN CASUALTY LOSS DEDUCTIONS.

Notwithstanding any other provision of the Internal Revenue Code of 1986, if a taxpayer claims a deduction for any taxable year with respect to a casualty loss to a personal residence (within the meaning of section 121 of such Code) resulting from Hurricane Katrina or Hurricane Rita and in a subsequent taxable year receives a grant under Public Law 109-148, 109-234, or 110-116 as reimbursement for such loss from the State of Louisiana or the State of Mississippi, such taxpayer may elect to file an amended income tax return for the taxable year in which such deduction was allowed and disallow such deduction. If elected, such amended return must be filed not later than the due date for filing the tax return for the taxable year in which the taxpayer receives such reimbursement or the date that is 4 months after the date of the enactment of this Act, whichever is later. Any increase in Federal income tax resulting from such disallowance shall not be subject to any penalty or interest under such Code if such amended return is so filed.

TITLE—GO ZONE PROPERTY

SEC. __01. WAIVER OF DEADLINE ON CONSTRUCTION OF GO ZONE PROPERTY ELIGIBLE FOR BONUS DEPRECIATION.

(a) IN GENERAL.—Subparagraph (B) of section 1400N(d)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

''(B) without regard to 'and before January 1, 2009' in clause (i) thereof,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SA 4390. Mr. HATCH (for himself, Mr. SALAZAR, and Mr. KERRY) submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end add the following:

TITLE VIII—REIT INVESTMENT DIVERSIFICATION AND EMPOWERMENT

SEC. 800. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This title may be cited as the ''REIT Investment Diversification and Empowerment Act of 2008''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Foreign Currency and Other Qualified Activities

SEC. 801. REVISIONS TO REIT INCOME TESTS.

(a) ADDITION OF PERMISSIBLE INCOME CATEGORIES.—Section 856(c) (relating to limitations) is amended—

(1) by striking ''and'' at the end of paragraph (2)(G) and by inserting after paragraph (2)(H) the following new subparagraphs:

''(I) passive foreign exchange gains; and

''(J) any other item of income or gain as determined by the Secretary;'', and

(2) by striking ''and'' at the end of paragraphs (3)(H) and (3)(I) and by inserting after paragraph (3)(I) the following new subparagraphs:

''(J) real estate foreign exchange gains; and

''(K) any other item of income or gain as determined by the Secretary; and''.

(b) RULES REGARDING FOREIGN CURRENCY TRANSACTIONS.—Section 856 (defining real estate investment trust) is amended by adding at the end the following new subsection:

''(n) RULES REGARDING FOREIGN CURRENCY TRANSACTIONS.—With respect to any taxable year—

''(1) REAL ESTATE FOREIGN EXCHANGE GAINS.—For purposes of subsection (c)(3)(J), the term 'real estate foreign exchange gains' means—

''(A) foreign currency gains (as defined in section 988(b)(1)) which are attributable to—

''(i) any item described in subsection (c)(3) (other than in subparagraph (J) thereof),

''(ii) the acquisition or ownership of obligations secured by mortgages on real property or on interests in real property (other than foreign currency gains attributable to any item described in clause (i)), or

''(iii) becoming or being the obligor under obligations secured by mortgages on real property or on interests in real property (other than foreign currency gains attributable to any item described in clause (i)),

''(B) gains described in section 987 attributable to a qualified business unit (as defined by section 989) of the real estate investment trust, but only if such qualified business unit meets the requirements under—

''(i) subsection (c)(3) (without regard to subparagraph (J) thereof) for the taxable year, and

''(ii) subsection (c)(4)(A) at the close of each quarter that the real estate investment trust has directly or indirectly held the qualified business unit, and

''(C) any other foreign currency gains as determined by the Secretary.

''(2) PASSIVE FOREIGN EXCHANGE GAINS.—For purposes of subsection (c)(2)(I), the term 'passive foreign exchange gains' means—

''(A) real estate foreign exchange gains,

''(B) foreign currency gains (as defined in section 988(b)(1)) which are not described in subparagraph (A) and which are attributable to any item described in subsection (c)(2) (other than in subparagraph (I) thereof), and

''(C) any other foreign currency gains as determined by the Secretary.''.

(c) ADDITION TO REIT HEDGING RULE.—Subparagraph (G) of section 856(c)(5) is amended to read as follows:

''(G) TREATMENT OF CERTAIN HEDGING INSTRUMENTS.—Except to the extent as determined by the Secretary—

''(i) any income of a real estate investment trust from a hedging transaction (as defined in clause (ii) or (iii) of section 1221(b)(2)(A)) which is clearly identified pursuant to section 1221(a)(7), including gain from the sale or disposition of such a transaction, shall not constitute gross income under paragraphs (2) and (3) to the extent that the transaction hedges any indebtedness incurred or to be incurred by the trust to acquire or carry real estate assets, and

''(ii) any income of a real estate investment trust from a transaction entered into by the trust primarily to manage risk of currency fluctuations with respect to any item described in paragraph (2) or (3), including gain from the termination of such a transaction, shall not constitute gross income under paragraphs (2) and (3), but only if such transaction is clearly identified as such before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may prescribe).''.

(d) AUTHORITY TO EXCLUDE ITEMS OF INCOME FROM REIT INCOME TESTS.—Section 856(c)(5) is amended by adding at the end the following new subparagraph:

''(H) SECRETARIAL AUTHORITY TO EXCLUDE OTHER ITEMS OF INCOME.—The Secretary is authorized to determine whether any item of income or gain which does not otherwise qualify under paragraph (2) or (3) may be considered as not constituting gross income solely for purposes of this part.''.

SEC. 802. REVISIONS TO REIT ASSET TESTS.

(a) CLARIFICATION OF VALUATION TEST.—The first sentence in the matter following section 856(c)(4)(B)(iii)(III) is amended by inserting ''(including a discrepancy caused solely by the change in the foreign currency exchange rate used to value a foreign asset)'' after ''such requirements''.

(b) CLARIFICATION OF PERMISSIBLE ASSET CATEGORY.—Section 856(c)(5), as amended by this Act, is amended by adding at the end the following new subparagraph:

''(I) CASH.—The term 'cash' includes foreign currency if the real estate investment trust or its qualified business unit (as defined in section 989) uses such foreign currency as its functional currency (as defined in section 985(b)).''.

SEC. 803. CONFORMING FOREIGN CURRENCY REVISIONS.

(a) NET INCOME FROM FORECLOSURE PROPERTY.—Clause (i) of section 857(b)(4)(B) is amended to read as follows:

''(i) gain (including any foreign currency gain, as defined in section 988(b)(1)) from the sale or other disposition of foreclosure property described in section 1221(a)(1) and the gross income for the taxable year derived from foreclosure property (as defined in section 856(e)), but only to the extent such gross income is not described in (or, in the case of foreign currency gain, not attributable to gross income described in) section 856(c)(3) other than subparagraph (F) thereof, over''.

(b) NET INCOME FROM PROHIBITED TRANSACTIONS.—Clause (i) of section 857(b)(6)(B) is amended to read as follows:

''(i) the term 'net income derived from prohibited transactions' means the excess of the gain (including any foreign currency gain, as defined in section 988(b)(1)) from prohibited transactions over the deductions (including any foreign currency loss, as defined in section 988(b)(2)) allowed by this chapter which are directly connected with prohibited transactions;''.

Subtitle B—Taxable Reit Subsidiaries

SEC. 811. CONFORMING TAXABLE REIT SUBSIDIARY ASSET TEST.

Section 856(c)(4)(B)(ii) is amended by striking ''20 percent'' and inserting ''25 percent''.

Subtitle C—Dealer Sales

SEC. 821. HOLDING PERIOD UNDER SAFE HARBOR.

Section 857(b)(6) (relating to income from prohibited transactions) is amended—

(1) by striking ''4 years'' in subparagraphs (C)(i), (C)(iv), and (D)(i) and inserting ''2 years'',

(2) by striking ''4-year period'' in subparagraphs (C)(ii), (D)(ii), and (D)(iii) and inserting ''2-year period'', and

(3) by striking ''real estate asset''and all that follows through ''if'' in the matter preceding clause (i) of subparagraphs (C) and (D), respectively, and inserting ''real estate asset (as defined in section 856(c)(5)(B)) and which is described in section 1221(a)(1) if''.

SEC. 822. DETERMINING VALUE OF SALES UNDER SAFE HARBOR.

Section 857(b)(6) is amended—

(1) by striking the semicolon at the end of subparagraph (C)(iii) and inserting '', or (III) the fair market value of property (other than sales of foreclosure property or sales to which section 1033 applies) sold during the taxable year does not exceed 10 percent of the fair market value of all of the assets of the trust as of the beginning of the taxable year;'', and

(2) by adding ''or'' at the end of subclause (II) of subparagraph (D)(iv) and by adding at the end of such subparagraph the following new subclause:

''(III) the fair market value of property (other than sales of foreclosure property or sales to which section 1033 applies) sold during the taxable year does not exceed 10 percent of the fair market value of all of the assets of the trust as of the beginning of the taxable year,''.

Subtitle D—Health Care Reits

SEC. 831. CONFORMITY FOR HEALTH CARE FACILITIES.

(a) RELATED PARTY RENTALS.—Subparagraph (B) of section 856(d)(8) (relating to special rule for taxable REIT subsidiaries) is amended to read as follows:

''(B) EXCEPTION FOR CERTAIN LODGING FACILITIES AND HEALTH CARE PROPERTY.—The requirements of this subparagraph are met with respect to an interest in real property which is a qualified lodging facility (as defined in paragraph (9)(D)) or a qualified health care property (as defined in subsection (e)(6)(D)(i)) leased by the trust to a taxable REIT subsidiary of the trust if the property is operated on behalf of such subsidiary by a person who is an eligible independent contractor. For purposes of this section, a taxable REIT subsidiary is not considered to be operating or managing a qualified health care property or qualified lodging facility solely because it—

''(i) directly or indirectly possesses a license, permit, or similar instrument enabling it to do so, or

''(ii) employs individuals working at such property or facility located outside the United States, but only if an eligible independent contractor is responsible for the daily supervision and direction of such individuals on behalf of the taxable REIT subsidiary pursuant to a management agreement or similar service contract.''.

(b) ELIGIBLE INDEPENDENT CONTRACTOR.—Subparagraphs (A) and (B) of section 856(d)(9) (relating to eligible independent contractor) are amended to read as follows:

''(A) IN GENERAL.—The term 'eligible independent contractor' means, with respect to any qualified lodging facility or qualified health care property (as defined in subsection (e)(6)(D)(i)), any independent contractor if, at the time such contractor enters into a management agreement or other similar service contract with the taxable REIT subsidiary to operate such qualified lodging facility or qualified health care property, such contractor (or any related person) is actively engaged in the trade or business of operating qualified lodging facilities or qualified health care properties, respectively, for any person who is not a related person with respect to the real estate investment trust or the taxable REIT subsidiary.

''(B) SPECIAL RULES.—Solely for purposes of this paragraph and paragraph (8)(B), a person shall not fail to be treated as an independent contractor with respect to any qualified lodging facility or qualified health care property (as so defined) by reason of the following:

''(i) The taxable REIT subsidiary bears the expenses for the operation of such qualified lodging facility or qualified health care property pursuant to the management agreement or other similar service contract.

''(ii) The taxable REIT subsidiary receives the revenues from the operation of such qualified lodging facility or qualified health care property, net of expenses for such operation and fees payable to the operator pursuant to such agreement or contract.

''(iii) The real estate investment trust receives income from such person with respect to another property that is attributable to a lease of such other property to such person that was in effect as of the later of—

''(I) January 1, 1999, or

''(II) the earliest date that any taxable REIT subsidiary of such trust entered into a management agreement or other similar service contract with such person with respect to such qualified lodging facility or qualified health care property.''.

(c) TAXABLE REIT SUBSIDIARIES.—The last sentence of section 856(l)(3) is amended—

(1) by inserting ''or a health care facility'' after ''a lodging facility'', and

(2) by inserting ''or health care facility'' after ''such lodging facility''.

Subtitle E—Effective Dates and Sunset

SEC. 841 EFFECTIVE DATES AND SUNSET.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this title shall apply to taxable years beginning after the date of the enactment of this Act.

(b) REIT INCOME TESTS.—

(1) The amendment made by section 801(a) and (b) shall apply to gains and items of income recognized after the date of the enactment of this Act.

(2) The amendment made by section 801(c) shall apply to transactions entered into after the date of the enactment of this Act.

(3) The amendment made by section 801(d) shall apply after the date of the enactment of this Act.

(c) CONFORMING FOREIGN CURRENCY REVISIONS.—

(1) The amendment made by section 803(a) shall apply to gains recognized after the date of the enactment of this Act.

(2) The amendment made by section 803(b) shall apply to gains and deductions recognized after the date of the enactment of this Act.

(d) DEALER SALES.—The amendments made by subtitle C shall apply to sales made after the date of the enactment of this Act.

(e) SUNSET.—All amendments made by this title shall not apply to taxable years beginning after the date which is 5 years after the date of the enactment of this Act. The Internal Revenue Code of 1986 shall be applied and administered to taxable years described in the preceding sentence as if the amendments so described had never been enacted.

SA 4391. Mr. WICKER (for himself and Mr. COCHRAN) submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end add the following:

TITLE—GO ZONE PROPERTY

SEC. __01. WAIVER OF DEADLINE ON CONSTRUCTION OF GO ZONE PROPERTY ELIGIBLE FOR BONUS DEPRECIATION.

(a) IN GENERAL.—Subparagraph (B) of section 1400N(d)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

''(B) without regard to 'and before January 1, 2009' in clause (i) thereof,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SA 4392. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE—BANKRUPTCY PROVISIONS

SEC. ___1. SHORT TITLE.

This title may be cited as the ''Home Owners' Mortgage and Equity Savings Act'' or the ''HOMES Act''.

SEC. ___2. AUTHORITY TO MODIFY CERTAIN MORTGAGES.

Section 1322(b) of title 11, United States Code, is amended—

(1) in paragraph (2), by inserting ''except as provided in paragraph (11),'' after ''residence,'';

(2) by redesignating paragraph (11) as paragraph (12);

(3) in paragraph (10), by striking ''and'' at the end; and

(4) by inserting after paragraph (10) the following:

''(11) with respect to a claim secured by a security interest in real property initiated before September 26, 2007, that is the debtor's principal residence, if the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is less than, in the case of a debtor in a household of 1 person, 150 percent of the median family income of the applicable State for 1 earner, in the case of a debtor in a household of 2, 3, or 4 individuals, the highest median family income of the applicable State for a family of the same number or fewer individuals, or in the case of a debtor in a household exceeding 4 individuals, the highest median family income of the applicable State for a family of 4 or fewer individuals, plus $525 per month for each individual in excess of 4—

''(A) modify the rights of any holder of such claim by lowering the principal amount of the loan to the fair market value of the real property securing the loan at the time of submission of the plan, to the extent that such fair market value is less than the principal amount outstanding on the loan, if

such action is agreed to in writing by the debtor and the holder of the claim;

''(B) waive any otherwise applicable early repayment or prepayment penalties; and

''(C) in any case in which the applicable rate of interest is adjustable under the mortgage contract, modify the rights of any holder of such claim, by prohibiting or delaying adjustments to the rate of interest applicable to the debt on and after the date of filing of the plan or voiding any such adjustments that occurred during the 2-year period preceding that date of filing; and''.

SEC. ___3. TREATMENT OF CERTAIN INTEREST AND FEES.

Section 548(a) of title 11, United States Code, is amended by adding at the end the following:

''(3) For purposes of chapter 13, where the court finds there was a substantial failure to disclose material terms regarding interest, late fees, or other fees related to a claim secured by a security interest in the debtor's principal residence, the court may consider such interest, late fees, or other fees to be a transfer covered under paragraph (1)(B).''.

SEC. ___4. DELAY OF COUNSELING REQUIREMENT WHEN HOUSES ARE IN FORECLOSURE.

Section 109(h) of title 11, United States Code, is amended by adding at the end the following:

''(5) The requirements of paragraph (1) may be delayed until after the date of filing, with respect to a debtor who submits to the court a certification that the holder of a claim secured by the debtor's principal residence has initiated a judicial or nonjudicial foreclosure on the debtor's principal residence.''.

SEC. ___5. STUDY AND REPORT.

(a) STUDY.—The Comptroller General of the United States shall conduct a study to determine the impact of allowing bankruptcy judges to restructure principal residence mortgages on the secondary market for mortgages.

(b) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the study required under subsection (a).

SEC. ___6. SUNSET.

This title and the amendments made by this title shall apply with respect to filings under chapter 13 of title 11, United States Code, occurring during the 7-year period following the date of enactment of this Act.

SA 4393. Mrs. FEINSTEIN (for herself, Mr. MARTINEZ, Mr. OBAMA, Mrs. BOXER, Mr. SALAZAR, Mr. DURBIN and Ms. KLOBUCHAR) submitted an amendment intended to be proposed by her to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE VII—S.A.F.E. MORTGAGE LICENSING ACT

SEC. 701. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the ''Secure and Fair Enforcement for Mortgage Licensing Act of 2008'' or ''S.A.F.E. Mortgage Licensing Act of 2008''.

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

SEC. 702. PURPOSES AND METHODS FOR ESTABLISHING A MORTGAGE LICENSING SYSTEM AND REGISTRY.

In order to increase uniformity, reduce regulatory burden, enhance consumer protection, and reduce fraud, the States, through the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, are hereby encouraged to establish a Nationwide Mortgage Licensing System and Registry for the residential mortgage industry that accomplishes all of the following objectives:

(1) Provides uniform license applications and reporting requirements for State-licensed loan originators.

(2) Provides a comprehensive licensing and supervisory database.

(3) Aggregates and improves the flow of information to and between regulators.

(4) Provides increased accountability and tracking of loan originators.

(5) Streamlines the licensing process and reduces the regulatory burden.

(6) Enhances consumer protections and supports anti-fraud measures.

(7) Provides consumers with easily accessible information, offered at no charge, utilizing electronic media, including the Internet, regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against, loan originators.

(8) Establishes a means by which residential mortgage loan originators would be required to act in the best interests of the consumer, to the greatest extent possible.

SEC. 703. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) FEDERAL BANKING AGENCIES.—The term ''Federal banking agencies'' means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the National Credit Union Administration, and the Federal Deposit Insurance Corporation.

(2) DEPOSITORY INSTITUTION.—The term ''depository institution'' has the same meaning as in section 3 of the Federal Deposit Insurance Act, and includes any credit union.

(3) LOAN ORIGINATOR.—

(A) IN GENERAL.—The term ''loan originator''—

(i) means an individual who—

(I) takes a residential mortgage loan application;

(II) assists a consumer in obtaining or applying to obtain a residential mortgage loan; or

(III) offers or negotiates terms of a residential mortgage loan, for direct or indirect compensation or gain, or in the expectation of direct or indirect compensation or gain;

(ii) includes any individual who represents to the public, through advertising or other means of communicating or providing information (including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items), that such individual can or will provide or perform any of the activities described in clause (i);

(iii) does not include any individual who is not otherwise described in clause (i) or (ii) and who performs purely administrative or clerical tasks on behalf of a person who is described in any such clause; and

(iv) does not include a person or entity that only performs real estate brokerage activities and is licensed or registered in accordance with applicable State law, unless the person or entity is compensated by a lender, a mortgage broker, or other loan originator or by any agent of such lender, mortgage broker, or other loan originator.

(B) OTHER DEFINITIONS RELATING TO LOAN ORIGINATOR.—For purposes of this subsection, an individual ''assists a consumer in obtaining or applying to obtain a residential mortgage loan'' by, among other things, advising on loan terms (including rates, fees, other costs), preparing loan packages, or collecting information on behalf of the consumer with regard to a residential mortgage loan.

(C) ADMINISTRATIVE OR CLERICAL TASKS.—The term ''administrative or clerical tasks'' means the receipt, collection, and distribution of information common for the processing or underwriting of a loan in the mortgage industry and communication with a consumer to obtain information necessary for the processing or underwriting of a residential mortgage loan.

(D) REAL ESTATE BROKERAGE ACTIVITY DEFINED.—The term ''real estate brokerage activity'' means any activity that involves offering or providing real estate brokerage services to the public, including—

(i) acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property;

(ii) listing or advertising real property for sale, purchase, lease, rental, or exchange;

(iii) providing advice in connection with sale, purchase, lease, rental, or exchange of real property;

(iv) bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property;

(v) negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property (other than in connection with providing financing with respect to any such transaction);

(vi) engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; and

(vii) offering to engage in any activity, or act in any capacity, described in clause (i), (ii), (iii), (iv), (v), or (vi).

(4) LOAN PROCESSOR OR UNDERWRITER.—

(A) IN GENERAL.—The term ''loan processor or underwriter'' means an individual who performs clerical or support duties at the direction of and subject to the supervision and instruction of—

(i) a State-licensed loan originator; or

(ii) a registered loan originator.

(B) CLERICAL OR SUPPORT DUTIES.—For purposes of subparagraph (A), the term ''clerical or support duties'' may include—

(i) the receipt, collection, distribution, and analysis of information common for the processing or underwriting of a residential mortgage loan; and

(ii) communicating with a consumer to obtain the information necessary for the processing or underwriting of a loan, to the extent that such communication does not include offering or negotiating loan rates or terms, or counseling consumers about residential mortgage loan rates or terms.

(5) NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY.—The term ''Nationwide Mortgage Licensing System and Registry'' means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the State licensing and registration of State-licensed loan originators and the registration of registered loan originators or any system established by the Secretary under section 709.

(6) REGISTERED LOAN ORIGINATOR.—The term ''registered loan originator'' means any individual who—

(A) meets the definition of loan originator and is an employee of a depository institution or a wholly-owned subsidiary of a depository institution; and

(B) is registered with, and maintains a unique identifier through, the Nationwide Mortgage Licensing System and Registry.

(7) RESIDENTIAL MORTGAGE LOAN.—The term ''residential mortgage loan'' means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling (as defined in section 103(v) of the Truth in Lending Act) or residential real estate upon which is constructed or intended to be constructed a dwelling (as so defined).

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(9) STATE-LICENSED LOAN ORIGINATOR.—The term ''State-licensed loan originator'' means any individual who—

(A) is a loan originator;

(B) is not an employee of a depository institution or any wholly-owned subsidiary of a depository institution; and

(C) is licensed by a State or by the Secretary under section 708 and registered as a loan originator with, and maintains a unique identifier through, the Nationwide Mortgage Licensing System and Registry.

(10) SUBPRIME MORTGAGE.—The term ''subprime mortgage'' means a residential mortgage loan—

(A) that is secured by real property that is used or intended to be used as a principal dwelling;

(B) that is typically offered to borrowers having weakened credit histories and reduced repayment capacity, as measured by lower credit scores, debt-to-income ratios, and other relevant criteria; and

(C) the characteristics of which may include—

(i) low initial payments based on a fixed introductory rate that expires after a short period and then adjusts to a variable index rate plus a margin for the remaining term of the loan;

(ii) very high or no limits on how much the payment amount or the interest rate may increase (referred to as ''payment caps'' or ''rate caps'') on reset dates;

(iii) limited or no documentation of the income of the borrower;

(iv) product features likely to result in frequent refinancing to maintain an affordable monthly payment; and

(v) substantial prepayment penalties or prepayment penalties that extend beyond the initial fixed interest rate period.

(11) UNIQUE IDENTIFIER.—The term ''unique identifier'' means a number or other identifier that—

(A) permanently identifies a loan originator; and

(B) is assigned by protocols established by the Nationwide Mortgage Licensing System and Registry and the Federal banking agencies to facilitate electronic tracking of loan originators and uniform identification of, and public access to, the employment history of and the publicly adjudicated disciplinary and enforcement actions against loan originators.

SEC. 704. LICENSE OR REGISTRATION REQUIRED.

(a) IN GENERAL.—An individual may not engage in the business of a loan originator without first—

(1) obtaining and maintaining, through an annual renewal—

(A) a registration as a registered loan originator; or

(B) a license and registration as a State-licensed loan originator; and

(2) obtaining a unique identifier.

(b) LOAN PROCESSORS AND UNDERWRITERS.—

(1) SUPERVISED LOAN PROCESSORS AND UNDERWRITERS.—A loan processor or underwriter who does not represent to the public, through advertising or other means of communicating or providing information (including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items), that such individual can or will perform any of the activities of a loan originator shall not be required to be a State-licensed loan originator or a registered loan originator.

(2) INDEPENDENT CONTRACTORS.—A loan processor or underwriter may not work as an independent contractor unless such processor or underwriter is a State-licensed loan originator or a registered loan originator.

SEC. 705. STATE LICENSE AND REGISTRATION APPLICATION AND ISSUANCE.

(a) BACKGROUND CHECKS.—In connection with an application to any State for licensing and registration as a State-licensed loan originator, the applicant shall, at a minimum, furnish to the Nationwide Mortgage Licensing System and Registry information concerning the applicant's identity, including—

(1) fingerprints for submission to the Federal Bureau of Investigation, and any governmental agency or entity authorized to receive such information for a State and national criminal history background check; and

(2) personal history and experience, including authorization for the System to obtain—

(A) an independent credit report obtained from a consumer reporting agency described in section 603(p) of the Fair Credit Reporting Act; and

(B) information related to any administrative, civil or criminal findings by any governmental jurisdiction.

(b) ISSUANCE OF LICENSE.—The minimum standards for licensing and registration as a State-licensed loan originator shall include the following:

(1) The applicant has never had a loan originator or similar license revoked in any governmental jurisdiction.

(2) The applicant has never been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court.

(3) The applicant has demonstrated financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a determination that the loan originator will operate honestly, fairly, and efficiently within the purposes of this title.

(4) The applicant has completed the pre-licensing education requirement described in subsection (c).

(5) The applicant has passed a written test that meets the test requirement described in subsection (d).

(6) The applicant has met a minimum net worth requirement.

(c) PRE-LICENSING EDUCATION OF LOAN ORIGINATORS.—

(1) MINIMUM EDUCATIONAL REQUIREMENTS.—In order to meet the pre-licensing education requirement referred to in subsection (b)(4), a person shall complete at least 20 hours of education approved in accordance with paragraph (2), which shall include at least—

(A) 3 hours of Federal law and regulations;

(B) 3 hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues; and

(C) 2 hours of training related to lending standards for the subprime mortgage marketplace.

(2) APPROVED EDUCATIONAL COURSES.—For purposes of paragraph (1), pre-licensing education courses shall be reviewed, and approved by the Nationwide Mortgage Licensing System and Registry.

(3) LIMITATION AND STANDARDS.—

(A) LIMITATION.—To maintain the independence of the approval process, the Nationwide Mortgage Licensing System and Registry shall not directly or indirectly offer pre-licensure educational courses for loan originators.

(B) STANDARDS.—In approving courses under this section, the Nationwide Mortgage Licensing System and Registry shall apply reasonable standards in the review and approval of courses.

(d) TESTING OF LOAN ORIGINATORS.—

(1) IN GENERAL.—In order to meet the written test requirement referred to in subsection (b)(5), an individual shall pass, in accordance with the standards established under this subsection, a qualified written test developed by the Nationwide Mortgage Licensing System and Registry and administered by an approved test provider.

(2) QUALIFIED TEST.—A written test shall not be treated as a qualified written test for purposes of paragraph (1) unless—

(A) the test consists of a minimum of 100 questions; and

(B) the test adequately measures the applicant's knowledge and comprehension in appropriate subject areas, including—

(i) ethics;

(ii) Federal law and regulation pertaining to mortgage origination;

(iii) State law and regulation pertaining to mortgage origination; and

(iv) Federal and State law and regulation, including instruction on fraud, consumer protection, subprime mortgage marketplace, and fair lending issues.

(3) MINIMUM COMPETENCE.—

(A) PASSING SCORE.—An individual shall not be considered to have passed a qualified written test unless the individual achieves a test score of not less than 75 percent correct answers to questions.

(B) INITIAL RETESTS.—An individual may retake a test 3 consecutive times with each consecutive taking occurring in less than 14 days after the preceding test.

(C) SUBSEQUENT RETESTS.—After 3 consecutive tests, an individual shall wait at least 14 days before taking the test again.

(D) RETEST AFTER LAPSE OF LICENSE.—A State-licensed loan originator who fails to maintain a valid license for a period of 5 years or longer shall retake the test, not taking into account any time during which such individual is a registered loan originator.

(e) MORTGAGE CALL REPORTS.—Each mortgage licensee shall submit to the Nationwide

Mortgage Licensing System and Registry reports of condition, which shall be in such form and shall contain such information as the Nationwide Mortgage Licensing System and Registry may require.

SEC. 706. STANDARDS FOR STATE LICENSE RENEWAL.

(a) IN GENERAL.—The minimum standards for license renewal for State-licensed loan originators shall include the following:

(1) The loan originator continues to meet the minimum standards for license issuance.

(2) The loan originator has satisfied the annual continuing education requirements described in subsection (b).

(b) CONTINUING EDUCATION FOR STATE-LICENSED LOAN ORIGINATORS.—

(1) IN GENERAL.—In order to meet the annual continuing education requirements referred to in subsection (a)(2), a State-licensed loan originator shall complete at least 8 hours of education approved in accordance with paragraph (2), which shall include at least—

(A) 3 hours of Federal law and regulations;

(B) 2 hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues; and

(C) 2 hours of training related to lending standards for the subprime mortgage marketplace.

(2) APPROVED EDUCATIONAL COURSES.—For purposes of paragraph (1), continuing education courses shall be reviewed, and approved by the Nationwide Mortgage Licensing System and Registry.

(3) CALCULATION OF CONTINUING EDUCATION CREDITS.—A State-licensed loan originator—

(A) may only receive credit for a continuing education course in the year in which the course is taken; and

(B) may not take the same approved course in the same or successive years to meet the annual requirements for continuing education.

(4) INSTRUCTOR CREDIT.—A State-licensed loan originator who is approved as an instructor of an approved continuing education course may receive credit for the originator's own annual continuing education requirement at the rate of 2 hours credit for every 1 hour taught.

(5) LIMITATION AND STANDARDS.—

(A) LIMITATION.—To maintain the independence of the approval process, the Nationwide Mortgage Licensing System and Registry shall not directly or indirectly offer any continuing education courses for loan originators.

(B) STANDARDS.—In approving courses under this section, the Nationwide Mortgage Licensing System and Registry shall apply reasonable standards in the review and approval of courses.

SEC. 707. SYSTEM OF REGISTRATION ADMINISTRATION BY FEDERAL BANKING AGENCIES.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Federal banking agencies shall jointly, through the Federal Financial Institutions Examination Council, develop and maintain a system for registering employees of depository institutions or subsidiaries of depository institutions as registered loan originators with the Nationwide Mortgage Licensing System and Registry. The system shall be implemented before the end of the 1-year period beginning on the date of the enactment of this title.

(2) REGISTRATION REQUIREMENTS.—In connection with the registration of any loan originator who is an employee of a depository institution or a wholly-owned subsidiary of a depository institution with the Nationwide Mortgage Licensing System and Registry, the appropriate Federal banking agency shall, at a minimum, furnish or cause to be furnished to the Nationwide Mortgage Licensing System and Registry information concerning the employees's identity, including—

(A) fingerprints for submission to the Federal Bureau of Investigation, and any governmental agency or entity authorized to receive such information for a State and national criminal history background check; and

(B) personal history and experience, including authorization for the Nationwide Mortgage Licensing System and Registry to obtain information related to any administrative, civil or criminal findings by any governmental jurisdiction.

(b) COORDINATION.—

(1) UNIQUE IDENTIFIER.—The Federal banking agencies, through the Financial Institutions Examination Council, shall coordinate with the Nationwide Mortgage Licensing System and Registry to establish protocols for assigning a unique identifier to each registered loan originator that will facilitate electronic tracking and uniform identification of, and public access to, the employment history of and publicly adjudicated disciplinary and enforcement actions against loan originators.

(2) NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY DEVELOPMENT.—To facilitate the transfer of information required by subsection (a)(2), the Nationwide Mortgage Licensing System and Registry shall coordinate with the Federal banking agencies, through the Financial Institutions Examination Council, concerning the development and operation, by such System and Registry, of the registration functionality and data requirements for loan originators.

(c) CONSIDERATION OF FACTORS AND PROCEDURES.—In establishing the registration procedures under subsection (a) and the protocols for assigning a unique identifier to a registered loan originator, the Federal banking agencies shall make such de minimis exceptions as may be appropriate to paragraphs (1)(A) and (2) of section 704(a), shall make reasonable efforts to utilize existing information to minimize the burden of registering loan originators, and shall consider methods for automating the process to the greatest extent practicable consistent with the purposes of this title.

SEC. 708. SECRETARY OF HOUSING AND URBAN DEVELOPMENT BACKUP AUTHORITY TO ESTABLISH A LOAN ORIGINATOR LICENSING SYSTEM.

(a) BACK UP LICENSING SYSTEM.—If, by the end of the 1-year period, or the 2-year period in the case of a State whose legislature meets only biennially, beginning on the date of the enactment of this title or at any time thereafter, the Secretary determines that a State does not have in place by law or regulation a system for licensing and registering loan originators that meets the requirements of sections 705 and 706 and subsection (d) of this section, or does not participate in the Nationwide Mortgage Licensing System and Registry, the Secretary shall provide for the establishment and maintenance of a system for the licensing and registration by the Secretary of loan originators operating in such State as State-licensed loan originators.

(b) LICENSING AND REGISTRATION REQUIREMENTS.—The system established by the Secretary under subsection (a) for any State shall meet the requirements of sections 705 and 706 for State-licensed loan originators.

(c) UNIQUE IDENTIFIER.—The Secretary shall coordinate with the Nationwide Mortgage Licensing System and Registry to establish protocols for assigning a unique identifier to each loan originator licensed by the Secretary as a State-licensed loan originator that will facilitate electronic tracking and uniform identification of, and public access to, the employment history of and the publicly adjudicated disciplinary and enforcement actions against loan originators.

(d) STATE LICENSING LAW REQUIREMENTS.—For purposes of this section, the law in effect in a State meets the requirements of this subsection if the Secretary determines the law satisfies the following minimum requirements:

(1) A State loan originator supervisory authority is maintained to provide effective supervision and enforcement of such law, including the suspension, termination, or nonrenewal of a license for a violation of State or Federal law.

(2) The State loan originator supervisory authority ensures that all State-licensed loan originators operating in the State are registered with Nationwide Mortgage Licensing System and Registry.

(3) The State loan originator supervisory authority is required to regularly report violations of such law, as well as enforcement actions and other relevant information, to the Nationwide Mortgage Licensing System and Registry.

(e) TEMPORARY EXTENSION OF PERIOD.—The Secretary may extend, by not more than 12 months, the 1-year or 2-year period, as the case may be, referred to in subsection (a) for the licensing of loan originators in any State under a State licensing law that meets the requirements of sections 705 and 706 and subsection (d) if the Secretary determines that such State is making a good faith effort to establish a State licensing law that meets such requirements, license mortgage originators under such law, and register such originators with the Nationwide Mortgage Licensing System and Registry.

(f) LIMITATION ON HUD-LICENSED LOAN ORIGINATORS.—Any loan originator who is licensed by the Secretary under a system established under this section for any State may not use such license to originate loans in any other State.

(g) CONTRACTING AUTHORITY.—The Secretary may enter into contracts with qualified independent parties, as necessary to efficiently fulfill the obligations of the Secretary under this Section.

SEC. 709. BACKUP AUTHORITY TO ESTABLISH A NATIONWIDE MORTGAGE LICENSING AND REGISTRY SYSTEM.

If at any time the Secretary determines that the Nationwide Mortgage Licensing System and Registry is failing to meet the requirements and purposes of this title for a comprehensive licensing, supervisory, and tracking system for loan originators, the Secretary shall establish and maintain such a system to carry out the purposes of this title and the effective registration and regulation of loan originators.

SEC. 710. FEES.

The Federal banking agencies, the Secretary, and the Nationwide Mortgage Licensing System and Registry may charge reasonable fees to cover the costs of maintaining and providing access to information from the Nationwide Mortgage Licensing System and Registry, to the extent that such fees are not charged to consumers for access to such system and registry.

SEC. 711. BACKGROUND CHECKS OF LOAN ORIGINATORS.

(a) ACCESS TO RECORDS.—Notwithstanding any other provision of law, in providing identification and processing functions, the Attorney General shall provide access to all criminal history information to the appropriate State officials responsible for regulating State-licensed loan originators to the extent criminal history background checks are required under the laws of the State for the licensing of such loan originators.

(b) AGENT.—For the purposes of this section and in order to reduce the points of contact which the Federal Bureau of Investigation may have to maintain for purposes of subsection (a), the Conference of State Bank Supervisors or a wholly owned subsidiary may be used as a channeling agent of the States for requesting and distributing information between the Department of Justice and the appropriate State agencies.

SEC. 712. CONFIDENTIALITY OF INFORMATION.

(a) SYSTEM CONFIDENTIALITY.—Except as otherwise provided in this section, any requirement under Federal or State law regarding the privacy or confidentiality of any information or material provided to the Nationwide Mortgage Licensing System and Registry or a system established by the Secretary under section 709, and any privilege arising under Federal or State law (including the rules of any Federal or State court) with respect to such information or material, shall continue to apply to such information or material after the information or material has been disclosed to the system. Such information and material may be shared with all State and Federal regulatory officials with mortgage industry oversight authority without the loss of privilege or the loss of confidentiality protections provided by Federal and State laws.

(b) NONAPPLICABILITY OF CERTAIN REQUIREMENTS.—Information or material that is subject to a privilege or confidentiality under subsection (a) shall not be subject to—

(1) disclosure under any Federal or State law governing the disclosure to the public of information held by an officer or an agency of the Federal Government or the respective State; or

(2) subpoena or discovery, or admission into evidence, in any private civil action or administrative process, unless with respect to any privilege held by the Nationwide Mortgage Licensing System and Registry or the Secretary with respect to such information or material, the person to whom such information or material pertains waives, in whole or in part, in the discretion of such person, that privilege.

(c) COORDINATION WITH OTHER LAW.—Any State law, including any State open record law, relating to the disclosure of confidential supervisory information or any information or material described in subsection (a) that is inconsistent with subsection (a) shall be superseded by the requirements of such provision to the extent State law provides less confidentiality or a weaker privilege.

(d) PUBLIC ACCESS TO INFORMATION.—This section shall not apply with respect to the information or material relating to the employment history of, and publicly adjudicated disciplinary and enforcement actions against, loan originators that is included in Nationwide Mortgage Licensing System and Registry for access by the public.

SEC. 713. LIABILITY PROVISIONS.

The Secretary, any State official or agency, any Federal banking agency, or any organization serving as the administrator of the Nationwide Mortgage Licensing System and Registry or a system established by the Secretary under section 9, or any officer or employee of any such entity, shall not be subject to any civil action or proceeding for monetary damages by reason of the good-faith action or omission of any officer or employee of any such entity, while acting within the scope of office or employment, relating to the collection, furnishing, or dissemination of information concerning persons who are loan originators or are applying for licensing or registration as loan originators.

SEC. 714. ENFORCEMENT UNDER HUD BACKUP LICENSING SYSTEM.

(a) SUMMONS AUTHORITY.—The Secretary may—

(1) examine any books, papers, records, or other data of any loan originator operating in any State which is subject to a licensing system established by the Secretary under section 708; and

(2) summon any loan originator referred to in paragraph (1) or any person having possession, custody, or care of the reports and records relating to such loan originator, to appear before the Secretary or any delegate of the Secretary at a time and place named in the summons and to produce such books, papers, records, or other data, and to give testimony, under oath, as may be relevant or material to an investigation of such loan originator for compliance with the requirements of this title.

(b) EXAMINATION AUTHORITY.—

(1) IN GENERAL.—If the Secretary establishes a licensing system under section 708 for any State, the Secretary shall appoint examiners for the purposes of administering such section.

(2) POWER TO EXAMINE.—Any examiner appointed under paragraph (1) shall have power, on behalf of the Secretary, to make any examination of any loan originator operating in any State which is subject to a licensing system established by the Secretary under section 708 whenever the Secretary determines an examination of any loan originator is necessary to determine the compliance by the originator with this title.

(3) REPORT OF EXAMINATION.—Each examiner appointed under paragraph (1) shall make a full and detailed report of examination of any loan originator examined to the Secretary.

(4) ADMINISTRATION OF OATHS AND AFFIRMATIONS; EVIDENCE.—In connection with examinations of loan originators operating in any State which is subject to a licensing system established by the Secretary under section 708, or with other types of investigations to determine compliance with applicable law and regulations, the Secretary and examiners appointed by the Secretary may administer oaths and affirmations and examine and take and preserve testimony under oath as to any matter in respect to the affairs of any such loan originator.

(5) ASSESSMENTS.—The cost of conducting any examination of any loan originator operating in any State which is subject to a licensing system established by the Secretary under section 708 shall be assessed by the Secretary against the loan originator to meet the Secretary's expenses in carrying out such examination.

(c) CEASE AND DESIST PROCEEDING.—

(1) AUTHORITY OF SECRETARY.—If the Secretary finds, after notice and opportunity for hearing, that any person is violating, has violated, or is about to violate any provision of this title, or any regulation thereunder, with respect to a State which is subject to a licensing system established by the Secretary under section 708, the Secretary may publish such findings and enter an order requiring such person, and any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation. Such order may, in addition to requiring a person to cease and desist from committing or causing a violation, require such person to comply, or to take steps to effect compliance, with such provision or regulation, upon such terms and conditions and within such time as the Secretary may specify in such order. Any such order may, as the Secretary deems appropriate, require future compliance or steps to effect future compliance, either permanently or for such period of time as the Secretary may specify, with such provision or regulation with respect to any loan originator.

(2) HEARING.—The notice instituting proceedings pursuant to paragraph (1) shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is set by the Secretary with the consent of any respondent so served.

(3) TEMPORARY ORDER.—Whenever the Secretary determines that the alleged violation or threatened violation specified in the notice instituting proceedings pursuant to paragraph (1), or the continuation thereof, is likely to result in significant dissipation or conversion of assets, significant harm to consumers, or substantial harm to the public interest prior to the completion of the proceedings, the Secretary may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to take such action to prevent the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to consumers, or substantial harm to the public interest as the Secretary deems appropriate pending completion of such proceedings. Such an order shall be entered only after notice and opportunity for a hearing, unless the Secretary determines that notice and hearing prior to entry would be impracticable or contrary to the public interest. A temporary order shall become effective upon service upon the respondent and, unless set aside, limited, or suspended by the Secretary or a court of competent jurisdiction, shall remain effective and enforceable pending the completion of the proceedings.

(4) REVIEW OF TEMPORARY ORDERS.—

(A) REVIEW BY SECRETARY.—At any time after the respondent has been served with a temporary cease-and-desist order pursuant to paragraph (3), the respondent may apply to the Secretary to have the order set aside, limited, or suspended. If the respondent has been served with a temporary cease-and-desist order entered without a prior hearing before the Secretary, the respondent may, within 10 days after the date on which the order was served, request a hearing on such application and the Secretary shall hold a hearing and render a decision on such application at the earliest possible time.

(B) JUDICIAL REVIEW.—Within—

(i) 10 days after the date the respondent was served with a temporary cease-and-desist order entered with a prior hearing before the Secretary; or

(ii) 10 days after the Secretary renders a decision on an application and hearing under paragraph (1), with respect to any temporary cease-and-desist order entered without a prior hearing before the Secretary,

the respondent may apply to the United States district court for the district in which the respondent resides or has its principal place of business, or for the District of Columbia, for an order setting aside, limiting, or suspending the effectiveness or enforcement of the order, and the court shall have jurisdiction to enter such an order. A respondent served with a temporary cease-and-desist order entered without a prior hearing before the Secretary may not apply to the court except after hearing and decision by the Secretary on the respondent's application under subparagraph (A).

(C) NO AUTOMATIC STAY OF TEMPORARY ORDER.—The commencement of proceedings under subparagraph (B) shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order.

(5) AUTHORITY OF THE SECRETARY TO PROHIBIT PERSONS FROM SERVING AS LOAN ORIGINATORS.—In any cease-and-desist proceeding under paragraph (1), the Secretary may issue

an order to prohibit, conditionally or unconditionally, and permanently or for such period of time as the Secretary shall determine, any person who has violated this title or regulations thereunder, from acting as a loan originator if the conduct of that person demonstrates unfitness to serve as a loan originator.

(d) AUTHORITY OF THE SECRETARY TO ASSESS MONEY PENALTIES.—

(1) IN GENERAL.—The Secretary may impose a civil penalty on a loan originator operating in any State which is subject to licensing system established by the Secretary under section 708, if the Secretary finds, on the record after notice and opportunity for hearing, that such loan originator has violated or failed to comply with any requirement of this title or any regulation prescribed by the Secretary under this title or order issued under subsection (c).

(2) MAXIMUM AMOUNT OF PENALTY.—The maximum amount of penalty for each act or omission described in paragraph (1) shall be $5,000 for each day the violation continues.

SEC. 715. PREEMPTION OF STATE LAW.

Nothing in this title may be construed to preempt the law of any State, to the extent that such State law provides greater protection to consumers than is provided under this title.

SEC. 716. REPORTS AND RECOMMENDATIONS TO CONGRESS.

(a) ANNUAL REPORTS.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Secretary shall submit a report to Congress on the effectiveness of the provisions of this title, including legislative recommendations, if any, for strengthening consumer protections, enhancing examination standards, and streamlining communication between all stakeholders involved in residential mortgage loan origination and processing.

(b) LEGISLATIVE RECOMMENDATIONS.—Not later than 6 months after the date of enactment of this title, the Secretary shall make recommendations to Congress on legislative reforms to the Real Estate Settlement Procedures Act of 1974, that the Secretary deems appropriate to promote more transparent disclosures, allowing consumers to better shop and compare mortgage loan terms and settlement costs.

SEC. 717. STUDY AND REPORTS ON DEFAULTS AND FORECLOSURES.

(a) STUDY REQUIRED.—The Secretary shall conduct an extensive study of the root causes of default and foreclosure of home loans, using as much empirical data as is available.

(b) PRELIMINARY REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of this title, the Secretary shall submit to Congress a preliminary report regarding the study required by this section.

(c) FINAL REPORT TO CONGRESS.—Not later than 12 months after the date of enactment of this title, the Secretary shall submit to Congress a final report regarding the results of the study required by this section, which shall include any recommended legislation relating to the study, and recommendations for best practices and for a process to provide targeted assistance to populations with the highest risk of potential default or foreclosure.

SA 4394. Ms. MIKULSKI (for herself, Mr. KENNEDY and Mr. HARKIN) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

On page 58, line 10, strike ''$100,000,000'' and insert ''$137,500,000''.

On page 58, line 17, strike the period and insert the following: '': Provided, That, of such amounts $37,500,000 shall be used by the Neighborhood Reinvestment Corporation (referred to in this section as the 'NRC') to (1) make grants to counseling intermediaries approved by the Department of Housing and Urban Development or the NRC to hire attorneys trained and capable of assisting homeowners of owner-occupied homes with mortgages in default, in danger of default, or subject to or at risk of foreclosure who have legal issues that cannot be handled by counselors already employed by such intermediaries, and (2) support NRC partnerships with State and local legal organizations and organizations described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of that Code with demonstrated relevant legal experience in home foreclosure law, as such experience is determined by the Chief Executive Officer of NRC: Provided further, That for the purpose of the prior proviso the term 'relevant experience' means experience representing homeowners in negotiations and or legal proceedings aimed at preventing or mitigating foreclosure or providing legal research and technical legal expertise to community based organizations whose goal is to reduce, prevent, or mitigate foreclosure: Provided further, That of the amounts provided for in the prior provisos the NRC shall give priority consideration to counseling intermediaries and legal organizations that (1) provide legal assistance in the 100 metropolitan statistical areas (as defined by the Director of the Office of Management and Budget) with the highest home foreclosure rates, and (2) have the capacity to begin using the financial assistance within 90 days after receipt of the assistance.''.

On page 58, between lines 17 and 18, insert the following:

SEC. 302. LEGAL ASSISTANCE RELATED TO HOME OWNERSHIP PRESERVATION AND FORECLOSURE PREVENTION.

(a) APPROPRIATION.—

(1) IN GENERAL.—There is authorized to be appropriated and there is appropriated to the Legal Services Corporation $37,500,000 to provide legal assistance related to home ownership preservation, home foreclosure prevention, and tenancy associated with home foreclosure.

(2) AVAILABILITY.—Such funds shall remain available until expended.

(b) FUNDING REQUIREMENTS.—Each limitation on expenditures, and each term or condition, that applies to funds appropriated to the Legal Services Corporation under the Commerce, Justice, Science, and Related Agencies Appropriations Act, 2008, shall apply to funds appropriated to the Corporation under subsection (a), except as provided in subsections (a)(1) and (c).

(c) PRIORITY.—In providing financial assistance from the funds appropriated under subsection (a), the Corporation shall give priority to eligible entities and individuals that—

(1) provide legal assistance in the 100 metropolitan statistical areas (as defined by the Director of the Office of Management and Budget) with the highest home foreclosure rates; and

(2) have the capacity to begin using the financial assistance within 90 days after receipt of the assistance.

SA 4395. Mr. BUNNING submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end of title VI, add the following:

SEC. 605. DEDUCTION FOR POINTS ON HOME MORTGAGE REFINANCING ALLOWED IN YEAR PAID.

(a) IN GENERAL.—Paragraph (2) of section 461(g) of the Internal Revenue Code of 1986 (relating to prepaid interest) is amended—

(1) by striking ''This subsection'' and inserting the following:

''(A) IN GENERAL.—This subsection'', and

(2) by adding at the end the following new subparagraph:

''(B) EXCEPTION FOR CERTAIN REFINANCINGS.—

''(i) IN GENERAL.—This subsection shall not apply to points paid—

''(I) in respect of indebtedness secured by such residence resulting from the refinancing of indebtedness meeting the requirements of the subparagraph (A), and

''(II) before January 1, 2011.

''(ii) LIMITATION.—Clause (i) shall apply only to the extent the amount of the indebtedness resulting from such refinancing does not exceed the sum of—

''(I) the amount of the refinanced indebtedness, plus

''(II) the lesser of $10,000 or the points paid in respect of the indebtedness resulting from the refinancing to the extent that the indebtedness resulting from the refinancing does not exceed the refinanced indebtedness.

''(iii) ADJUSTMENT FOR INFLATION.—In the case of any calendar year beginning after 2008, the $10,000 amount under clause (ii)(II) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $100, such amount shall be rounded to the next nearest multiple of $100.''.

(b) CONFORMING AMENDMENT.—The heading of paragraph (2) of section 461(g) of such Code is amended by striking ''EXCEPTION'' and inserting ''EXCEPTIONS''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid in taxable years beginning after December 31, 2007.

SA 4396. Mr. BROWNBACK submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing

innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE VIII—COMMISSION ON HOUSING AND REGULATORY ACCOUNTABILITY AND REVIEW

SEC. 801. DEFINITIONS.

In this title:

(1) AGENCY.—The term ''agency'' means—

(A) the Department of Housing and Urban Development; and

(B) the Department of the Treasury.

(2) CALENDAR DAY.—The term ''calendar day'' means a calendar day other than 1 on which either House is not in session because of an adjournment of more than 3 days to a date certain.

(3) COMMISSION BILL.—The term ''Commission bill'' means only a bill which is introduced as provided under section 806, and contains the proposed legislation included in the report submitted to Congress under section 803(a), without modification.

(4) PROGRAM.—The term ''program'' means any activity or function of an agency.

SEC. 802. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established the Commission on Housing and Regulatory Accountability and Review (referred to in this title as the ''Commission'').

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commission shall consist of 15 members, of which, not later than 30 days after the date of enactment of this Act—

(A) 3 shall be appointed by the President;

(B) 3 shall be appointed by the majority leader of the Senate;

(C) 3 shall be appointed by the minority leader of the Senate;

(D) 3 shall be appointed by the Speaker of the House of Representatives; and

(E) 3 shall be appointed by the minority leader of the House of Representatives.

(2) COCHAIRPERSONS.—The President shall designate 2 Cochairpersons from among the members of the Commission. The Cochairpersons may not be affiliated with the same political party.

(c) DATE.—Members of the Commission shall be appointed by not later than 30 days after the date of enactment of this Act.

(d) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(e) MEETINGS.—

(1) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(2) SUBSEQUENT MEETINGS.—The Commission shall meet at the call of the Cochairpersons or a majority of its members.

(f) QUORUM.—Eight members of the Commission shall constitute a quorum for purposes of voting, but a quorum is not required for members to meet and hold hearings.

SEC. 803. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall—

(1) evaluate all agencies and programs within the Department of Housing and Urban Development and the Department of Treasury using the criteria under subsection (c); and

(2) not later than 18 months after the date of enactment of this Act, submit to Congress with respect to the evaluation under paragraph (1)—

(A) a plan with recommendations of the agencies and programs that should be realigned or eliminated; and

(B) proposed legislation to implement the plan described under subparagraph (A).

(b) RELOCATION OF FEDERAL EMPLOYEES.—The proposed legislation under subsection (a) shall provide that if the position of an employee of an agency is eliminated as a result of the implementation of the plan under subsection (a)(2), the affected agency shall make reasonable efforts to relocate such employee to another position within the agency or within another Federal agency (including Federal agencies other than the Department of Housing and Urban Development and the Department of the Treasury).

(c) CRITERIA.—

(1) DUPLICATIVE.—If 2 or more agencies or programs are performing the same essential function and the function can be consolidated or streamlined into a single agency or program, the Commission shall recommend that the agencies or programs be realigned.

(2) WASTEFUL OR INEFFICIENT.—The Commission may recommend the realignment or elimination of any agency or program that has wasted Federal funds by—

(A) egregious spending;

(B) mismanagement of resources and personnel; or

(C) use of such funds for personal benefit or the benefit of a special interest group.

(3) OUTDATED, IRRELEVANT, OR FAILED.—The Commission may recommend the elimination of any agency or program that—

(A) has completed its intended purpose;

(B) has become irrelevant; or

(C) has failed to meet its objectives.

SEC. 804. POWERS OF THE COMMISSION.

(a) HEARINGS.—Subject to subsection (d), the Cochairpersons of the Commission may, for the purpose of carrying out this title—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and administer such oaths as the chairperson of the Commission considers advisable;

(2) require, by subpoena or otherwise, the attendance and testimony of such witnesses as the chairperson of the Commission considers advisable; and

(3) require, by subpoena or otherwise, the production of such books, records, correspondence, memoranda, papers, documents, tapes, and other evidentiary materials relating to any matter under investigation by the Commission.

(b) SUBPOENAS.—

(1) ISSUANCE.—

(A) IN GENERAL.—A subpoena may be issued under this section only by—

(i) the agreement of the Cochairpersons; or

(ii) the affirmative vote of 8 members of the Commission.

(B) SIGNATURE.—Subpoenas issued under this section may be issued under the signature of both Cochairpersons of the Commission and may be served by any person designated by the Cochairpersons or by a member designated by a majority of the Commission.

(2) ENFORCEMENT.—In the case of contumacy or failure to obey a subpoena issued under this section, the United States district court for the judicial district in which the subpoenaed person resides, is served, or may be found, may issue an order requiring such person to appear at any designated place to testify or to produce documentary or other evidence. Any failure to obey the order of the court may be punished by the court as a contempt of that court.

(c) TECHNICAL ASSISTANCE.—Upon the request of the Commission, the head of a Federal agency shall provide such technical assistance to the Commission as the Commission determines to be necessary to carry out its duties.

(d) INFORMATION.—

(1) IN GENERAL.—The Commission shall have reasonable access to budgetary, performance or programmatic materials, resources, statistical data, and other information the Commission determines to be necessary to carry out its duties from the Congressional Budget Office, and other agencies and representatives of the executive and legislative branches of the Federal Government. The Cochairpersons shall make requests for such access in writing when necessary.

(2) RECEIPT, HANDLING, STORAGE, AND DISSEMINATION OF INFORMATION.—Information shall only be received, handled, stored, and disseminated by members of the Commission and its staff consistent with all applicable statutes, regulations, and Executive orders.

(3) LIMITATION OF ACCESS TO PERSONAL TAX INFORMATION.—Information requested, subpoenaed, or otherwise accessed under this title shall not include tax data from the United States Internal Revenue Service, the release of which would otherwise be in violation of law.

(e) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

SEC. 805. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—

(1) NON-FEDERAL MEMBERS.—Except as provided under subsection (b), each member of the Commission who is not an officer or employee of the Federal Government shall not be compensated.

(2) FEDERAL OFFICERS OR EMPLOYEES.—All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—

(1) IN GENERAL.—With the approval of the majority of the Commission, the Cochairpersons of the Commission may, appoint an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties.

(2) COMPENSATION.—Upon the approval of the Cochairpersons, the executive director may fix the compensation of the executive director and other personnel without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the maximum rate payable for a position at GS–15 of the General Schedule under section 5332 of such title.

(3) PERSONNEL AS FEDERAL EMPLOYEES.—

(A) IN GENERAL.—The executive director and any personnel of the Commission who are employees shall be employees under section 2105 of title 5, United States Code, for purposes of chapters 63, 81, 83, 84, 85, 87, 89, 89A, 89B, and 90 of that title.

(B) MEMBERS OF COMMISSION.—Subparagraph (A) shall not be construed to apply to members of the Commission.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement from the Commission, and such detail shall be without interruption or loss of civil service status or privilege.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—With the approval of the majority of the Commission, the chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 806. EXPEDITED CONSIDERATION OF REFORM PROPOSALS.

(a) INTRODUCTION AND COMMITTEE CONSIDERATION.—

(1) INTRODUCTION.—The Commission bill language provisions submitted pursuant to section 803(a) shall be introduced in the Senate by the majority leader, or the majority leader's designee, and in the House of Representatives, by the Speaker, or the Speaker's designee. Upon such introduction, the Commission bill shall be referred to the appropriate committees of Congress under paragraph (2). If the Commission bill is not introduced in accordance with the preceding sentence, then any member of Congress may introduce the Commission bill in their respective House of Congress beginning on the date that is the 5th calendar day that such House is in session following the date of the submission of such aggregate legislative language provisions.

(2) COMMITTEE CONSIDERATION.—

(A) REFERRAL.—A Commission bill introduced under paragraph (1) shall be referred to any appropriate committee of jurisdiction in the Senate, any appropriate committee of jurisdiction in the House of Representatives, the Committee on the Budget of the Senate and the Committee on the Budget of the House of Representatives. A committee to which a Commission bill is referred under this paragraph may review and comment on such bill, may report such bill to the respective House, and may not amend such bill.

(B) REPORTING.—Not later than 30 calendar days after the introduction of the Commission bill, each Committee of Congress to which the Commission bill was referred shall report the bill.

(C) DISCHARGE OF COMMITTEE.—If a committee to which is referred a Commission bill has not reported such Commission bill at the end of 30 calendar days after its introduction or at the end of the first day after there has been reported to the House involved a Commission bill, whichever is earlier, such committee shall be deemed to be discharged from further consideration of such Commission bill, and such Commission bill shall be placed on the appropriate calendar of the House involved.

(b) EXPEDITED PROCEDURE.—

(1) CONSIDERATION.—

(A) IN GENERAL.—Not later than 5 calendar days after the date on which a committee has reported a Commission bill or been discharged from consideration of a Commission bill, the majority leader of the Senate, or the majority leader's designee, or the Speaker of the House of Representatives, or the Speaker's designee, shall move to proceed to the consideration of the Commission bill. It shall also be in order for any member of the Senate or the House of Representatives, respectively, to move to proceed to the consideration of the Commission bill at any time after the conclusion of such 5-day period.

(B) MOTION TO PROCEED.—A motion to proceed to the consideration of a Commission bill is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment or to a motion to postpone consideration of the Commission bill. A motion to proceed to the consideration of other business shall not be in order. A motion to reconsider the vote by which the motion to proceed is agreed to or not agreed to shall not be in order. If the motion to proceed is agreed to, the Senate or the House of Representatives, as the case may be, shall immediately proceed to consideration of the Commission bill without intervening motion, order, or other business, and the Commission bill shall remain the unfinished business of the Senate or the House of Representatives, as the case may be, until disposed of.

(C) LIMITED DEBATE.—Debate on the Commission bill and on all debatable motions and appeals in connection therewith shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the Commission bill. A motion further to limit debate on the Commission bill is in order and is not debatable. All time used for consideration of the Commission bill, including time used for quorum calls (except quorum calls immediately preceding a vote) and voting, shall come from the 10 hours of debate.

(D) AMENDMENTS.—No amendment to the Commission bill shall be in order in the Senate and the House of Representatives.

(E) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on the Commission bill, the vote on final passage of the Commission bill shall occur.

(F) OTHER MOTIONS NOT IN ORDER.—A motion to postpone consideration of the Commission bill, a motion to proceed to the consideration of other business, or a motion to recommit the Commission bill is not in order. A motion to reconsider the vote by which the Commission bill is agreed to or not agreed to is not in order.

(2) CONSIDERATION BY OTHER HOUSE.—If, before the passage by one House of the Commission bill that was introduced in such House, such House receives from the other House a Commission bill as passed by such other House—

(A) the Commission bill of the other House shall not be referred to a committee and may only be considered for final passage in the House that receives it under subparagraph (C);

(B) the procedure in the House in receipt of the Commission bill of the other House, with respect to the Commission bill that was introduced in the House in receipt of the Commission bill of the other House, shall be the same as if no Commission bill had been received from the other House; and

(C) notwithstanding subparagraph (B), the vote on final passage shall be on the Commission bill of the other House.

Upon disposition of a Commission bill that is received by one House from the other House, it shall no longer be in order to consider the Commission bill that was introduced in the receiving House.

(c) RULES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and is deemed to be part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a Commission bill, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 807. TERMINATION OF THE COMMISSION.

The Commission shall terminate 90 days after the date on which the Commission submits the final evaluation and plan report under section 803.

SEC. 808. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary for carrying out this title for each of the fiscal years 2008 through 2010.

SA 4397. Mrs. MURRAY (for herself, Mr. SCHUMER, Mr. CASEY, Mr. BROWN, Mrs. CLINTON, Mr. MENENDEZ, Mr. KERRY, Ms. KLOBUCHAR, Mr. LAUTENBERG, Mr. OBAMA, Ms. MIKULSKI, and Mr. REED) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; as follows:

On page 58, line 10, strike ''$100,000,000'' and all that follows through ''2008'' on line 11, and insert the following: ''$200,000,000, to remain available until December 31, 2008''.

SA 4398. Mr. SALAZAR submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. 402. CREDIT COUNSELING.

(a) IN GENERAL.—Entities approved by the Neighborhood Reinvestment Corporation or the Secretary and State housing finance entities receiving funds under this title shall work to identify and coordinate with State and local non-profit organizations operating statewide toll-free foreclosure prevention hotlines, including those that—

(1) serve as a consumer referral source and data repository for borrowers experiencing some form of delinquency or foreclosure;

(2) connect callers with local housing counseling agencies approved by the Neighborhood Reinvestment Corporation or the Secretary to assist with working out a positive resolution to their mortgage delinquency or foreclosure; or

(3) facilitate or offer free assistance to help homeowners to understand their options, negotiate solutions, and find the best resolution for their particular circumstances.

SA 4399. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy

independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. VETERANS HOUSING.

(a) SHORT TITLE.—This section may be cited as the ''Housing for Heroes Act of 2008''.

(b) AUTHORITY OF THE SECRETARY TO REPROGRAM FUNDS.—Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may reprogram any funds appropriated or otherwise made available under this or any other Act for the Department of Housing and Urban Development that are intended to be used for any congressionally directed spending item to provide housing assistance to veterans of the Armed Forces who are eligible for housing assistance under the laws administered by the Secretary.

(c) REPORT OF THE SECRETARY ON VETERANS HOUSING.—Prior to September 30 of each fiscal year beginning with fiscal year 2008, the Secretary of Housing and Urban Development shall report annually to Congress and make available on its public Internet website a description of:

(1) The total number of veterans of the Armed Forces who sought housing assistance under any law administered by the Secretary in the preceding 12 months.

(2) The total number of veterans of the Armed Forces who received any such housing assistance in the preceding 12 months.

(3) The total number of veterans of the Armed Forces who did not receive such housing assistance due to a lack of funding in the preceding 12 months.

(4) The total number of section 8 vouchers applied for by veterans of the Armed Forces

(5) The total number of section 8 vouchers provided to veterans of the Armed Forces who were eligible for such vouchers.

(6) The total number of section 8 vouchers that could not be provided to veterans of the Armed Forces who were determined eligible for such vouchers within 6 months of that veteran submitting an application pursuant to section 8(o)(19) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(19) due to a lack of funding.

(7) The total number and cost of congressionally directed spending items in the annual budget of the Department of Housing and Urban Development.

(8) The number and total amount of congressionally directed spending items in the annual budget of the Department of Housing and Urban Development that have been reprogrammed to support housing assistance for veterans of the Armed Forces.

(9) A listing of any congressionally directed spending items for which funding was not reprogrammed and an explanation for each why such funds were not reprogrammed if there are any veterans of the Armed Forces who are not receiving housing assistance due to a lack of funding.

(d) CURRENT FUNDING.—For fiscal year 2008, the Secretary of Housing and Urban Development may reprogram any unobligated funds appropriated or otherwise made available under any prior Act for the Department of Housing and Urban Development that are intended to be used for any congressionally directed spending item.

(e) DEFINITIONS.—As used in this section—

(1) the term ''congressionally directed spending item'' has the same meaning given that term under section 521 of the Honest Leadership and Open Government Act of 2007 (Public Law 110-81); and

(2) the term ''section 8 voucher'' means a voucher available to eligible veterans under section 8(o)(19) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(19)).

SA 4400. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. REPORT ON FEDERAL HOUSING ASSISTANCE PROGRAMS.

Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report that contains—

(1) a complete list of all programs administered by the Department of Housing and Urban Development that provide housing assistance;

(2) for each program listed under paragraph (1)—

(A) the total amount of Federal funds used to carry out each program in the most recent fiscal year for which comparable data is available;

(B) the proportion of funding spent on direct housing assistance for each program in the most recent fiscal year and the proportion spent on administration, counseling, and other activities not directly related to housing support;

(C) the amount of improper payments or fraud identified or estimated in each program in the most recent fiscal year; and

(D) the findings of any performance reviews of effectiveness with respect to achieving the goals of the program conducted by the Director of the Office of Management and Budget, the Comptroller General, or other agencies of each program within the previous 10 years (noting if no such review was conducted);

(3) a description of the funding formula for each housing grant program administered by the Department of Housing and Urban Development with recommendations to ensure better equity in distribution and targeting of such funds to assist those without permanent housing;

(4) a description of the amounts the Federal Government has spent on housing assistance over the past 25 years and how the number of those in the country without permanent housing today compares to the same number 25 years ago; and

(5) as of the date of the completion of the report—

(A) the number of employees of the Department of Housing and Urban Development, including contractors and other individuals whose salary is paid in full or part by the Department; and

(B) the number of individuals who receive housing assistance from the Department.

SA 4401. Mr. SANDERS submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following new section:

SEC. ___. NATIONAL CONSUMER CREDIT USURY RATE.

Section 107 of the Truth in Lending Act (15 U.S.C. 1606) is amended by adding at the end the following:

''(f) NATIONAL CONSUMER CREDIT USURY RATE.—The annual percentage rate applicable to any extension of credit may not exceed by more than 8 percentage points the rate established under section 6621(a)(2) of the Internal Revenue Code of 1986, as determined by the Board.''.

SA 4402. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. ___. FINANCIAL EDUCATION AND COUNSELING ASSISTANCE ACT OF 2007.

(a) SHORT TITLE.—This section may be cited as the ''Financial Education and Counseling Assistance Act of 2007''.

(b) FINANCIAL EDUCATION AND COUNSELING.—

(1) DEMONSTRATION PROGRAM.—Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x) is amended by adding at the end the following:

''(g) FINANCIAL EDUCATION AND COUNSELING.—

''(1) PURPOSES.—The purposes of this subsection are to—

''(A) increase financial education and counseling services available to homeowners and prospective homebuyers;

''(B) assist homeowners and prospective homebuyers to develop monthly budgets, build personal savings, finance or plan for major purchases, reduce their debt, improve their financial stability, and set and reach their financial goals;

''(C) help homeowners and prospective homebuyers understand their credit histories and its relationship to their credit score, so as to improve their credit score;

''(D) educate homeowners and prospective homebuyers about the options available to build savings or plan for retirement; and

''(E) provide financial education and counseling for homeowners and prospective homebuyers seeking to understand or improve their credit, savings, bill payments, or other personal financial needs.

''(2) AUTHORITY.—The Secretary of Housing and Urban Development shall carry out a grant program to assist eligible organizations to provide financial education and

counseling services to homeowners and prospective homebuyers.

''(3) GRANTS.—

''(A) IN GENERAL.—The Secretary shall make grants to eligible organizations to enable such organization to provide a range of financial education and counseling services to homeowners and prospective homebuyers.

''(B) SELECTION.—The Secretary shall select organizations to receive assistance under this subsection based on their experience and ability to provide financial education and counseling services to homeowners and prospective homebuyers.

''(C) PREFERENCE.—The Secretary shall give preference to established community-based financial education and counseling organizations capable of providing in-person services.

''(4) ELIGIBLE ORGANIZATIONS.—To be eligible to receive a grant under this subsection, an eligible organization shall be a—

''(A) housing counseling agency certified by the Secretary under subsection (e);

''(B) nonprofit organization organized under section 501(c)(3) of the Internal Revenue Code;

''(C) State, local, or tribal government agency; or

''(D) community development financial institution (as defined in section 103(5) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702(5)) or a credit union.

''(5) ELIGIBLE USES.—A grant awarded to an eligible organization under this subsection shall be used to provide a range of financial education and counseling services, including—

''(A) assisting in the expansion of mortgage and housing-related financial counseling services;

''(B) providing information on important financial topics to homeowners and prospective homebuyers; and

''(C) assisting homeowners and prospective homebuyers to—

''(i) develop sustainable monthly budgets;

''(ii) understand their credit history and their credit scores, so as to improve their credit score;

''(iii) develop a plan to manage their bills, reduce their debt, and improve their savings; and

''(iv) set and reach their financial goals.

''(6) COUNSELING ACTIVITIES.—

''(A) REGULATIONS.—The Secretary shall develop and issue guidelines and regulations to carry out the financial education and counseling program established under this subsection.

''(B) CONTENT OF REGULATIONS.—The guidelines and regulations required under subparagraph (A) shall be modeled on the regulations issued by the Secretary pursuant to the housing counseling program under subsection (c) and shall require each eligible organization under this subsection to—

''(i) conduct a preliminary interview with a homeowner or prospective homebuyer to determine the financial needs of such homeowner or renter;

''(ii) develop a financial plan tailored to meet the financial needs of such homeowner or prospective homebuyer; and

''(iii) help each such homeowner or prospective homebuyer achieve their financial goals.

''(7) COORDINATION WITH THE FINANCIAL LITERACY AND EDUCATION COMMISSION.—In developing the guidelines and regulations required under paragraph (6) and in carrying out the grant program established under this subsection, the Secretary shall seek advice from and work in coordination with the Financial Literacy and Education Commission established under section 513 of the Fair and Accurate Credit Transactions Act of 2003 (20 U.S.C. 9702) in order to avoid duplication and to utilize the resources and experience of the Commission.

''(8) OUTREACH.—

''(A) TO INDIVIDUALS.—The Secretary, in cooperation with eligible organizations, shall—

''(i) carry out outreach efforts to ensure that homeowners and prospective homebuyers are aware of the financial education and counseling opportunities under this subsection; and

''(ii) make an special effort to serve individuals who—

''(I) qualify for the earned income tax credit under section 32 of the Internal Revenue Code;

''(II) have a low credit score, damaged credit, or are without sufficient data to create a credit score;

''(III) are in danger of filing for bankruptcy;

''(IV) are subject to, or are in danger of, becoming subject to foreclosure proceedings; and

''(V) have low levels of personal saving, low net-worth, or high levels of debt.

''(B) TO GRANTEES.—The Secretary shall also make an effort to publish grant opportunities under this subsection to eligible organizations who may not typically seek out such Federal funding.

''(9) STUDY AND REPORT ON EFFECTIVENESS AND IMPACT.—

''(A) IN GENERAL.—Not later than 2 years after the date of enactment of the Financial Education and Counseling Assistance Act of 2007, the Inspector General of the Department of Housing and Urban Development shall conduct a study and report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the effectiveness and impact of the grant program established under this subsection.

''(B) CONTENT OF STUDY.—The study required under subparagraph (A) shall include the following:

''(i) The effectiveness of the grant program established under this subsection in improving the financial situation of homeowners and prospective homebuyers served by the grant program.

''(ii) The impact of the financial education and counseling services provided under this subsection on reducing debt, building savings, and improving the overall financial well-being of homeowners and prospective homebuyers served by the grant program.

''(iii) An evaluation of the effectiveness and quality of the counselors providing financial education and counseling services under the grant program.

''(10) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.''.

(2) CERTIFICATION OF FINANCIAL COUNSELORS.—Section 106(e)(1) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(e)(1)) is amended by striking ''(c), or (d),'' and inserting ''(c), (d), or (g)''.

SA 4403. Mr. KERRY (for himself and Ms. SNOWE) submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end, insert the following:

TITLE VIII—NATIONAL AFFORDABLE HOUSING TRUST FUND

SEC. 801. SHORT TITLE.

This title may be cited as the ''National Affordable Housing Trust Fund Act of 2008''.

SEC. 802. NATIONAL AFFORDABLE HOUSING TRUST FUND.

(a) IN GENERAL.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended by adding at the end the following new subtitle:

''Subtitle G—National Affordable Housing Trust Fund

''SEC. 291. PURPOSES.

''The purposes of this subtitle are—

''(1) to address the national shortage of housing that is affordable to low-income families by creating a permanently appropriated fund, with dedicated sources of funding, to finance additional housing activities, without supplanting existing housing appropriations or existing State and local funding for affordable housing;

''(2) to enable rental housing to be built, for families with the greatest economic need, in mixed-income settings and in areas with the greatest economic opportunities;

''(3) to promote ownership of one-to-four family owner-occupied housing by low-income families; and

''(4) to construct, rehabilitate, and preserve at least 1,500,000 affordable dwelling units over the next decade.

''SEC. 292. TRUST FUND.

''(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund to be known as the National Affordable Housing Trust Fund.

''(b) DEPOSITS TO TRUST FUND.—There shall be authorized to be appropriated to the Trust Fund such sums as necessary to carry out this subtitle for fiscal years 2009 and 2010.

''(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Trust Fund shall be available to the Secretary of Housing and Urban Development, and are hereby appropriated, for providing assistance under this subtitle.

''(d) FEDERAL ASSISTANCE.—All assistance provided using amounts in the Trust Fund shall be considered to be Federal financial assistance.

''SEC. 293. ALLOCATIONS FOR STATES, INDIAN TRIBES, INSULAR AREAS, AND PARTICIPATING LOCAL JURISDICTIONS.

''(a) DETERMINATION OF AMOUNT AVAILABLE FOR FISCAL YEAR.—For fiscal year 2009 and for each fiscal year thereafter, the Secretary shall determine the total amount available from the Trust Fund pursuant to section 292(c) for assistance under this subtitle and shall use such amount to provide such assistance for such fiscal year.

''(b) ALLOCATION.—For each such fiscal year, of such total amount available from the Trust Fund, the Secretary shall allocate for use under section 294—

''(1) 40 percent for States, Indian tribes, and insular areas; and

''(2) 60 percent for participating local jurisdictions.

''SEC. 294. ASSISTANCE FROM TRUST FUND.

''(a) AFFORDABLE HOUSING NEEDS FORMULA.—

''(1) ESTABLISHMENT AND FACTORS.—The Secretary shall establish a formula to allocate amounts made available for a fiscal year for assistance under this subtitle among States, all Indian tribes, insular areas, and participating local jurisdictions based on the relative needs of such entities, for funds to

increase the supply of decent quality affordable housing. The formula shall be based upon a comparison of the following factors with respect to each State, Indian tribes, each insular area, and each participating local jurisdiction:

''(A) The ratio of the population of the State, Indian tribes, insular area, or participating jurisdiction, to the aggregate population of all States, Indian tribes, insular areas, and participating jurisdictions.

''(B) The percentage of families in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction that live in substandard housing.

''(C) The percentage of families in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction that pay more than 50 percent of their annual income for housing costs.

''(D) The percentage of persons in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction having an income at or below the poverty line.

''(E) The cost of constructing or carrying out rehabilitation of housing in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction.

''(F) The percentage of the population of the State, of Indian tribes, or of the insular area or participating jurisdiction that resides in counties having extremely low vacancy rates.

''(G) The percentage of housing stock in the jurisdiction of the State, of Indian tribes, or of the insular area or participating jurisdiction that is extremely old housing.

''(H) For the jurisdiction of a State, of Indian tribes, or of an insular area or participating jurisdiction that has an extremely low percentage of affordable rental housing, the extent to which the State, Indian tribes, or the insular area or participating jurisdiction has in the preceding fiscal year increased the percentage of rental housing within its jurisdiction that is affordable housing.

''(I) The relationship between the median family income for the area, as determined by the Secretary, and fair market rent.

''(J) Any other factors that the Secretary determines to be appropriate.

''(2) FAILURE TO ESTABLISH.—If, in any fiscal year referred to in section 293(a), the regulations establishing the formula required under paragraph (1) of this subsection have not been issued by the date that the Secretary determines the total amount available from the Trust Fund for assistance under this subtitle for such fiscal year pursuant to section 292(c), or there has been enacted before such date a joint resolution expressly disapproving the use of the formula required under paragraph (1) and submitted to the Congress pursuant to paragraph (3), for purposes of such fiscal year—

''(A) section 293(b), paragraphs (2) and (3) of subsection (b) of this section, and subsection (c) of this section shall not apply;

''(B) the allocation for Indian tribes shall be such amount as the Secretary shall establish; and

''(C) the formula amount for each State, insular area, or participating local jurisdiction shall be determined by applying, for such State, insular area, or participating local jurisdiction, the percentage that is equal to the percentage of the total amounts made available for such fiscal year for allocation under subtitle A of this title (42 U.S.C. 12741 et seq.) that are allocated in such year, pursuant to such subtitle, to such State, insular area, or participating local jurisdiction, respectively, and the allocation for each State, insular area, or participating jurisdiction, for purposes of subsection (e) shall, except as provided in subsection (d), be the formula amount for the State, insular area, or participating jurisdiction, respectively.

''(3) SUBMISSION TO CONGRESS.—Notwithstanding any other provision of this subtitle, any formula established by the Secretary pursuant to this subsection shall be submitted to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate not less than 120 days before application of the formula for purposes of determining formula amounts under subsection (b) for a fiscal year. Such submission shall be accompanied by a detailed explanation of the factors under the formula and anticipated effects of the formula.

''(b) FORMULA AMOUNT.—

''(1) IN GENERAL.—For each fiscal year referred to in section 293(a), the Secretary shall determine the formula amount under this subsection for each State, for Indian tribes, for each insular area, and for each participating local jurisdiction.

''(2) STATES, INDIAN TRIBES, AND INSULAR AREAS.—The formula amount for each State, for Indian tribes, and for each insular area shall be the amount determined for such State, for Indian tribes, or for such insular area by applying the formula under subsection (a) of this section to the total amount allocated under section 293(b)(1) for all States, Indian tribes, and insular areas for the fiscal year.

''(3) PARTICIPATING LOCAL JURISDICTIONS.—The formula amount for each participating local jurisdiction shall be the amount determined for such participating local jurisdiction by applying the formula under subsection (a) of this section to the total amount allocated under section 293(b)(2) for all participating local jurisdictions for the fiscal year.

''(4) NOTICE.—For each fiscal year referred to in section 293(a), not later than 60 days after the date that the Secretary determines the total amount available from the Trust Fund for such fiscal year pursuant to section 292(c) for assistance under this subtitle, the Secretary shall cause to be published in the Federal Register a notice that such amounts shall be so available.

''(c) ALLOCATION BASED ON AFFORDABLE HOUSING NEEDS FORMULA.—The allocation under this subsection for a State, for Indian tribes, for an insular area, or for a local participating jurisdiction for a fiscal year shall be determined as follows:

''(1) STATES.—Subject to subsection (d), the allocation for a State shall be as follows:

''(A) MINIMUM AMOUNT.—If the formula amount determined under subsection (b)(2) for the State for the fiscal year is less than 1 percent of the total amount allocated for such fiscal year under section 293(b)(1), the allocation for the State shall be 1 percent of the total amount allocated for such fiscal year under section 293(b)(1).

''(B) FORMULA AMOUNT.—If the formula amount determined under subsection (b)(2) for the State for the fiscal year is 0.5 percent or more of the total amount allocated for such fiscal year under section 293(b)(1), the allocation for the State shall be the formula amount for the State, except that—

''(i) the Secretary shall reduce such formula amounts for all States whose allocations are determined under this subparagraph on a pro rata basis, except as provided in clause (ii), by the amount necessary to account for any increases from the formula amount for allocations made under subparagraph (A), so that the total of the allocations for all States pursuant to this paragraph is equal to the aggregate of the formula amounts under subsection (b)(2) for all States; and

''(ii) no reduction pursuant to clause (i) for any State may reduce the formula amount for the State to less than 0.5 percent of such total amount allocated for such fiscal year.

''(2) INDIAN TRIBES AND INSULAR AREAS.—The allocation for Indian tribes and for each insular area shall be the formula amount for Indian tribes or for the insular area, respectively, determined under subsection (b), as applicable.

''(3) PARTICIPATING LOCAL JURISDICTIONS.—Subject to subsection (d), the allocation for each participating local jurisdiction shall be the formula amount for the jurisdiction determined under subsection (b).

''(d) ALLOCATION EXCEPTION FOR YEARS IN WHICH LESS THAN $2 BILLION IS AVAILABLE.—If, for any fiscal year, the total amount available pursuant to section 293(a) for assistance under this subtitle is less than $2,000,000,000—

''(1) for each participating local jurisdiction having a formula amount for such fiscal year of less than $750,000, the allocation shall be $0, except that the allocation for such a jurisdiction for such fiscal year shall be the formula amount for the jurisdiction for such fiscal year if—

''(A) the Secretary finds that the jurisdiction has demonstrated a capacity to carry out provisions of this subtitle and the State in which such jurisdiction is located has authorized the Secretary to transfer to the jurisdiction a portion of the State's allocation that is equal to or greater than the difference between the jurisdiction's formula amount and $750,000, or the State or jurisdiction has made available such an amount from the State's or jurisdiction's own sources available for use by the jurisdiction in accordance with this subtitle; or

''(B) the formula amount for such jurisdiction for such fiscal year is an amount that is greater than the formula amount for such fiscal year for any other participating local jurisdiction that is located in the same State; and

''(2) in the case of any jurisdiction whose allocation is $0 by operation of paragraph (1), the allocation for the State in which such participating local jurisdiction is located shall be increased by the amount of the formula amount for the participating local jurisdiction.

Any adjustments pursuant to paragraphs (1) and (2) shall be made notwithstanding the allocation percentages under section 293(b).

''(e) GRANT AWARDS.—For each fiscal year referred to in section 293(a), using the amounts made available to the Secretary from the Trust Fund for such fiscal year under section 292(c), the Secretary shall, subject to subsection (f), make a grant to each State, insular area, and participating local jurisdiction in the amount of the allocation under subsection (a)(2), (c), or (d), as applicable, for the State, area, or jurisdiction, respectively.

''(f) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—Each grantee for a fiscal year shall contribute to eligible activities funded with Trust Fund grant amounts, or require the contribution to such eligible activities by recipients of such Trust Fund grant amounts of, in addition to any such grant amounts, not less than the following amount:

''(A) STATE, LOCAL, OR PRIVATE RESOURCES.—To the extent that such contributed amounts are derived from State, local, or private resources, 12.5 percent of such grant amounts.

''(B) FEDERAL AMOUNTS.—To the extent that such contributed amounts are derived from State- or locally-controlled amounts from Federal assistance, or from amounts made available under the affordable housing

program of a Federal Home Loan Bank pursuant to section 10(j) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)), 25 percent of such grant amounts.

Nothing in this paragraph may be construed to prevent a grantee or recipient from complying with this paragraph only by contributions in accordance with subparagraph (A), only by contributions in accordance with subparagraph (B), or by a combination of such contributions.

''(2) REDUCTION OR WAIVER FOR RECIPIENTS IN FISCAL DISTRESS.—The Secretary may reduce or waive the requirement under paragraph (1) with respect to any grantee that the Secretary determines, pursuant to such demonstration by the recipient as the Secretary shall require, is in fiscal distress. The Secretary shall make determinations regarding fiscal distress for purposes of this paragraph in the same manner, and according to the same criteria, as fiscal distress is determined with respect to jurisdictions under section 220(d) (42 U.S.C. 12750(d)).

''(3) QUALIFICATION OF SERVICES FUNDING FOR MATCH.—For purposes of meeting the requirements of paragraph (1), amounts that a grantee, recipient, or other governmental or private agency or entity commits to contribute to provide services to residents of affordable housing provided using grant amounts under this subtitle, by entering into a binding commitment for such contribution as the Secretary shall require, shall be considered contributions to eligible activities. Amounts to be considered eligible contributions under this paragraph shall not exceed 33 percent of the total cost of the eligible activity.

''(4) REDUCTION OR WAIVER FOR CERTAIN ACTIVITIES.—With respect to Trust Fund grant amounts made available for a fiscal year, the Secretary shall reduce or waive the amount of contributions otherwise required under paragraph (1) to be made with respect to eligible activities to be carried out with such grant amounts and for which any variance from zoning laws or other waiver of regulatory requirements was approved by the local jurisdiction. Such reduction may be implemented in the year following the year in which such activities are funded with Trust Fund grant amounts.

''(5) WAIVER FOR DISASTER AREAS.—In the case of any area that is subject to a declaration by the President of a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121), the Secretary shall, for the fiscal year following such declaration, waive the requirement under paragraph (1) with respect to any eligible activities to be carried out in such area.

''(g) COMPETITIVE GRANTS FOR INDIAN TRIBES.—For each fiscal year referred to in section 293(a), the Secretary shall, using amounts allocated for Indian tribes pursuant to subsection (a)(2)(B) or (c)(2), as applicable, and subject to subsection (f), make grants to Indian tribes on a competitive basis, based upon such criteria as the Secretary shall establish, which shall include the factors specified in section 295(c)(2)(B).

''(h) USE BY STATE OF UNUSED FUNDS OF LOCAL JURISDICTIONS.—If any participating local jurisdiction for which an allocation is made for a fiscal year pursuant to this section notifies the Secretary of an intent not to use all or part of such funds, any such funds that will not be used by the jurisdiction shall be added to the grant award under subsection (e) for the State in which such jurisdiction is located.

''(i) COMPETITIVE GRANTS FOR AREAS WITHOUT ALLOCATION PLANS AND RECIPIENTS WITH INSUFFICIENT MATCHING CONTRIBUTIONS.—

''(1) AVAILABLE AMOUNTS.—For a fiscal year, the following amounts shall be available for grants under this subsection:

''(A) ALLOCATION FOR AREAS NOT SUBMITTING ALLOCATION PLANS.—With respect to each State, insular area, or participating local jurisdiction that has not, before the expiration of the 12-month period beginning upon the date of the publication of the notice of funding availability for such fiscal year under subsection (b)(4), submitted to and had approved by the Secretary an allocation plan for such fiscal year meeting the requirements of section 295, the amount of the allocation for such State, insular area, or participating local jurisdiction for such fiscal year determined under this section.

''(B) UNMATCHED PORTION OF ALLOCATION.—With respect to any grantee for which the Trust Fund grant amount awarded for such fiscal year is reduced from the amount of the allocation determined under this section for the grantee by reason of failure comply with the requirements under subsection (f), the amount by which such allocation for the grantee for the fiscal year exceeds the Trust Fund grant amount for the grantee for the fiscal year.

''(C) UNCOMMITTED AMOUNTS.—Any Trust Fund grant amounts for a fiscal year that are not committed for use for eligible activities before the expiration of the 24-month period beginning upon the date of the publication of the notice of availability of amounts under subsection (b)(4) for such fiscal year.

''(D) UNUSED AMOUNTS.—Any Trust Fund grant amounts for which the grantee notifies the Secretary that such funds will not be used under this subtitle.

''(2) NOTICE.—For each fiscal year, not later than 60 days after the date that the Secretary determines that the amounts described in paragraph (1) shall be available for grants under this subsection, the Secretary shall cause to be published in the Federal Register a notice that such amounts shall be so available.

''(3) APPLICATIONS.—The Secretary shall provide for nonprofit and public entities (and consortia thereof, which may include regional consortia of units of local government) to submit applications, during the 9-month period beginning upon publication of a notice of funding availability under paragraph (2) for a fiscal year, for a grant of all or a portion of the amounts referred to in paragraph (1) for such fiscal year. Such an application shall include a certification that the applicant will comply with all requirements of this subtitle applicable to a grantee under this subsection.

''(4) SELECTION CRITERIA.—The Secretary shall, by regulation, establish criteria for selecting applicants that meet the requirements of paragraph (3) for funding under this subsection. Such criteria shall give priority to applications that provide that grant amounts under this subsection will be used for eligible activities relating to affordable housing that is located in the State or insular area, as applicable, for which such grant funds were originally allocated under this section.

''(5) AWARD AND USE OF GRANT ASSISTANCE.—

''(A) AWARD.—Subject only to the absence of applications meeting the requirements of paragraph (3), upon the expiration of the period referred to in such paragraph, the Secretary shall select an applicant or applicants under this subsection to receive the amounts available under paragraph (1) and shall make a grant or grants to such applicant or applicants. The selection shall be based upon the criteria established under paragraph (4).

''(B) USE.—Amounts from a grant under this subsection shall be Trust Fund grant amounts for purposes of this subtitle.

''SEC. 295. ALLOCATION PLANS.

''(a) IN GENERAL.—Each grantee that is a State, insular area, participating local jurisdiction, or grantee under section 294(i) for a fiscal year, shall establish an allocation plan in accordance with this section for the distribution of Trust Fund grant amounts provided to the grantee for such fiscal year, which shall be a plan that—

''(1) provides for use of such amounts in accordance with section 296;

''(2) is based on priority housing needs, including priority housing needs in rural areas, as determined by the grantee; and

''(3) is consistent with the comprehensive housing affordability strategy under section 105 (42 U.S.C. 12705) or any applicable consolidated submission used for purposes of applying for other community planning and development and housing assistance programs administered by the Secretary, for the applicable State, insular area, jurisdiction, or grantee under section 294(i).

''(b) ESTABLISHMENT.—In establishing an allocation plan, a grantee described in subsection (a) shall notify the public of the establishment of the plan, provide an opportunity for public comments regarding the plan, consider any public comments received, and make the completed plan available to the public.

''(c) CONTENTS.—Each allocation plan of a grantee described in subsection (a) shall comply with the following requirements:

''(1) APPLICATION REQUIREMENTS FOR ELIGIBLE RECIPIENTS.—The allocation plan shall set forth the requirements for eligible recipients to apply to the grantee to receive assistance from Trust Fund grant amounts of the grantee for use for eligible activities, including a requirement that each such application include—

''(A) a description of the eligible activities to be conducted using such assistance;

''(B) a certification by the eligible recipient applying for such assistance that any housing assisted with such grant amounts will comply with—

''(i) all of the requirements under this subtitle, including the targeting requirements under section 296(c) and the affordable housing requirements under section 297;

''(ii) section 808(d) of the Fair Housing Act (relating to the obligation to affirmatively further fair housing); and

''(iii) section 504 of the Rehabilitation Act of 1973 (relating to prohibition of discrimination on the basis of disability); and

''(C) in the case of any recipient who has received assistance from Trust Fund grant amounts in any previous fiscal year, a report on the progress made in carrying out the eligible activities funded with such previous assistance.

''(2) SELECTION PROCESS AND CRITERIA FOR ASSISTANCE.—

''(A) SELECTION PROCESS.—The allocation plan shall set forth a process for the grantee to select eligible activities meeting the grantee's priority housing needs for funding with Trust Fund grant amounts of the grantee, which shall comply with requirements for such process as the Secretary shall, by regulation, establish.

''(B) SELECTION CRITERIA.—The allocation plan shall set forth the factors for consideration in selecting among applicants that meet the application requirements established pursuant to paragraph (1), which shall provide for geographic diversity among eligible activities to be assisted with Trust Fund grant amounts of the grantee and shall include—

''(i) the merits of the proposed eligible activity of the applicant, including the extent to which the activity addresses housing needs identified in the allocation plan of the grantee and the applicable comprehensive

housing affordability strategy or consolidated submission referred to in subsection (a)(3);

''(ii) the experience of the applicant, including its principals, in carrying out projects similar to the proposed eligible activity;

''(iii) the ability of the applicant to obligate grant amounts for the proposed eligible activities and to undertake such activities in a timely manner;

''(iv) the extent of leveraging of funds by the applicant from private and other non-Federal sources for carrying out the eligible activities to be funded with Trust Fund grant amounts, including assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) that is devoted to the project that contains the affordable housing to be assisted with such assistance;

''(v) the extent of local assistance that will be provided in carrying out the eligible activities, including financial assistance;

''(vi) the efficiency of total project fund use as measured by the cost per unit of the proposal, as adjusted by factors which shall include whether the funding with Trust Fund grant amounts is for new construction, rehabilitation, preservation, or homeownership assistance, whether the project involves supportive housing, differences in construction and rehabilitation costs in different areas of the grantee, and other appropriate adjustments;

''(vii) the degree to which the project in which the affordable housing will be located will have residents of various incomes;

''(viii) the extent of employment and other economic opportunities for low-income families in the area in which the housing will be located;

''(ix) the extent to which the applicant demonstrates the ability to maintain dwelling units as affordable housing through the use of assistance made available under this subtitle, assistance leveraged from non-Federal sources, assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), State or local assistance, programs to increase tenant income, cross-subsidization, and any other resources;

''(x) the extent to which the applicant demonstrates that the county in which the housing is to be located is experiencing an extremely low vacancy rate;

''(xi) the extent to which the percentage of the housing located in such county that is extremely old housing exceeds 35 percent;

''(xii) the extent to which the housing assisted with the grant amounts will be accessible to persons with disabilities;

''(xiii) the extent to which the applicant demonstrates that the affordable housing assisted with the grant amounts will be located in proximity to public transportation, job opportunities, child care, and community revitalization projects;

''(xiv) the extent to which the applicant has provided that assistance from grant amounts will be used for eligible activities relating to housing located in census tracts in which the number of families having incomes less than the poverty line is less than 20 percent;

''(xv) the extent to which the housing assisted with grant amounts will comply with energy efficiency standards and the national Green Communities criteria checklist for residential construction that provides criteria for the design, development, and operation of affordable housing, as the Secretary shall by regulation provide; and

''(xvi) the extent to which the design, construction, and operation of the housing assisted with grant amounts reduces utility costs for residents and thereby reduces their total housing cost.

A grantee may allocate a portion of funds under this section for use by such grantee for eligible activities pursuant to the selection process under subparagraph (A).

''(3) USE FOR FIRST RESPONDERS AND TEACHERS.—To the extent that Trust Fund grant amounts of a grantee are made available for eligible activities involving one- to four-family owner-occupied housing, the grantee may give preference in the use of such grant amounts to eligible activities relating to affordable housing for first responders, public safety officers, teachers, and other public employees who have family incomes such that such use of the grant amounts complies with the requirements under section 296(c).

''(4) PERFORMANCE GOALS, BENCHMARKS, AND TIMETABLES.—The allocation plan shall include performance goals, benchmarks, and timetables for the grantee for the conducting of eligible activities with Trust Fund grant amounts that comply with requirements and standards for such goals, benchmarks, and timetables as the Secretary shall, by regulation, establish.

''(d) REVIEW AND APPROVAL BY SECRETARY.—

''(1) SUBMISSION.—A grantee described in subsection (a) shall submit an allocation plan for the fiscal year for which the grant is made to the Secretary not later than the expiration of the 6-month period beginning upon the notice of funding availability under section 294(b)(4) for such fiscal year amounts.

''(2) REVIEW AND APPROVAL OR DISAPPROVAL.—The Secretary shall review and approve or disapprove an allocation plan not later than the expiration of the 3-month period beginning upon submission of the plan.

''(3) STANDARD FOR DISAPPROVAL.—The Secretary may disapprove an allocation plan only if the plan fails to comply with requirements of this section or section 296.

''(4) RESUBMISSION UPON DISAPPROVAL.—If the Secretary disapproves a plan, the grantee may submit to the Secretary a revised plan for review and approval or disapproval under this subsection.

''(5) TIMING FOR FISCAL YEAR 2009.—With respect only to fiscal year 2009, the Secretary may extend each of the periods referred to in paragraphs (1) and (2), and the period referred to in section 294(i)(1)(A), by not more than 6 months.

''SEC. 296. USE OF ASSISTANCE BY RECIPIENTS.

''(a) DISTRIBUTION TO RECIPIENTS; USE REQUIREMENTS.—Each grantee shall distribute Trust Fund grant amounts of the grantee to eligible recipients for use in accordance with this section. Trust Fund grant amounts of a grantee may be used, or committed for use, only for eligible activities that—

''(1) are conducted in the jurisdiction of the grantee;

''(2) in the case of a grantee that is a State, insular area, participating local jurisdiction, or grantee under section 294(i), comply with the allocation plan of the grantee under section 295;

''(3) are selected for funding by the grantee in accordance with the process and criteria for such selection established pursuant to section 295(c)(2); and

''(4) comply with the targeting requirements under subsection (c) of this section and the affordable housing requirements under section 297.

''(b) ELIGIBLE RECIPIENTS.—Trust Fund grant amounts of a grantee may be provided only to an organization, agency, or other entity (including a for-profit entity, a nonprofit entity, a faith-based organization, a community development financial institution, a community development corporation, and a State or local housing trust fund) that—

''(1) demonstrates the experience, ability, and capacity (including financial capacity) to undertake, comply, and manage the eligible activity;

''(2) demonstrates its familiarity with the requirements of any other Federal, State or local housing program that will be used in conjunction with such grant amounts to ensure compliance with all applicable requirements and regulations of such programs; and

''(3) makes such assurances to the grantee as the Secretary shall, by regulation, require to ensure that the recipient will comply with the requirements of this subtitle during the entire period that begins upon selection of the recipient to receive such grant amounts and ending upon the conclusion of all eligible activities that are engaged in by the recipient and funded with such grant amounts.

''(c) TARGETING REQUIREMENTS.—The targeting requirements under this subsection are as follows:

''(1) REQUIREMENT OF USE OF ALL AMOUNTS FOR AFFORDABLE HOUSING FOR LOW-INCOME FAMILIES.—All Trust Fund grant amounts of a grantee shall be distributed for use only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed 80 percent of the greater of—

''(A) the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families; and

''(B) the median family income for the State or insular area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families.

''(2) USE OF 75 PERCENT FOR AFFORDABLE HOUSING FOR EXTREMELY LOW-INCOME FAMILIES.—Not less than 75 percent of the Trust Fund grant amounts of a grantee for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed the higher of—

''(A) 30 percent of the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families; and

''(B) the poverty line (as such term is defined in section 673 of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902), including any revision required by such section) applicable to a family of the size involved.

''(3) USE OF 30 PERCENT FOR AFFORDABLE HOUSING FOR VERY POOR FAMILIES.—Not less than 30 percent of the Trust Fund grant amounts of a grantee for each fiscal year shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed the maximum amount of income that an individual or family could have, taking into consideration any income disregards, and remain eligible for benefits under the Supplemental Security Income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.).

''(4) LIMITATION FOR YEARS IN WHICH LESS THAN $2 BILLION IS AVAILABLE.—If, for any fiscal year, the total amount available pursuant to section 293(a) for assistance under this subtitle is less than $2,000,000,000, in addition to the other requirements under this subsection, all such amounts shall be used only for eligible activities relating to affordable housing that are for the benefit only of families whose incomes do not exceed 50 percent of the median family income for the area in which the housing is located, as determined by the Secretary with adjustments for smaller and larger families.

''(5) REVIEW OF TARGETING REQUIREMENTS.—The Secretary shall assess the need for, and the appropriateness of, the requirements

under paragraphs (1) through (3) and shall submit a report to the Congress on the results of the assessment not later than October 1, 2010, and not later than the expiration of the 5-year period beginning upon such date and each successive 5-year period thereafter. In each such report, the Secretary shall identify and make recommendations regarding the continuation or adjustment of the targeting requirements in paragraphs (1) through (3).

''(d) USE FOR RURAL AREAS.—Of the Trust Fund grant amounts for any fiscal year for any grantee that is a State or participating local jurisdiction that includes any rural areas, the State or participating local jurisdiction shall use a portion for eligible activities located in rural areas that is proportionate to the identified need for such activities in such rural areas.

''(e) COST LIMITS.—The Secretary shall establish limitations on the amount of Trust Fund grant amounts that may be used, on a per unit basis, for eligible activities. Such limitations shall be the same as the per unit cost limits established pursuant to section 212(e) (42 U.S.C. 12742(e)), as adjusted annually, and established by number of bedrooms, market area, and eligible activity.

''(f) FORMS OF ASSISTANCE.—

''(1) IN GENERAL.—Assistance may be distributed pursuant to this section in the form of—

''(A) capital grants, noninterest-bearing or low-interest loans or advances, deferred payment loans, guarantees, and loan loss reserves;

''(B) in the case of assistance for ownership of one- to four-family owner-occupied housing, downpayment assistance, closing cost assistance, and assistance for interest rate buy-downs; and

''(C) any other forms of assistance approved by the Secretary.

''(2) REPAYMENTS.—If a grantee awards assistance under this section in the form of a loan or other mechanism by which funds are later repaid to the grantee, any repayments and returns received by the grantee shall be distributed by the grantee in accordance with the allocation plan under section 295 for the grantee for the fiscal year in which such repayments are made or returns are received.

''(g) COORDINATION WITH OTHER ASSISTANCE.—In distributing assistance pursuant to this section, each grantee shall, to the maximum extent practicable, coordinate such distribution with the provision of other Federal, State, tribal, and local housing assistance, including—

''(1) in the case of any State, housing credit dollar amounts allocated by the State under section 42(h) of the Internal Revenue Code of 1986;

''(2) assistance made available under subtitles A through F (42 U.S.C. 12721 et seq.) or the community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

''(3) private activity bonds;

''(4) assistance made available under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g);

''(5) assistance made available under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o));

''(6) assistance made available under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.);

''(7) assistance made available under section 101 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111);

''(8) assistance made available from any State or local housing trust fund established to provide or assist in making available affordable housing; and

''(9) any other housing assistance programs.

''(h) PROHIBITED USES.—The Secretary shall—

''(1) by regulation, set forth prohibited uses of grant amounts under this subtitle, which shall include use for—

''(A) political activities;

''(B) advocacy;

''(C) lobbying, whether directly or through other parties;

''(D) counseling services;

''(E) travel expenses; and

''(F) preparing or providing advice on tax returns;

''(2) by regulation, provide that, except as provided in paragraph (3), grant amounts under this subtitle may not be used for administrative, outreach, or other costs of—

''(A) a grantee; or

''(B) any recipient of such grant amounts; and

''(3) by regulation, limit the amount of any Trust Fund grant amounts for a fiscal year that may be used for administrative costs of the grantee of carrying out the program required under this subtitle to a percentage of such grant amounts of the grantee for such fiscal year, which may not exceed 10 percent.

''(i) LABOR STANDARDS.—Each grantee receiving Trust Fund grant amounts shall ensure that contracts for eligible activities assisted with such amounts comply with the same requirements under section 286 (42 U.S.C. 12836) that are applicable to contracts for construction of affordable housing assisted under subtitles A and D.

''(j) COMPLIANCE WITH OTHER FEDERAL LAWS.—All amounts from the Trust Fund shall be allocated in accordance with, and any eligible activities carried out in whole or in part with grant amounts under this subtitle (including housing provided with such grant amounts) shall comply with and be operated in compliance with, other applicable provisions of Federal law, including—

''(1) laws relating to tenant protections and tenant rights to participate in decision making regarding their residences;

''(2) laws requiring public participation, including laws relating to Consolidated Plans, Qualified Allocation Plans, and Public Housing Agency Plans; and

''(3) fair housing laws and laws regarding accessibility in federally assisted housing, including section 504 of the Rehabilitation Act of 1973.

''SEC. 297. AFFORDABLE HOUSING.

''(a) RENTAL HOUSING.—A rental dwelling unit (which may include a dwelling unit in limited equity cooperative housing, as such term is defined in section 143(k) of the Internal Revenue Code of 1986 (26 U.S.C. 143(k)) or in housing of a cooperative housing corporation, as such term is defined in section 216(b) of the Internal Revenue Code of 1986 (26 U.S.A. 216(b))), shall be considered affordable housing for purposes of this subtitle only if the dwelling unit is subject to legally binding commitments that ensure that the dwelling unit meets all of the following requirements:

''(1) RENTS.—The dwelling unit bears a rent not greater than the lesser of—

''(A) the existing fair market rental established by the Secretary under section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)) for a dwelling unit of the same size in the same market area, or the applicable payment standard for assistance under section 8(o) of such Act, if higher; and

''(B) a rent that does not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of the median income for the area, as determined by the Secretary, with adjustment for number of bedrooms in the unit, except that the Secretary may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of the findings of the Secretary that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

''(2) TENANT RENT CONTRIBUTION.—The contribution toward rent by the family residing in the dwelling unit will not exceed 30 percent of the adjusted income of such family.

''(3) NON-DISCRIMINATION AGAINST VOUCHER HOLDERS.—The dwelling unit is located in a project in which all dwelling units are subject to enforceable restrictions that provide that a unit may not be refused for leasing to a holder of a voucher of eligibility under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) because of the status of the prospective tenant as a holder of such voucher.

''(4) MIXED INCOME.—

''(A) IN GENERAL.—The dwelling unit is located in a project—

''(i) that receives assistance under this subtitle; and

''(ii) for which not more than 50 percent of the rental units in the project that are not previously occupied may be rented initially only to families with incomes described in section 296(c)(2), as determined at a reasonable time before occupancy.

''(B) REHABILITATION.—In the case of a dwelling unit in a project for which Trust Fund grant amounts are used for the rehabilitation of the project, the dwelling unit is located in a project in which the percentage of units being rented upon completion of the rehabilitation to families with incomes described in section 296(c)(2) may not exceed the higher of 50 percent or the percentage of such families occupying the project at the time funds are awarded for such project.

''(C) EXCEPTIONS.—Subparagraph (A) shall not apply in the case of a project that—

''(i) has 25 or fewer dwelling units and that is—

''(I) located in a census tract in which the number of families having incomes less than the poverty line is less than 20 percent;

''(II) located in a rural area, as such term is defined in section 520 of the Housing Act of 1949 (42 U.S.C. 1490); or

''(III) specifically made available only for households comprised of disabled families; or

''(ii) is specifically made available only for households comprised of elderly families.

''(5) VISITABILITY.—To the extent the dwelling unit is not required under Federal law to comply with standards relating to accessibility to persons with disabilities, the dwelling unit complies with such basic visitability standards as the Secretary shall by regulation provide.

''(6) DURATION OF USE.—The dwelling unit will continue to be subject to all requirements under this subsection for not less than 50 years.

''(b) OWNER-OCCUPIED HOUSING.—For purposes of any eligible activity involving one- to four-family owner-occupied housing (which may include housing of a cooperative housing corporation, as such term is defined in section 216(b) of the Internal Revenue Code of 1986 (26 U.S.C. 216(b))), such a residence shall be considered affordable housing for purposes of this subtitle only if—

''(1) in the case of housing to be made available for purchase—

''(A) the housing is available for purchase only for use as a principal residence by families that qualify as first-time homebuyers, as such term is defined in section 104 (42 U.S.C. 12704), except that any reference in such section to assistance under title II of this Act

shall for purposes of this section be considered to refer to assistance from Trust Fund grant amounts;

''(B) the housing has an initial purchase price that meets the requirements of section 215(b)(1); and

''(C) the housing is subject to the same resale restrictions established under section 215(b)(3) and applicable to the participating jurisdiction that is the State in which such housing is located; and

''(2) the housing is made available for purchase only by, or in the case of assistance to a homebuyer pursuant to this subsection, the assistance is made available only to, homebuyers who have, before purchase, completed a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Secretary and includes counseling regarding financial literacy, strategies to save money, qualifying for a mortgage loan, methods to avoid predatory lenders and foreclosure, and, where appropriate by region, any requirements and costs associated with obtaining flood or other disaster-specific insurance coverage; except that the Secretary may, at the request of a State, waive the requirements of this paragraph with respect to a geographic area or areas within the State if—

''(A) the travel time or distance involved in providing counseling with respect to such area or areas, as otherwise required under this paragraph, on an in-person basis is excessive or the cost of such travel is prohibitive; and

''(B) the State provides alternative forms of counseling for such area or areas, which may include interactive telephone counseling, on-line counseling, interactive video counseling, and interactive home study counseling and a program of financial literacy and education to promote an understanding of consumer, economic, and personal finance issues and concepts, including saving for retirement, managing credit, long-term care, and estate planning and education on predatory lending, identity theft, and financial abuse schemes relating to homeownership that is approved by the Secretary, except that entities providing such counseling shall not discriminate against any particular form of housing.

''(c) PRIORITY FOR FAMILIES ON SECTION 8 OR PUBLIC HOUSING WAITING LIST FOR 12 MONTHS OR LONGER.—A dwelling unit in rental housing or owner-occupied housing shall be considered affordable housing for purposes of this subtitle only if the dwelling unit is subject to such requirements, as the Secretary shall provide, to ensure that priority for occupancy in or, in the case of owner-occupied housing, purchase of, the dwelling unit is provided to families who are eligible for rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) or occupancy in public housing assisted under such Act, and have applied to a public housing agency for such assistance or occupancy, as applicable, and been on a waiting list of a public housing agency for such assistance or occupancy, as applicable, for at least 12 consecutive months.

''SEC. 298. OTHER PROVISIONS.

''(a) EFFECT OF ASSISTANCE UNDER PROGRAM.—Notwithstanding any other provision of law, the provision of assistance under this subtitle for a project shall not reduce the amount of assistance for which such project is otherwise eligible under subtitles A through F of this title, if the project does not exceed the cost limits established pursuant to section 296(e).

''(b) ACCOUNTABILITY OF GRANTEES AND RECIPIENTS.—

''(1) RECIPIENTS.—

''(A) TRACKING OF FUNDS.—The Secretary shall—

''(i) require each grantee to develop and maintain a system to ensure that each recipient of assistance from Trust Fund grant amounts of the grantee uses such amounts in accordance with this subtitle, the regulations issued under this subtitle, and any requirements or conditions under which such amounts were provided; and

''(ii) establish minimum requirements for agreements, between the grantee and recipients, regarding assistance from the Trust Fund grant amounts of the grantee, which shall include—

''(I) appropriate continuing financial and project reporting, record retention, and audit requirements for the duration of the grant to the recipient to ensure compliance with the limitations and requirements of this subtitle and the regulations under this subtitle; and

''(II) any other requirements that the Secretary determines are necessary to ensure appropriate grant administration and compliance.

''(B) MISUSE OF FUNDS.—

''(i) REIMBURSEMENT REQUIREMENT.—If any recipient of assistance from Trust Fund grant amounts of a grantee is determined, in accordance with clause (ii), to have used any such amounts in a manner that is materially in violation of this subtitle, the regulations issued under this subtitle, or any requirements or conditions under which such amounts were provided—

''(I) such recipient shall be ineligible for any further assistance from any Trust Fund grant amounts of any grantee during the period that begins upon such determination and ends upon reinstatement by the Secretary of the eligibility of recipient for such assistance, except that the Secretary may reinstate such an ineligible recipient only pursuant to application by the recipient for such reinstatement and the recipient may not apply to the Secretary for such reinstatement during the 12-month period, or the 10-year period in the case of a second or subsequent such determination, beginning upon such determination; and

''(II) the grantee shall require that, within 12 months after the determination of such misuse, the recipient shall reimburse the grantee for such misused amounts and return to the grantee any amounts from the Trust Fund grant amounts of the grantee that remain unused or uncommitted for use.

The remedies under this clause are in addition to any other remedies that may be available under law.

''(ii) DETERMINATION.—A determination is made in accordance with this clause if the determination is—

''(I) made by the Secretary; or

''(II)(aa) made by the grantee;

''(bb) the grantee provides notification of the determination to the Secretary for review, in the discretion of the Secretary, of the determination; and

''(cc) the Secretary does not subsequently reverse the determination.

''(2) GRANTEES.—

''(A) REPORT.—

''(i) IN GENERAL.—The Secretary shall require each grantee receiving Trust Fund grant amounts for a fiscal year to submit a report, for such fiscal year, to the Secretary that—

''(I) describes the activities funded under this subtitle during such year with the Trust Fund grant amounts of the grantee;

''(II) describes the manner in which the grantee complied during such fiscal year with the allocation plan established pursuant to section 295 for the grantee; and

''(III) certifies the number of total dwelling units of affordable housing that were constructed, preserved, or rehabilitated during such fiscal year with assistance from Trust Funds grant amounts of the grantee comply with widely accepted standards for green building.

''(ii) PUBLIC AVAILABILITY.—The Secretary shall make such reports pursuant to this subparagraph publicly available.

''(B) MISUSE OF FUNDS.—If the Secretary determines, after reasonable notice and opportunity for hearing, that a grantee has failed to comply substantially with any provision of this subtitle and until the Secretary is satisfied that there is no longer any such failure to comply, the Secretary shall—

''(i) reduce the amount of assistance under this section to the grantee by an amount equal to the amount of Trust Fund grant amounts which were not used in accordance with this subtitle;

''(ii) require the grantee to repay the Secretary an amount equal to the amount of the Trust Fund grant amounts which were not used in accordance with this subtitle;

''(iii) limit the availability of assistance under this subtitle to the grantee to activities or recipients not affected by such failure to comply; or

''(iv) terminate any assistance under this subtitle to the grantee.

''(c) GREEN HOUSING CLEARINGHOUSE.—

''(1) ESTABLISHMENT.—The Secretary shall establish a clearinghouse of information relating to green building techniques to provide grantees and recipients of Trust Fund amounts information regarding use of Trust Fund grant amounts in a manner that increases the efficiency of buildings and their use of energy, water, and materials, and reducing building impacts on human health and the environment, through better siting, design, construction, operation, maintenance, and removal, including information regarding best practices and technical recommendations.

''(2) ACCESS THROUGH INTERNET.—The Secretary shall make the information of the clearinghouse available by means of the Internet.

''SEC. 299. DEFINITIONS.

''For purposes of this subtitle, the following definitions shall apply:

''(1) ELIGIBLE ACTIVITIES.—The term 'eligible activities' means activities relating to the construction, preservation, or rehabilitation of affordable rental housing or affordable one- to four-family owner-occupied housing, including—

''(A) the construction of new housing;

''(B) the acquisition of real property;

''(C) site preparation and improvement, including demolition;

''(D) rehabilitation of existing housing;

''(E) use of funds to facilitate affordability for homeless and other extremely low-income households of dwelling units assisted with Trust Fund grant amounts, in a combined amount not to exceed 20 percent of the project grant amount, for—

''(i) project-based rental assistance for not more than 12 months for a project assisted with Trust Fund grant amounts;

''(ii) project operating reserves for use to cover the loss of rental assistance or in conjunction with a project loan; or

''(iii) project operating accounts used to cover net operating income shortfalls for dwelling units assisted with Trust Fund grant amounts;

''(F) use of funds to facilitate affordability for families having incomes described in section 296(c)(3), in a combined amount for a grantee in any fiscal year not to exceed 10 percent of the aggregate Trust Fund grant amounts provided to the grantee for such fiscal year, for project operating accounts used to cover net operating income shortfalls for

dwelling units assisted with Trust Fund grant amounts;

''(G) providing incentives to maintain existing housing (including manufactured housing) as affordable housing and to establish or extend any low-income affordability restrictions for such housing, including covering capital expenditures and costs of establishing community land trusts to provide sites for manufactured housing provided such incentives; and

''(H) in the case of affordable one- to four-family owner-occupied housing, downpayment assistance, closing cost assistance, and assistance for interest rate buy-downs.

''(2) ELIGIBLE RECIPIENT.—The term 'eligible recipient' means an entity that meets the requirements under section 296(b) for receipt of Trust Fund grant amounts of a grantee.

''(3) EXTREMELY LOW VACANCY RATE.—The term 'extremely low vacancy rate' means a housing or rental vacancy rate of 2 percent or less.

''(4) EXTREMELY OLD HOUSING.—The term 'extremely old housing' means housing that is 45 years old or older.

''(5) FAMILIES.—The term 'families' has the meaning given such term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

''(6) FISCAL DISTRESS; SEVERE FISCAL DISTRESS.—The terms 'fiscal distress' and 'severe fiscal distress' have the meanings given such terms in section 220(d).

''(7) GRANTEE.—The term 'grantee' means—

''(A) a State, insular area, or participating local jurisdiction for which a grant is made under section 294(e);

''(B) an Indian tribe for which a grant is made under section 294(g); or

''(C) a nonprofit or public entity for which a grant is made under section 294(i).

''(8) INDIAN TRIBE.—The term 'Indian tribe' means a federally recognized Indian tribe.

''(9) INSULAR AREA.—The term 'insular area' has the meaning given such term in section 104.

''(10) PARTICIPATING LOCAL JURISDICTION.—The term 'participating local jurisdiction' means, with respect to a fiscal year—

''(A) any unit of general local government (as such term is defined in section 104 (42 U.S.C. 12704) that qualifies as a participating jurisdiction under section 216 (42 U.S.C. 12746) for such fiscal year; and

''(B) at the option of such a consortium, any consortium of units of general local governments that is designated pursuant to section 216 (42 U.S.C. 12746) as a participating jurisdiction for purposes of title II.

''(11) POVERTY LINE.—The term 'poverty line' has the meaning given such term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section.

''(12) RECIPIENT.—The term 'recipient' means an entity that receives assistance from a grantee, pursuant to section 296(a), from Trust Fund grant amounts of the grantee.

''(13) RURAL AREA.—The term 'rural area' has the meaning given such term in section 520 of the Housing Act of 1949 (42 U.S.C. 1490).

''(14) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

''(15) STATE.—The term 'State' has the meaning given such term in section 104.

''(16) TRUST FUND.—The term 'Trust Fund' means the National Affordable Housing Trust Fund established under section 292.

''(17) TRUST FUND GRANT AMOUNTS.—The term 'Trust Fund grant amounts' means amounts from the Trust Fund that are provided to a grantee pursuant to subsection (e), (g), or (i) of section 294.

''SEC. 299A. INAPPLICABILITY OF HOME PROVISIONS.

''Except as specifically provided otherwise in this subtitle, no requirement under, or provision of, title I or subtitles A through F of this title shall apply to assistance provided under this subtitle.

''SEC. 299B. REGULATIONS.

''Not later than 6 months after the date of enactment of the National Affordable Housing Trust Fund Act of 2008, the Secretary of Housing and Urban Development shall promulgate regulations to carry out this subtitle, which shall include regulations establishing the affordable housing needs formula in accordance with section 294(a).

''SEC. 299C. BENEFITS.

''Nothing in this subtitle allows any payments under this subtitle for any individual or head of household that is not a legal resident.''.

(b) CONFORMING AMENDMENT.—Section 201 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 note) is amended by striking ''This title'' and inserting ''Subtitles A through F of this title''.

SA 4404. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

Beginning on page 68, strike line 22 and all that follows through line 4 on page 69 and and insert the following:

''(A) IN GENERAL.—Notwithstanding the requirements of subsection (i)(1), the proceeds of a qualified mortgage issue may be used to refinance a mortgage which—

''(i) was originally financed by the mortgagor through a qualified subprime loan, or

''(ii) is a mortgage on a residence—

''(I) located in the Gulf Opportunity Zone (as defined in section 1400M(1)) and damaged or rendered uninhabitable by reason of Hurricane Katrina,

''(II) located in the Rita GO Zone (as defined in section 1400M(3)) and damaged or rendered uninhabitable by reason of Hurricane Rita, or

''(III) located in the Wilma GO Zone (as defined in section 1400M(5)) and damaged or rendered uninhabitable by reason of Hurricane Wilma.

On page 72, between lines 10 and 11, insert the following:

(c) WAIVER OF 3-YEAR REQUIREMENT FOR HOMES DAMAGED BY HURRICANES KATRINA, RITA, AND WILMA.—Paragraph (2) of section 143(d) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of subparagraph (C), by inserting ''and'' at the end of subparagraph (D), and by inserting after subparagraph (D) the following new subparagraph:

''(E) in the case of bonds issued after the date of the enactment of this subparagraph and before January 1, 2011, financing with respect to the purchase of any residence—

''(i) located in the Gulf Opportunity Zone (as defined in section 1400M(1)) and damaged or rendered uninhabitable by reason of Hurricane Katrina,

''(ii) located in the Rita GO Zone (as defined in section 1400M(3)) and damaged or rendered uninhabitable by reason of Hurricane Rita, or

''(iii) located in the Wilma GO Zone (as defined in section 1400M(5)) and damaged or rendered uninhabitable by reason of Hurricane Wilma,''.

On page 72, line 11, strike ''(c)'' and insert ''(d)''.

On page 73, line 19, strike ''(d)'' and insert ''(e)''.

SA 4405. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

On page 52, line 4, strike ''; and'' and insert a semicolon.

On page 52, line 7, strike the period and insert ''; and''.

On page 52, between lines 7 and 8, insert the following:

(D) the number and percentage of homes damaged or rendered uninhabitable as a result of Hurricanes Katrina, Rita, and Wilma in each State or unit of general local government.

SA 4406. Mr. VOINOVICH (for himself, Ms. STABENOW, Mr. HATCH, Mr. ROCKEFELLER, Mr. SMITH, Ms. CANTWELL, Mr. VITTER, and Mr. LEVIN) submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end of title VI, insert the following:

SEC. _____. ELECTION TO ACCELERATE AMT AND R AND D CREDITS IN LIEU OF BONUS DEPRECIATION.

(a) IN GENERAL.—Section 168(k), as amended by this Act, is amended by adding at the end the following new paragraph:

''(5) ELECTION TO ACCELERATE AMT AND R AND D CREDITS IN LIEU OF BONUS DEPRECIATION.—

''(A) IN GENERAL.—If a corporation which is an eligible taxpayer (within the meaning of paragraph (4)) for purposes of this subsection elects to have this paragraph apply—

''(i) no additional depreciation shall be allowed under paragraph (1) for any qualified property placed in service during any taxable year to which paragraph (1) would otherwise apply, and

''(ii) the limitations described in subparagraph (B) for such taxable year shall be increased by an aggregate amount not in excess of the bonus depreciation amount for such taxable year.

''(B) LIMITATIONS TO BE INCREASED.—The limitations described in this subparagraph are—

''(i) the limitation under section 38(c), and

''(ii) the limitation under section 53(c).

''(C) BONUS DEPRECIATION AMOUNT.—For purposes of this paragraph—

''(i) IN GENERAL.—The bonus depreciation amount for any applicable taxable year is an amount equal to the product of 20 percent and the excess (if any) of—

''(I) the aggregate amount of depreciation which would be determined under this section for the taxable year if no election under this paragraph were made and if this subsection applied only to eligible qualified property, over

''(II) the aggregate amount of depreciation allowable under this section for the taxable year.

''(ii) ELIGIBLE QUALIFIED PROPERTY.—For purposes of clause (i), the term 'eligible qualified property' means qualified property under paragraph (2), except that in applying paragraph (2) for purposes of this clause—

''(I) 'March 31, 2008' shall be substituted for 'December 31, 2007' each place it appears in subparagraph (A) and clauses (i) and (ii) of subparagraph (E) thereof,

''(II) only adjusted basis attributable to manufacture, construction, or production after March 31, 2008, and before January 1, 2009, shall be taken into account under subparagraph (B)(ii) thereof, and

''(III) in the case of property which is a passenger aircraft, the written binding contract limitation under subparagraph (A)(iii)(I) thereof shall not apply.

''(iii) MAXIMUM AMOUNT.—The bonus depreciation amount for any applicable taxable year shall not exceed the applicable limitation under clause (iv), reduced (but not below zero) by the bonus depreciation amount for any preceding taxable year.

''(iv) APPLICABLE LIMITATION.—For purposes of clause (iii), the term 'applicable limitation' means, with respect to any eligible taxpayer, the lesser of—

''(I) $50,000,000, or

''(II) 50 percent of the sum of the amounts determined with respect to the eligible taxpayer under clauses (ii) and (iii) of subparagraph (D).

''(v) AGGREGATION RULE.—All corporations which are treated as a single employer under section 52(a) shall be treated as 1 taxpayer for purposes of applying the limitation under this subparagraph and determining the applicable limitation under clause (iv).

''(D) ALLOCATION OF BONUS DEPRECIATION AMOUNTS.—

''(i) IN GENERAL.—Subject to clauses (ii) and (iii), the taxpayer shall, at such time and in such manner as the Secretary may prescribe, specify the portion (if any) of the bonus depreciation amount which is to be allocated to each of the limitations described in subparagraph (B).

''(ii) BUSINESS CREDIT LIMITATION.—The portion of the bonus depreciation amount allocated to the limitation described in subparagraph (B)(i) shall not exceed an amount equal to the portion of the credit allowable under section 38 for the taxable year which is allocable to business credit carryforwards to such taxable year which are—

''(I) from taxable years beginning before January 1, 2006, and

''(II) properly allocable (determined under the rules of section 38(d)) to the research credit determined under section 41(a).

''(iii) ALTERNATIVE MINIMUM TAX CREDIT LIMITATION.—The portion of the bonus depreciation amount allocated to the limitation described in subparagraph (B)(ii) shall not exceed an amount equal to the portion of the minimum tax credit allowable under section 53 for the taxable year which is allocable to the adjusted minimum tax imposed for taxable years beginning before January 1, 2006.

''(E) CREDIT REFUNDABLE.—Any aggregate increases in the credits allowed under section 38 or 53 by reason of this paragraph shall, for purposes of this title, be treated as a credit allowed to the taxpayer under subpart C of part IV of subchapter A.

''(F) OTHER RULES.—

''(i) ELECTION.—Any election under this paragraph (including any allocation under subparagraph (D)) may be revoked only with the consent of the Secretary.

''(ii) DEDUCTION ALLOWED IN COMPUTING MINIMUM TAX.—Notwithstanding this paragraph, paragraph (2)(G) shall apply with respect to the deduction computed under this section (after application of this paragraph) with respect to property placed in service during any applicable taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2007, in taxable years ending after such date.

SA 4407. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end add the following:

TITLE __—PRINCIPAL RESIDENCE GAIN EXCLUSION

SEC. __01. INFLATION ADJUSTMENT FOR PRINCIPAL RESIDENCE GAIN EXCLUSION DOLLAR LIMITATION.

(a) IN GENERAL.—Section 121(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—In the case of any calendar year after 2008, the dollar amount contained in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $1,000.''.

(b) CONFORMING AMENDMENT.—So much of subparagraph (A) of section 121(b)(2) of the Internal Revenue Code of 1986 as precedes clause (i) thereof is amended to read as follows:

''(A) LIMITATION FOR CERTAIN JOINT RETURNS.—Paragraph (1) shall be applied by doubling the dollar amount specified in such paragraph if—''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2008.

SA 4408. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ——. LEGAL SAFE HARBOR FOR ENTERING INTO CERTAIN LOAN MODIFICATIONS OR WORKOUT PLANS.

Section 6 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2605) is amended—

(1) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(2) by inserting after subsection (h) the following:

''(i) Duty of Servicers Regarding Certain Loan Modifications or Workout Plans.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, absent specific contractual provisions to the contrary, a servicer of pooled qualified residential mortgages—

''(A) owes any duty to determine if the net present value of the payments on the loan as modified is likely to be greater than the anticipated net recovery that would result from foreclosure to all investors and parties having a direct or indirect interest in the pooled loans or securitization vehicle, but not to any individual party or group of parties; and

''(B) acts in the best interests of all such investors and parties, if the servicer agrees to or implements a qualified loan modification or workout plan for a qualified residential mortgage, or if, and only if, such efforts are unsuccessful or infeasible, takes other reasonable loss mitigation actions, including accepting partial payments or short sale of the property; and

''(C) if the servicer acts in a manner consistent with the duty set forth in subparagraphs (A) and (B), shall not be liable under any law or regulation of the United States, any State or any political subdivision of any State, for entering into a qualified loan modification or workout plan in any action filed by or on behalf of any person—

''(i) based on the person's ownership of any interest in a residential mortgage, a pool of residential mortgage loans, or a securitization vehicle, that distributes payments out of the principal, interest, or other payment on loans in the pool;

''(ii) based on the person's obligation to make payments determined in reference to any loan or interest referred to in clause (i); or

''(iii) based on the person's obligation to insure any loan or any interest referred to in clause (i).

''(2) DEFINITIONS.—As used in this subsection—

''(A) the term 'qualified loan modification or workout plan' means a contract, modification, or plan relating to a qualified residential mortgage loan consummated after January 1, 2004, with respect to which—

''(i) payment default on the loan or loans has occurred, is imminent, or is reasonably foreseeable;

''(ii) the dwelling securing the loan or loans is the primary residence of the owner;

''(iii) the servicer reasonably believes that the anticipated recovery under the loan modification or workout plan will exceed the anticipated recovery through foreclosure, on a net present value basis;

''(iv) the effective period runs for at least 5 years from the date of adoption of the plan, or until the borrower sells or refinances the property, if that occurs earlier; and

''(v) the borrower is not required to pay additional fees to the servicer;

''(B) the term 'qualified residential mortgage' means a consumer credit transaction

or loan that is secured by the consumer's principal dwelling;

''(C) the term 'securitization vehicle' means a trust, corporation, partnership, limited liability entity, special purpose entity, or other structure that is the issuer, or is created by the issuer, of mortgage pass-through certificates, participation certificates, mortgage-backed securities, or other similar securities backed by a pool of assets that includes residential mortgage loans.; and''

(D) the term ''servicer'' includes the entities listed in subsection (i)(2)(A) and (B) of RESPA (12 U.S.C. sections 2605(i)(2)(A) and (B)).

Effective Period—this section shall apply only with respect to qualified loan modifications or workout plans initiated during the 6 month period beginning on the date of enactment of this section.

SA 4409. Mrs. MCCASKILL submitted an amendment intended to be proposed by her to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end of the bill, insert the following:

TITLE VIII—REVERSE MORTGAGE PROTECTION PROCEEDS ACT

SEC. 801. SHORT TITLE.

This title may be cited as the ''Reverse Mortgage Proceeds Protection Act''.

SEC. 802. PROHIBITION ON REQUIRED PURCHASE OF AN ANNUITY.

Section 255 of the National Housing Act of 1937 (12 U.S.C. 1715z–20) is amended—

(1) by amending subsection (d)(1) to read as follows:

''(1) have been originated by a mortgagee approved by the Secretary;'';

(2) by amending subsection (d)(2)(B) to read as follows:

''(B) has received adequate counseling, as provided in subsection (f), by an independent third party that is not, either directly or indirectly, associated with or compensated by a party involved in-

''(i) originating or servicing the mortgage;

''(ii) funding the loan underlying the mortgage; or

''(iii) the sale of annuities, investments, long-term care insurance, or any other type of financial or insurance product;'';

(3) in subsection (f)—

(A) by striking ''(f) INFORMATION SERVICES FOR MORTGAGORS.—'' and inserting ''(f) COUNSELING SERVICES AND INFORMATION FOR MORTGAGORS.—''; and

(B) by amending the matter preceding paragraph (1) to read as follows: ''The Secretary shall provide or cause to be provided adequate counseling for the mortgagor, as described in subsection (d)(2)(B). Such counseling shall be provided by counselors that meet qualification standards and follow uniform counseling protocols. The qualification standards and counseling protocols shall be established by the Secretary within 12 months of the date of enactment of the Reverse Mortgage Proceeds Protection Act. The protocols shall require a qualified counselor to discuss with each mortgagor information which shall include—''

(4) striking subsection (l);

(5) redesignating subsection (m) as subsection (l);

(6) amending subsection (l), as so redesignated, to read as follows:

''(l) FUNDING FOR COUNSELING.—The Secretary shall use a portion of the mortgage insurance premiums collected under the program under this section to adequately fund the counseling and disclosure activities required under subsection (f), including counseling for those homeowners who elect not to take out a home equity conversion mortgage.''; and

(7) adding at the end the following:

''(m) REQUIREMENTS ON MORTGAGE ORIGINATORS.—

''(1) IN GENERAL.—The mortgagee and any other party that participates in the origination of a mortgage to be insured under this section shall—

''(A) not participate in, be associated with, or employ any party that participates in or is associated with any other financial or insurance activity; or

''(B) demonstrate to the Secretary that the mortgagee or other party maintains, or will maintain, firewalls and other safeguards designed to ensure that—

''(i) individuals participating in the origination of the mortgage shall have no involvement with, or incentive to provide the mortgagor with, any other financial or insurance product; and

''(ii) the mortgagor shall not be required, directly or indirectly, as a condition of obtaining a mortgage under this section, to purchase any other financial or insurance product.

''(2) APPROVAL OF OTHER PARTIES.—All parties that participate in the origination of a mortgage to be insured under this section shall be approved by the Secretary.

''(n) PROHIBITION AGAINST REQUIREMENTS TO PURCHASE ADDITIONAL PRODUCTS.—The mortgagee or any other party shall not be required by the mortgagor or any other party to purchase an insurance, annuity, or other additional product as a requirement or condition of eligibility for a mortgage authorized under subsection (c).

''(o) REGULATIONS TO PROTECT ELDERLY HOMEOWNERS.—Not later than 12 months after the date of enactment of the Reverse Mortgage Proceeds Protection Act, the Secretary shall, in consultation with other relevant Federal departments and agencies, promulgate regulations to help protect elderly homeowners from the marketing of financial and insurance products not in the interest of such homeowners, including the marketing or sale of an annuity or investment associated with obtaining, or as a condition of obtaining, any home equity conversion mortgage.

''(p) STUDY TO DETERMINE CONSUMER PROTECTIONS AND UNDERWRITING STANDARDS.—The Secretary shall conduct a study to examine and determine appropriate consumer protections and underwriting standards to ensure that the purchase of products referred to in subsection (n) is appropriate for the consumer. In conducting such study, the Secretary shall consult with consumer advocates (including recognized experts in consumer protection), industry representatives, representatives of counseling organizations, and other interested parties.''.

SA 4410. Mrs. FEINSTEIN (for herself, Mr. MARTINEZ, Mrs. BOXER, Mr. OBAMA, Mr. SALAZAR, Mrs. DOLE, Mr. DURBIN, and Mrs. CLINTON) submitted an amendment intended to be proposed by her to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE VII—S.A.F.E. MORTGAGE LICENSING ACT

SEC. 701. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the ''Secure and Fair Enforcement for Mortgage Licensing Act of 2008'' or ''S.A.F.E. Mortgage Licensing Act of 2008''.

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

SEC. 702. PURPOSES AND METHODS FOR ESTABLISHING A MORTGAGE LICENSING SYSTEM AND REGISTRY.

In order to increase uniformity, reduce regulatory burden, enhance consumer protection, and reduce fraud, the States, through the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, are hereby encouraged to establish a Nationwide Mortgage Licensing System and Registry for the residential mortgage industry that accomplishes all of the following objectives:

(1) Provides uniform license applications and reporting requirements for State-licensed loan originators.

(2) Provides a comprehensive licensing and supervisory database.

(3) Aggregates and improves the flow of information to and between regulators.

(4) Provides increased accountability and tracking of loan originators.

(5) Streamlines the licensing process and reduces the regulatory burden.

(6) Enhances consumer protections and supports anti-fraud measures.

(7) Provides consumers with easily accessible information, offered at no charge, utilizing electronic media, including the Internet, regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against, loan originators.

(8) Establishes a means by which residential mortgage loan originators would be required to act in the best interests of the consumer, to the greatest extent possible.

SEC. 703. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) FEDERAL BANKING AGENCIES.—The term ''Federal banking agencies'' means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the National Credit Union Administration, and the Federal Deposit Insurance Corporation.

(2) DEPOSITORY INSTITUTION.—The term ''depository institution'' has the same meaning as in section 3 of the Federal Deposit Insurance Act, and includes any credit union.

(3) LOAN ORIGINATOR.—

(A) IN GENERAL.—The term ''loan originator''—

(i) means an individual who—

(I) takes a residential mortgage loan application;

(II) assists a consumer in obtaining or applying to obtain a residential mortgage loan; or

(III) offers or negotiates terms of a residential mortgage loan, for direct or indirect compensation or gain, or in the expectation of direct or indirect compensation or gain;

(ii) includes any individual who represents to the public, through advertising or other means of communicating or providing information (including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items), that such individual can or will provide or perform any of the activities described in clause (i);

(iii) does not include any individual who is not otherwise described in clause (i) or (ii) and who performs purely administrative or clerical tasks on behalf of a person who is described in any such clause; and

(iv) does not include a person or entity that only performs real estate brokerage activities and is licensed or registered in accordance with applicable State law, unless the person or entity is compensated by a lender, a mortgage broker, or other loan originator or by any agent of such lender, mortgage broker, or other loan originator.

(B) OTHER DEFINITIONS RELATING TO LOAN ORIGINATOR.—For purposes of this subsection, an individual ''assists a consumer in obtaining or applying to obtain a residential mortgage loan'' by, among other things, advising on loan terms (including rates, fees, other costs), preparing loan packages, or collecting information on behalf of the consumer with regard to a residential mortgage loan.

(C) ADMINISTRATIVE OR CLERICAL TASKS.—The term ''administrative or clerical tasks'' means the receipt, collection, and distribution of information common for the processing or underwriting of a loan in the mortgage industry and communication with a consumer to obtain information necessary for the processing or underwriting of a residential mortgage loan.

(D) REAL ESTATE BROKERAGE ACTIVITY DEFINED.—The term ''real estate brokerage activity'' means any activity that involves offering or providing real estate brokerage services to the public, including—

(i) acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property;

(ii) listing or advertising real property for sale, purchase, lease, rental, or exchange;

(iii) providing advice in connection with sale, purchase, lease, rental, or exchange of real property;

(iv) bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property;

(v) negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property (other than in connection with providing financing with respect to any such transaction);

(vi) engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; and

(vii) offering to engage in any activity, or act in any capacity, described in clause (i), (ii), (iii), (iv), (v), or (vi).

(4) LOAN PROCESSOR OR UNDERWRITER.—

(A) IN GENERAL.—The term ''loan processor or underwriter'' means an individual who performs clerical or support duties at the direction of and subject to the supervision and instruction of—

(i) a State-licensed loan originator; or

(ii) a registered loan originator.

(B) CLERICAL OR SUPPORT DUTIES.—For purposes of subparagraph (A), the term ''clerical or support duties'' may include—

(i) the receipt, collection, distribution, and analysis of information common for the processing or underwriting of a residential mortgage loan; and

(ii) communicating with a consumer to obtain the information necessary for the processing or underwriting of a loan, to the extent that such communication does not include offering or negotiating loan rates or terms, or counseling consumers about residential mortgage loan rates or terms.

(5) NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY.—The term ''Nationwide Mortgage Licensing System and Registry'' means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the State licensing and registration of State-licensed loan originators and the registration of registered loan originators or any system established by the Secretary under section 709.

(6) REGISTERED LOAN ORIGINATOR.—The term ''registered loan originator'' means any individual who—

(A) meets the definition of loan originator and is an employee of a depository institution or a wholly-owned subsidiary of a depository institution; and

(B) is registered with, and maintains a unique identifier through, the Nationwide Mortgage Licensing System and Registry.

(7) RESIDENTIAL MORTGAGE LOAN.—The term ''residential mortgage loan'' means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling (as defined in section 103(v) of the Truth in Lending Act) or residential real estate upon which is constructed or intended to be constructed a dwelling (as so defined).

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(9) STATE-LICENSED LOAN ORIGINATOR.—The term ''State-licensed loan originator'' means any individual who—

(A) is a loan originator;

(B) is not an employee of a depository institution or any wholly-owned subsidiary of a depository institution; and

(C) is licensed by a State or by the Secretary under section 708 and registered as a loan originator with, and maintains a unique identifier through, the Nationwide Mortgage Licensing System and Registry.

(10) SUBPRIME MORTGAGE.—The term ''subprime mortgage'' means a residential mortgage loan—

(A) that is secured by real property that is used or intended to be used as a principal dwelling;

(B) that is typically offered to borrowers having weakened credit histories and reduced repayment capacity, as measured by lower credit scores, debt-to-income ratios, and other relevant criteria; and

(C) the characteristics of which may include—

(i) low initial payments based on a fixed introductory rate that expires after a short period and then adjusts to a variable index rate plus a margin for the remaining term of the loan;

(ii) very high or no limits on how much the payment amount or the interest rate may increase (referred to as ''payment caps'' or ''rate caps'') on reset dates;

(iii) limited or no documentation of the income of the borrower;

(iv) product features likely to result in frequent refinancing to maintain an affordable monthly payment; and

(v) substantial prepayment penalties or prepayment penalties that extend beyond the initial fixed interest rate period.

(11) UNIQUE IDENTIFIER.—The term ''unique identifier'' means a number or other identifier that—

(A) permanently identifies a loan originator; and

(B) is assigned by protocols established by the Nationwide Mortgage Licensing System and Registry and the Federal banking agencies to facilitate electronic tracking of loan originators and uniform identification of, and public access to, the employment history of and the publicly adjudicated disciplinary and enforcement actions against loan originators.

SEC. 704. LICENSE OR REGISTRATION REQUIRED.

(a) IN GENERAL.—An individual may not engage in the business of a loan originator without first—

(1) obtaining and maintaining, through an annual renewal—

(A) a registration as a registered loan originator; or

(B) a license and registration as a State-licensed loan originator; and

(2) obtaining a unique identifier.

(b) LOAN PROCESSORS AND UNDERWRITERS.—

(1) SUPERVISED LOAN PROCESSORS AND UNDERWRITERS.—A loan processor or underwriter who does not represent to the public, through advertising or other means of communicating or providing information (including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items), that such individual can or will perform any of the activities of a loan originator shall not be required to be a State-licensed loan originator or a registered loan originator.

(2) INDEPENDENT CONTRACTORS.—A loan processor or underwriter may not work as an independent contractor unless such processor or underwriter is a State-licensed loan originator or a registered loan originator.

SEC. 705. STATE LICENSE AND REGISTRATION APPLICATION AND ISSUANCE.

(a) BACKGROUND CHECKS.—In connection with an application to any State for licensing and registration as a State-licensed loan originator, the applicant shall, at a minimum, furnish to the Nationwide Mortgage Licensing System and Registry information concerning the applicant's identity, including—

(1) fingerprints for submission to the Federal Bureau of Investigation, and any governmental agency or entity authorized to receive such information for a State and national criminal history background check; and

(2) personal history and experience, including authorization for the System to obtain—

(A) an independent credit report obtained from a consumer reporting agency described in section 603(p) of the Fair Credit Reporting Act; and

(B) information related to any administrative, civil or criminal findings by any governmental jurisdiction.

(b) ISSUANCE OF LICENSE.—The minimum standards for licensing and registration as a State-licensed loan originator shall include the following:

(1) The applicant has never had a loan originator or similar license revoked in any governmental jurisdiction.

(2) The applicant has never been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court.

(3) The applicant has demonstrated financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a determination that the loan originator will operate honestly, fairly, and efficiently within the purposes of this title.

(4) The applicant has completed the pre-licensing education requirement described in subsection (c).

(5) The applicant has passed a written test that meets the test requirement described in subsection (d).

(6) The applicant has met a minimum net worth requirement.

(c) PRE-LICENSING EDUCATION OF LOAN ORIGINATORS.—

(1) MINIMUM EDUCATIONAL REQUIREMENTS.—In order to meet the pre-licensing education requirement referred to in subsection (b)(4), a person shall complete at least 20 hours of education approved in accordance with paragraph (2), which shall include at least—

(A) 3 hours of Federal law and regulations;

(B) 3 hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues; and

(C) 2 hours of training related to lending standards for the subprime mortgage marketplace.

(2) APPROVED EDUCATIONAL COURSES.—For purposes of paragraph (1), pre-licensing education courses shall be reviewed, and approved by the Nationwide Mortgage Licensing System and Registry.

(3) LIMITATION AND STANDARDS.—

(A) LIMITATION.—To maintain the independence of the approval process, the Nationwide Mortgage Licensing System and Registry shall not directly or indirectly offer pre-licensure educational courses for loan originators.

(B) STANDARDS.—In approving courses under this section, the Nationwide Mortgage Licensing System and Registry shall apply reasonable standards in the review and approval of courses.

(d) TESTING OF LOAN ORIGINATORS.—

(1) IN GENERAL.—In order to meet the written test requirement referred to in subsection (b)(5), an individual shall pass, in accordance with the standards established under this subsection, a qualified written test developed by the Nationwide Mortgage Licensing System and Registry and administered by an approved test provider.

(2) QUALIFIED TEST.—A written test shall not be treated as a qualified written test for purposes of paragraph (1) unless—

(A) the test consists of a minimum of 100 questions; and

(B) the test adequately measures the applicant's knowledge and comprehension in appropriate subject areas, including—

(i) ethics;

(ii) Federal law and regulation pertaining to mortgage origination;

(iii) State law and regulation pertaining to mortgage origination; and

(iv) Federal and State law and regulation, including instruction on fraud, consumer protection, subprime mortgage marketplace, and fair lending issues.

(3) MINIMUM COMPETENCE.—

(A) PASSING SCORE.—An individual shall not be considered to have passed a qualified written test unless the individual achieves a test score of not less than 75 percent correct answers to questions.

(B) INITIAL RETESTS.—An individual may retake a test 3 consecutive times with each consecutive taking occurring in less than 14 days after the preceding test.

(C) SUBSEQUENT RETESTS.—After 3 consecutive tests, an individual shall wait at least 14 days before taking the test again.

(D) RETEST AFTER LAPSE OF LICENSE.—A State-licensed loan originator who fails to maintain a valid license for a period of 5 years or longer shall retake the test, not taking into account any time during which such individual is a registered loan originator.

(e) MORTGAGE CALL REPORTS.—Each mortgage licensee shall submit to the Nationwide Mortgage Licensing System and Registry reports of condition, which shall be in such form and shall contain such information as the Nationwide Mortgage Licensing System and Registry may require.

SEC. 706. STANDARDS FOR STATE LICENSE RENEWAL.

(a) IN GENERAL.—The minimum standards for license renewal for State-licensed loan originators shall include the following:

(1) The loan originator continues to meet the minimum standards for license issuance.

(2) The loan originator has satisfied the annual continuing education requirements described in subsection (b).

(b) CONTINUING EDUCATION FOR STATE-LICENSED LOAN ORIGINATORS.—

(1) IN GENERAL.—In order to meet the annual continuing education requirements referred to in subsection (a)(2), a State-licensed loan originator shall complete at least 8 hours of education approved in accordance with paragraph (2), which shall include at least—

(A) 3 hours of Federal law and regulations;

(B) 2 hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues; and

(C) 2 hours of training related to lending standards for the subprime mortgage marketplace.

(2) APPROVED EDUCATIONAL COURSES.—For purposes of paragraph (1), continuing education courses shall be reviewed, and approved by the Nationwide Mortgage Licensing System and Registry.

(3) CALCULATION OF CONTINUING EDUCATION CREDITS.—A State-licensed loan originator—

(A) may only receive credit for a continuing education course in the year in which the course is taken; and

(B) may not take the same approved course in the same or successive years to meet the annual requirements for continuing education.

(4) INSTRUCTOR CREDIT.—A State-licensed loan originator who is approved as an instructor of an approved continuing education course may receive credit for the originator's own annual continuing education requirement at the rate of 2 hours credit for every 1 hour taught.

(5) LIMITATION AND STANDARDS.—

(A) LIMITATION.—To maintain the independence of the approval process, the Nationwide Mortgage Licensing System and Registry shall not directly or indirectly offer any continuing education courses for loan originators.

(B) STANDARDS.—In approving courses under this section, the Nationwide Mortgage Licensing System and Registry shall apply reasonable standards in the review and approval of courses.

SEC. 707. SYSTEM OF REGISTRATION ADMINISTRATION BY FEDERAL BANKING AGENCIES.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Federal banking agencies shall jointly, through the Federal Financial Institutions Examination Council, develop and maintain a system for registering employees of depository institutions or subsidiaries of depository institutions as registered loan originators with the Nationwide Mortgage Licensing System and Registry. The system shall be implemented before the end of the 1-year period beginning on the date of the enactment of this title.

(2) REGISTRATION REQUIREMENTS.—In connection with the registration of any loan originator who is an employee of a depository institution or a wholly-owned subsidiary of a depository institution with the Nationwide Mortgage Licensing System and Registry, the appropriate Federal banking agency shall, at a minimum, furnish or cause to be furnished to the Nationwide Mortgage Licensing System and Registry information concerning the employees's identity, including—

(A) fingerprints for submission to the Federal Bureau of Investigation, and any governmental agency or entity authorized to receive such information for a State and national criminal history background check; and

(B) personal history and experience, including authorization for the Nationwide Mortgage Licensing System and Registry to obtain information related to any administrative, civil or criminal findings by any governmental jurisdiction.

(b) COORDINATION.—

(1) UNIQUE IDENTIFIER.—The Federal banking agencies, through the Financial Institutions Examination Council, shall coordinate with the Nationwide Mortgage Licensing System and Registry to establish protocols for assigning a unique identifier to each registered loan originator that will facilitate electronic tracking and uniform identification of, and public access to, the employment history of and publicly adjudicated disciplinary and enforcement actions against loan originators.

(2) NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY DEVELOPMENT.—To facilitate the transfer of information required by subsection (a)(2), the Nationwide Mortgage Licensing System and Registry shall coordinate with the Federal banking agencies, through the Financial Institutions Examination Council, concerning the development and operation, by such System and Registry, of the registration functionality and data requirements for loan originators.

(c) CONSIDERATION OF FACTORS AND PROCEDURES.—In establishing the registration procedures under subsection (a) and the protocols for assigning a unique identifier to a registered loan originator, the Federal banking agencies shall make such de minimis exceptions as may be appropriate to paragraphs (1)(A) and (2) of section 704(a), shall make reasonable efforts to utilize existing information to minimize the burden of registering loan originators, and shall consider methods for automating the process to the greatest extent practicable consistent with the purposes of this title.

SEC. 708. SECRETARY OF HOUSING AND URBAN DEVELOPMENT BACKUP AUTHORITY TO ESTABLISH A LOAN ORIGINATOR LICENSING SYSTEM.

(a) BACK UP LICENSING SYSTEM.—If, by the end of the 1-year period, or the 2-year period in the case of a State whose legislature meets only biennially, beginning on the date of the enactment of this title or at any time thereafter, the Secretary determines that a State does not have in place by law or regulation a system for licensing and registering

loan originators that meets the requirements of sections 705 and 706 and subsection (d) of this section, or does not participate in the Nationwide Mortgage Licensing System and Registry, the Secretary shall provide for the establishment and maintenance of a system for the licensing and registration by the Secretary of loan originators operating in such State as State-licensed loan originators.

(b) LICENSING AND REGISTRATION REQUIREMENTS.—The system established by the Secretary under subsection (a) for any State shall meet the requirements of sections 705 and 706 for State-licensed loan originators.

(c) UNIQUE IDENTIFIER.—The Secretary shall coordinate with the Nationwide Mortgage Licensing System and Registry to establish protocols for assigning a unique identifier to each loan originator licensed by the Secretary as a State-licensed loan originator that will facilitate electronic tracking and uniform identification of, and public access to, the employment history of and the publicly adjudicated disciplinary and enforcement actions against loan originators.

(d) STATE LICENSING LAW REQUIREMENTS.—For purposes of this section, the law in effect in a State meets the requirements of this subsection if the Secretary determines the law satisfies the following minimum requirements:

(1) A State loan originator supervisory authority is maintained to provide effective supervision and enforcement of such law, including the suspension, termination, or nonrenewal of a license for a violation of State or Federal law.

(2) The State loan originator supervisory authority ensures that all State-licensed loan originators operating in the State are registered with Nationwide Mortgage Licensing System and Registry.

(3) The State loan originator supervisory authority is required to regularly report violations of such law, as well as enforcement actions and other relevant information, to the Nationwide Mortgage Licensing System and Registry.

(e) TEMPORARY EXTENSION OF PERIOD.—The Secretary may extend, by not more than 12 months, the 1-year or 2-year period, as the case may be, referred to in subsection (a) for the licensing of loan originators in any State under a State licensing law that meets the requirements of sections 705 and 706 and subsection (d) if the Secretary determines that such State is making a good faith effort to establish a State licensing law that meets such requirements, license mortgage originators under such law, and register such originators with the Nationwide Mortgage Licensing System and Registry.

(f) LIMITATION ON HUD-LICENSED LOAN ORIGINATORS.—Any loan originator who is licensed by the Secretary under a system established under this section for any State may not use such license to originate loans in any other State.

(g) CONTRACTING AUTHORITY.—The Secretary may enter into contracts with qualified independent parties, as necessary to efficiently fulfill the obligations of the Secretary under this Section.

SEC. 709. BACKUP AUTHORITY TO ESTABLISH A NATIONWIDE MORTGAGE LICENSING AND REGISTRY SYSTEM.

If at any time the Secretary determines that the Nationwide Mortgage Licensing System and Registry is failing to meet the requirements and purposes of this title for a comprehensive licensing, supervisory, and tracking system for loan originators, the Secretary shall establish and maintain such a system to carry out the purposes of this title and the effective registration and regulation of loan originators.

SEC. 710. FEES.

The Federal banking agencies, the Secretary, and the Nationwide Mortgage Licensing System and Registry may charge reasonable fees to cover the costs of maintaining and providing access to information from the Nationwide Mortgage Licensing System and Registry, to the extent that such fees are not charged to consumers for access to such system and registry.

SEC. 711. BACKGROUND CHECKS OF LOAN ORIGINATORS.

(a) ACCESS TO RECORDS.—Notwithstanding any other provision of law, in providing identification and processing functions, the Attorney General shall provide access to all criminal history information to the appropriate State officials responsible for regulating State-licensed loan originators to the extent criminal history background checks are required under the laws of the State for the licensing of such loan originators.

(b) AGENT.—For the purposes of this section and in order to reduce the points of contact which the Federal Bureau of Investigation may have to maintain for purposes of subsection (a), the Conference of State Bank Supervisors or a wholly owned subsidiary may be used as a channeling agent of the States for requesting and distributing information between the Department of Justice and the appropriate State agencies.

SEC. 712. CONFIDENTIALITY OF INFORMATION.

(a) SYSTEM CONFIDENTIALITY.—Except as otherwise provided in this section, any requirement under Federal or State law regarding the privacy or confidentiality of any information or material provided to the Nationwide Mortgage Licensing System and Registry or a system established by the Secretary under section 709, and any privilege arising under Federal or State law (including the rules of any Federal or State court) with respect to such information or material, shall continue to apply to such information or material after the information or material has been disclosed to the system. Such information and material may be shared with all State and Federal regulatory officials with mortgage industry oversight authority without the loss of privilege or the loss of confidentiality protections provided by Federal and State laws.

(b) NONAPPLICABILITY OF CERTAIN REQUIREMENTS.—Information or material that is subject to a privilege or confidentiality under subsection (a) shall not be subject to—

(1) disclosure under any Federal or State law governing the disclosure to the public of information held by an officer or an agency of the Federal Government or the respective State; or

(2) subpoena or discovery, or admission into evidence, in any private civil action or administrative process, unless with respect to any privilege held by the Nationwide Mortgage Licensing System and Registry or the Secretary with respect to such information or material, the person to whom such information or material pertains waives, in whole or in part, in the discretion of such person, that privilege.

(c) COORDINATION WITH OTHER LAW.—Any State law, including any State open record law, relating to the disclosure of confidential supervisory information or any information or material described in subsection (a) that is inconsistent with subsection (a) shall be superseded by the requirements of such provision to the extent State law provides less confidentiality or a weaker privilege.

(d) PUBLIC ACCESS TO INFORMATION.—This section shall not apply with respect to the information or material relating to the employment history of, and publicly adjudicated disciplinary and enforcement actions against, loan originators that is included in Nationwide Mortgage Licensing System and Registry for access by the public.

SEC. 713. LIABILITY PROVISIONS.

The Secretary, any State official or agency, any Federal banking agency, or any organization serving as the administrator of the Nationwide Mortgage Licensing System and Registry or a system established by the Secretary under section 9, or any officer or employee of any such entity, shall not be subject to any civil action or proceeding for monetary damages by reason of the good-faith action or omission of any officer or employee of any such entity, while acting within the scope of office or employment, relating to the collection, furnishing, or dissemination of information concerning persons who are loan originators or are applying for licensing or registration as loan originators.

SEC. 714. ENFORCEMENT UNDER HUD BACKUP LICENSING SYSTEM.

(a) SUMMONS AUTHORITY.—The Secretary may—

(1) examine any books, papers, records, or other data of any loan originator operating in any State which is subject to a licensing system established by the Secretary under section 708; and

(2) summon any loan originator referred to in paragraph (1) or any person having possession, custody, or care of the reports and records relating to such loan originator, to appear before the Secretary or any delegate of the Secretary at a time and place named in the summons and to produce such books, papers, records, or other data, and to give testimony, under oath, as may be relevant or material to an investigation of such loan originator for compliance with the requirements of this title.

(b) EXAMINATION AUTHORITY.—

(1) IN GENERAL.—If the Secretary establishes a licensing system under section 708 for any State, the Secretary shall appoint examiners for the purposes of administering such section.

(2) POWER TO EXAMINE.—Any examiner appointed under paragraph (1) shall have power, on behalf of the Secretary, to make any examination of any loan originator operating in any State which is subject to a licensing system established by the Secretary under section 708 whenever the Secretary determines an examination of any loan originator is necessary to determine the compliance by the originator with this title.

(3) REPORT OF EXAMINATION.—Each examiner appointed under paragraph (1) shall make a full and detailed report of examination of any loan originator examined to the Secretary.

(4) ADMINISTRATION OF OATHS AND AFFIRMATIONS; EVIDENCE.—In connection with examinations of loan originators operating in any State which is subject to a licensing system established by the Secretary under section 708, or with other types of investigations to determine compliance with applicable law and regulations, the Secretary and examiners appointed by the Secretary may administer oaths and affirmations and examine and take and preserve testimony under oath as to any matter in respect to the affairs of any such loan originator.

(5) ASSESSMENTS.—The cost of conducting any examination of any loan originator operating in any State which is subject to a licensing system established by the Secretary under section 708 shall be assessed by the Secretary against the loan originator to meet the Secretary's expenses in carrying out such examination.

(c) CEASE AND DESIST PROCEEDING.—

(1) AUTHORITY OF SECRETARY.—If the Secretary finds, after notice and opportunity for hearing, that any person is violating, has violated, or is about to violate any provision

of this title, or any regulation thereunder, with respect to a State which is subject to a licensing system established by the Secretary under section 708, the Secretary may publish such findings and enter an order requiring such person, and any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation. Such order may, in addition to requiring a person to cease and desist from committing or causing a violation, require such person to comply, or to take steps to effect compliance, with such provision or regulation, upon such terms and conditions and within such time as the Secretary may specify in such order. Any such order may, as the Secretary deems appropriate, require future compliance or steps to effect future compliance, either permanently or for such period of time as the Secretary may specify, with such provision or regulation with respect to any loan originator.

(2) HEARING.—The notice instituting proceedings pursuant to paragraph (1) shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is set by the Secretary with the consent of any respondent so served.

(3) TEMPORARY ORDER.—Whenever the Secretary determines that the alleged violation or threatened violation specified in the notice instituting proceedings pursuant to paragraph (1), or the continuation thereof, is likely to result in significant dissipation or conversion of assets, significant harm to consumers, or substantial harm to the public interest prior to the completion of the proceedings, the Secretary may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to take such action to prevent the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to consumers, or substantial harm to the public interest as the Secretary deems appropriate pending completion of such proceedings. Such an order shall be entered only after notice and opportunity for a hearing, unless the Secretary determines that notice and hearing prior to entry would be impracticable or contrary to the public interest. A temporary order shall become effective upon service upon the respondent and, unless set aside, limited, or suspended by the Secretary or a court of competent jurisdiction, shall remain effective and enforceable pending the completion of the proceedings.

(4) REVIEW OF TEMPORARY ORDERS.—

(A) REVIEW BY SECRETARY.—At any time after the respondent has been served with a temporary cease-and-desist order pursuant to paragraph (3), the respondent may apply to the Secretary to have the order set aside, limited, or suspended. If the respondent has been served with a temporary cease-and-desist order entered without a prior hearing before the Secretary, the respondent may, within 10 days after the date on which the order was served, request a hearing on such application and the Secretary shall hold a hearing and render a decision on such application at the earliest possible time.

(B) JUDICIAL REVIEW.—Within—

(i) 10 days after the date the respondent was served with a temporary cease-and-desist order entered with a prior hearing before the Secretary; or

(ii) 10 days after the Secretary renders a decision on an application and hearing under paragraph (1), with respect to any temporary cease-and-desist order entered without a prior hearing before the Secretary, the respondent may apply to the United States district court for the district in which the respondent resides or has its principal place of business, or for the District of Columbia, for an order setting aside, limiting, or suspending the effectiveness or enforcement of the order, and the court shall have jurisdiction to enter such an order. A respondent served with a temporary cease-and-desist order entered without a prior hearing before the Secretary may not apply to the court except after hearing and decision by the Secretary on the respondent's application under subparagraph (A).

(C) NO AUTOMATIC STAY OF TEMPORARY ORDER.—The commencement of proceedings under subparagraph (B) shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order.

(5) AUTHORITY OF THE SECRETARY TO PROHIBIT PERSONS FROM SERVING AS LOAN ORIGINATORS.—In any cease-and-desist proceeding under paragraph (1), the Secretary may issue an order to prohibit, conditionally or unconditionally, and permanently or for such period of time as the Secretary shall determine, any person who has violated this title or regulations thereunder, from acting as a loan originator if the conduct of that person demonstrates unfitness to serve as a loan originator.

(d) AUTHORITY OF THE SECRETARY TO ASSESS MONEY PENALTIES.—

(1) IN GENERAL.—The Secretary may impose a civil penalty on a loan originator operating in any State which is subject to licensing system established by the Secretary under section 708, if the Secretary finds, on the record after notice and opportunity for hearing, that such loan originator has violated or failed to comply with any requirement of this title or any regulation prescribed by the Secretary under this title or order issued under subsection (c).

(2) MAXIMUM AMOUNT OF PENALTY.—The maximum amount of penalty for each act or omission described in paragraph (1) shall be $5,000 for each day the violation continues.

SEC. 715. PREEMPTION OF STATE LAW.

Nothing in this title may be construed to preempt the law of any State, to the extent that such State law provides greater protection to consumers than is provided under this title.

SEC. 716. REPORTS AND RECOMMENDATIONS TO CONGRESS.

(a) ANNUAL REPORTS.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Secretary shall submit a report to Congress on the effectiveness of the provisions of this title, including legislative recommendations, if any, for strengthening consumer protections, enhancing examination standards, and streamlining communication between all stakeholders involved in residential mortgage loan origination and processing.

(b) LEGISLATIVE RECOMMENDATIONS.—Not later than 6 months after the date of enactment of this title, the Secretary shall make recommendations to Congress on legislative reforms to the Real Estate Settlement Procedures Act of 1974, that the Secretary deems appropriate to promote more transparent disclosures, allowing consumers to better shop and compare mortgage loan terms and settlement costs.

SEC. 717. STUDY AND REPORTS ON DEFAULTS AND FORECLOSURES.

(a) STUDY REQUIRED.—The Secretary shall conduct an extensive study of the root causes of default and foreclosure of home loans, using as much empirical data as is available.

(b) PRELIMINARY REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of this title, the Secretary shall submit to Congress a preliminary report regarding the study required by this section.

(c) FINAL REPORT TO CONGRESS.—Not later than 12 months after the date of enactment of this title, the Secretary shall submit to Congress a final report regarding the results of the study required by this section, which shall include any recommended legislation relating to the study, and recommendations for best practices and for a process to provide targeted assistance to populations with the highest risk of potential default or foreclosure.

SA 4411. Mr. KOHL (for himself and Mrs. LINCOLN) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

On page 82, between lines 7 and 8, insert the following:

TITLE VII—FORECLOSURE RESCUE FRAUD

SEC. 701. DEFINITIONS.

In this title:

(1) COMMISSION.—The term ''Commission'' means the Federal Trade Commission.

(2) FORECLOSURE CONSULTANT.—The term ''foreclosure consultant''—

(A) means a person who directly or indirectly makes any solicitation, representation, or offer to a homeowner facing foreclosure on residential real property to perform, with or without compensation, or who performs, with or without compensation, any service that such person represents will prevent, postpone, or reverse the effect of such foreclosure; and

(B) does not include—

(i) an attorney licensed to practice law in the State in which the property is located who has established an attorney-client relationship with the homeowner;

(ii) a housing counseling agency approved by the Secretary; or

(iii) a person licensed as a real estate broker or salesperson in the State where the property is located, and such person engages in acts permitted under the licensure laws of such State.

(3) HOMEOWNER.—The term ''homeowner'', with respect to residential real property for which an action to foreclose on the mortgage or deed of trust on such real property is filed, means the person holding record title to such property as of the date on which such action is filed.

(4) LOAN SERVICER.—The term ''loan servicer'' has the same meaning as the term ''servicer'' in section 6(i)(2) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2605(i)(2)).

(5) RESIDENTIAL MORTGAGE LOAN.—The term ''residential mortgage loan'' means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling (as defined in section 103(v) of the Truth in Lending Act (15 U.S.C. 1602)(v)) or residential real estate upon which is constructed or intended to be constructed a dwelling (as so defined).

(6) RESIDENTIAL REAL PROPERTY.—The term ''residential real property'' has the meaning given the term ''dwelling'' in section 103 of the Consumer Credit Protection Act (15 U.S.C. 1602).

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

SEC. 702. MORTGAGE RESCUE FRAUD PROTECTION.

(a) LIMITS ON FORECLOSURE CONSULTANTS.—A foreclosure consultant may not—

(1) claim, demand, charge, collect, or receive any compensation from a homeowner for services performed by such foreclosure consultant with respect to residential real property until such foreclosure consultant has fully performed each service that such foreclosure consultant contracted to perform or represented would be performed with respect to such residential real property;

(2) hold any power of attorney from any homeowner, except to inspect documents, as provided by applicable law;

(3) receive any consideration from a third party in connection with services rendered to a homeowner by such third party with respect to the foreclosure of residential real property, unless such consideration is fully disclosed to such homeowner in writing before such services are rendered;

(4) accept any wage assignment, any lien of any type on real or personal property, or other security to secure the payment of compensation with respect to services provided by such foreclosure consultant in connection with the foreclosure of residential real property; or

(5) acquire any interest, directly or indirectly, in the residence of a homeowner with whom the foreclosure consultant has contracted.

(b) CONTRACT REQUIREMENTS.—

(1) WRITTEN CONTRACT REQUIRED.—Notwithstanding any other provision of law, a foreclosure consultant may not provide to a homeowner a service related to the foreclosure of residential real property—

(A) unless—

(i) a written contract for the purchase of such service has been signed and dated by the homeowner; and

(ii) such contract complies with the requirements described in paragraph (2); and

(B) before the end of the 3-business day period beginning on the date on which the contract is signed.

(2) TERMS AND CONDITIONS OF CONTRACT.—The requirements described in this paragraph, with respect to a contract, are as follows:

(A) The contract includes, in writing—

(i) a full and detailed description of the exact nature of the contract and the total amount and terms of compensation;

(ii) the name, physical address, phone number, email address, and facsimile number, if any, of the foreclosure consultant to whom a notice of cancellation can be mailed or sent under subsection (d); and

(iii) a conspicuous statement in at least 12 point bold face type in immediate proximity to the space reserved for the homeowner's signature on the contract that reads as follows: ''You may cancel this contract without penalty or obligation at any time before midnight of the 3rd business day after the date on which you sign the contract. See the attached notice of cancellation form for an explanation of this right.''.

(B) The contract is written in the principal language used by both the homeowner and the foreclosure consultant.

(C) The contract is accompanied by the form required by subsection (c)(2).

(c) RIGHT TO CANCEL CONTRACT.—

(1) IN GENERAL.—With respect to a contract between a homeowner and a foreclosure consultant regarding the foreclosure on the residential real property of such homeowner, such homeowner may cancel such contract without penalty or obligation by mailing a notice of cancellation not later than midnight of the 3rd business day after the date on which such contract is executed or would become enforceable against the parties to such contract.

(2) CANCELLATION FORM AND OTHER INFORMATION.—Each contract described in paragraph (1) shall be accompanied by a form, in duplicate, that—

(A) has the heading ''Notice of Cancellation'' in boldface type; and

(B) contains in boldface type the following statement:

''You may cancel this contract, without any penalty or obligation, at any time before midnight of the 3rd day after the date on which the contract is signed by you.

''To cancel this contract, mail or deliver a signed and dated copy of this cancellation notice or any other equivalent written notice to [insert name of foreclosure consultant] at [insert address of foreclosure consultant] before midnight on [insert date].

''I hereby cancel this transaction on [insert date] [insert homeowner signature].''.

(d) WAIVER OF RIGHTS AND PROTECTIONS PROHIBITED.—

(1) IN GENERAL.—A waiver by a homeowner of any protection provided by this section or any right of a homeowner under this section—

(A) shall be treated as void; and

(B) may not be enforced by any Federal or State court or by any person.

(2) ATTEMPT TO OBTAIN A WAIVER.—Any attempt by any person to obtain a waiver from any homeowner of any protection provided by this section or any right of the homeowner under this section shall be treated as a violation of this section.

(3) CONTRACTS NOT IN COMPLIANCE.—Any contract that does not comply with the applicable provisions of this title shall be void and may not be enforceable by any party.

SEC. 703. WARNINGS TO HOMEOWNERS OF FORECLOSURE RESCUE SCAMS.

(a) IN GENERAL.—If a loan servicer finds that a homeowner has failed to make 2 consecutive payments on a residential mortgage loan and such loan is at risk of being foreclosed upon, the loan servicer shall notify such homeowner of the dangers of fraudulent activities associated with foreclosure.

(b) NOTICE REQUIREMENTS.—Each notice provided under subsection (a) shall—

(1) be in writing;

(2) be included with a mailing of account information;

(3) have the heading ''Notice Required by Federal Law'' in a 14-point boldface type in English and Spanish at the top of such notice; and

(4) contain the following statement: ''Mortgage foreclosure is a complex process. Some people may approach you about saving your home. You should be careful about any such promises. There are government and nonprofit agencies you may contact for helpful information about the foreclosure process. Contact your lender immediately at [_____], call the Department of Housing and Urban Development Housing Counseling Line at (800) 569-4287 to find a housing counseling agency certified by the Department to assist you in avoiding foreclosure, or visit the Department's Tips for Avoiding Foreclosure website at http://www.hud.gov/foreclosure for additional assistance.'' (the blank space to be filled in by the loan servicer).

SEC. 704. CIVIL LIABILITY.

(a) LIABILITY ESTABLISHED.—Any foreclosure consultant who fails to comply with any provision of section 702 or 703 with respect to any other person shall be liable to such person in an amount equal to the sum of the amounts determined under each of the following paragraphs:

(1) ACTUAL DAMAGES.—The greater of—

(A) the amount of any actual damage sustained by such person as a result of such failure; or

(B) any amount paid by the person to the foreclosure consultant.

(2) PUNITIVE DAMAGES.—

(A) INDIVIDUAL ACTIONS.—In the case of any action by an individual, such amount (in addition to damages described in paragraph (1)) as the court may allow.

(B) CLASS ACTIONS.—In the case of a class action, the sum of—

(i) the aggregate of the amount which the court may allow for each named plaintiff; and

(ii) the aggregate of the amount which the court may allow for each other class member, without regard to any minimum individual recovery.

(3) ATTORNEYS' FEES.—In the case of any successful action to enforce any liability under paragraph (1) or (2), the costs of the action, together with reasonable attorneys' fees.

(b) FACTORS TO BE CONSIDERED IN AWARDING PUNITIVE DAMAGES.—In determining the amount of any liability of any foreclosure consultant under subsection (a)(2), the court shall consider, among other relevant factors—

(1) the frequency and persistence of noncompliance by the foreclosure consultant;

(2) the nature of the noncompliance;

(3) the extent to which such noncompliance was intentional; and

(4) in the case of any class action, the number of consumers adversely affected.

SEC. 705. ADMINISTRATIVE ENFORCEMENT.

(a) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—

(1) UNFAIR OR DECEPTIVE ACT OR PRACTICE.—A violation of a prohibition described in section 702 or a failure to comply with any provision of section 702 or 703 shall be treated as a violation of a rule defining an unfair or deceptive act or practice described under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(2) ACTIONS BY THE FEDERAL TRADE COMMISSION.—The Federal Trade Commission shall enforce the provisions of sections 702 and 703 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made part of this title.

(b) STATE ACTION FOR VIOLATIONS.—

(1) AUTHORITY OF STATES.—In addition to such other remedies as are provided under State law, whenever the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating the provisions of section 702 or 703, the State—

(A) may bring an action to enjoin such violation;

(B) may bring an action on behalf of its residents to recover damages for which the person is liable to such residents under section 704 as a result of the violation; and

(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees, as determined by the court.

(2) RIGHTS OF FEDERAL TRADE COMMISSION.—

(A) NOTICE TO COMMISSION.—The State shall serve prior written notice of any civil action under paragraph (1) upon the Commission and provide the Commission with a copy of

its complaint, except in any case in which such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action.

(B) INTERVENTION.—The Commission shall have the right—

(i) to intervene in any action referred to in subparagraph (A);

(ii) upon so intervening, to be heard on all matters arising in the action; and

(iii) to file petitions for appeal in such actions.

(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, nothing in this subsection shall prevent the chief law enforcement officer, or an official or agency designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations, or to compel the attendance of witnesses or the production of documentary and other evidence.

(4) LIMITATION.—Whenever the Federal Trade Commission has instituted a civil action for a violation of section 702 or 703, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Commission for any violation of section 702 or 703 that is alleged in that complaint.

SEC. 706. PREEMPTION.

Nothing in this title affects any provision of State or local law respecting any foreclosure consultant, residential mortgage loan, or residential real property that provides equal or greater protection to homeowners than what is provided under this title.

SA 4412. Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

On page 82, between lines 7 and 8, insert the following:

SEC. 605. RECYCLING OF TAX-EXEMPT DEBT FOR FINANCING RESIDENTIAL RENTAL PROJECTS.

(a) IN GENERAL.—Section 146(i) of the Internal Revenue Code of 1986 (relating to treatment of refunding issues) is amended by adding at the end the following new paragraph:

''(6) TREATMENT OF CERTAIN RESIDENTIAL RENTAL PROJECT BONDS AS REFUNDING BONDS IRRESPECTIVE OF OBLIGOR.—

''(A) IN GENERAL.—Subject to subparagraph (B), if within 6 months after receipt of a repayment of a conduit loan used to finance a project described in 142(d) such repayment is used to provide a new conduit loan for any project so described, any bond which is issued to refinance the issue financing the original conduit loan shall be treated as a refunding issue to the extent the principal amount of such refunding issue does not exceed the principal amount of the bonds refunded.

''(B) LIMITATIONS.—Subparagraph (A) shall apply to only one refunding of the original issue and only if—

''(i) the refunding issue is issued not later than the earlier of—

''(I) the date which is 4 years after the date on which the original issue was issued, or

''(II) December 31, 2014,

''(ii) the refunded bond is issued before January 1, 2011,

''(iii) the latest maturity date of any bond of the refunding issue is not later than 34 years after the date on which the refunded bond was issued, and

''(iv) the refunding issue shall have been approved in accordance with section 147(f) prior to the issuance of the refunding issue.''.

(b) CONFORMING AMENDMENT.—Clause (ii) of section 42(h)(4)(A) of the Internal Revenue Code of 1986 (relating to credits for buildings financed by tax-exempt bonds subject to volume cap not taken into account) is amended by inserting ''or such financing is refunded as described in section 146(i)(6)'' after ''provide such financing''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to repayments of conduit loans received after the date of the enactment of this Act.

SA 4413. Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

On page 82, between lines 7 and 8, insert the following:

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(a) IN GENERAL.—Section 146(i) of the Internal Revenue Code of 1986 (relating to treatment of refunding issues) is amended by adding at the end the following new paragraph:

''(6) TREATMENT OF CERTAIN RESIDENTIAL RENTAL PROJECT BONDS AS REFUNDING BONDS IRRESPECTIVE OF OBLIGOR.—

''(A) IN GENERAL.—Subject to subparagraph (B), if within 6 months after receipt of a repayment of a conduit loan used to finance a project described in 142(d) such repayment is used to provide a new conduit loan for any project so described, any bond which is issued to refinance the issue financing the original conduit loan shall be treated as a refunding issue to the extent the principal amount of such refunding issue does not exceed the principal amount of the bonds refunded.

''(B) LIMITATIONS.—Subparagraph (A) shall apply to only one refunding of the original issue and only if—

''(i) the refunding issue is issued not later than the earlier of—

''(I) the date which is 4 years after the date on which the original issue was issued, or

''(II) December 31, 2010,

''(ii) the latest maturity date of any bond of the refunding issue is not later than 34 years after the date on which the refunded bond was issued, and

''(iii) the refunding issue shall have been approved in accordance with section 147(f) prior to the issuance of the refunding issue.''.

(b) CONFORMING AMENDMENT.—Clause (ii) of section 42(h)(4)(A) of the Internal Revenue Code of 1986 (relating to credits for buildings financed by tax-exempt bonds subject to volume cap not taken into account) is amended by inserting ''or such financing is refunded as described in section 146(i)(6)'' after ''provide such financing''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to repayments of conduit loans received after the date of the enactment of this Act.

SA 4414. Mr. FEINGOLD (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

On page 53, line 24, strike ''; and'' and insert a semicolon.

On page 53, line 25, strike the period and insert a semicolon.

On page 53, after line 25, insert the following:

(E) conduct observations of neighborhoods where abandoned or foreclosed upon homes or residential properties are located to document instances of vandalism, unauthorized use, theft, or deterioration of the abandoned or foreclosed upon homes or residential properties in order to use this documentation in code enforcement proceedings; and

(F) make efforts to bring abandoned or foreclosed upon homes or residential properties into compliance with State, county, city, or local building and property maintenance code requirements through code enforcement proceedings.

SA 4415. Ms. CANTWELL (for herself, Mr. SMITH, and Mr. KERRY) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end, insert the following:

TITLE VIII—AFFORDABLE HOUSING INVESTMENT

SEC. 801. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision,

the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Facilitate Development of Housing Credit Property

SEC. 811. RENAMING THE LOW-INCOME HOUSING CREDIT AS THE AFFORDABLE HOUSING CREDIT.

(a) IN GENERAL.—The heading of section 42 (relating to low-income housing credit) is amended by striking ''**LOW-INCOME**'' and inserting ''**AFFORDABLE**''.

(b) CONFORMING AMENDMENTS.—

(1) Sections 38(b)(5), 42(a), 772(a)(7), and 772(d)(5) are each amended by striking ''low-income'' and inserting ''affordable''.

(2) The headings of subparagraphs (3)(D) and (6)(B) of section 469(i) are each amended by striking ''LOW-INCOME'' and inserting ''AFFORDABLE''.

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 42 and inserting the following:

''Sec. 42. Affordable housing credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 812. MODIFICATION OF RULES FOR DETERMINING APPLICABLE PERCENTAGE.

(a) IN GENERAL.—Subsection (b) of section 42 is amended—

(1) by striking the semicolon and all that follows to the period in the heading,

(2) by striking paragraph (1) and inserting the following new paragraph:

''(1) IN GENERAL.—For purposes of this section, the term 'applicable percentage' means the greater of the alternative applicable percentage determined under paragraph (2) or—

''(A) 9 percent in the case of any building to which subparagraph (B) does not apply, and

''(B) 4 percent in the case of—

''(i) any existing building, and

''(ii) any new building if, at any time during the taxable year or any prior taxable year, there is or was outstanding any obligation—

''(I) not taken into account under section 146,

''(II) which is exempt from tax under section 103, and

''(III) the proceeds of which are or were used (directly or indirectly) with respect to such building or the operation thereof.'',

(3) by striking ''BUILDINGS PLACED IN SERVICE AFTER 1987'' in the heading for paragraph (2) and inserting ''ALTERNATIVE APPLICABLE PERCENTAGE'', and

(4) by striking ''In the case of any qualified low-income building placed in service by the taxpayer after 1987, the term 'applicable percentage' means'' in paragraph (2)(A) and inserting ''For purposes of paragraph (1), the term 'alternative applicable percentage' means''.

(b) MODIFICATION OF RULES RELATED TO FEDERAL SUBSIDIES.—

(1) IN GENERAL.—Paragraph (2) of section 42(i) (relating to determination of whether building is Federally subsidized) is amended to read as follows:

''(2) EXCEPTIONS FOR CERTAIN NEW BUILDINGS OTHERWISE SUBJECT TO 4 PERCENT CREDIT LIMITATION.—

''(A) ELECTION TO REDUCE ELIGIBLE BASIS BY PROCEEDS OF OBLIGATIONS.—A tax-exempt obligation shall not be taken into account under subsection (b)(1)(B)(ii) if the taxpayer elects to exclude the proceeds of such obligation from the eligible basis of the building for purposes of subsection (d).

''(B) SPECIAL RULE FOR SUBSIDIZED CONSTRUCTION FINANCING.—A tax-exempt obligation used to provide construction financing for any building shall not be taken into account under subsection (b)(1)(B)(ii) if—

''(i) such obligation (when issued) identified the building for which the proceeds of such obligation would be used, and

''(ii) such obligation is redeemed before such building is placed in service.''.

(2) CONFORMING AMENDMENT.—Section 1400N(c)(6) is amended by striking ''December 31, 2010'' and inserting ''the date of the enactment of the Affordable Housing Investment Act of 2008''.

SEC. 813. INCREASE IN CREDIT FOR BUILDINGS IN STATE DESIGNATED AREAS.

(a) IN GENERAL.—Clause (i) of section 42(d)(5)(C) (relating to increase in credit for buildings in high cost areas) is amended by striking ''or difficult development area'' and inserting '', difficult development area, or State designated project''.

(b) STATE DESIGNATED PROJECT.—Subparagraph (C) of section 42(d)(5) is amended by adding at the end the following new clause:

''(v) STATE DESIGNATED PROJECT.—For purposes of this subparagraph, the term 'State designated project' means any project published as part of a State's qualified allocation plan (as defined in subsection (m)(1)(B)) and designated by the housing credit agency as meeting such criteria for designation under this clause as the State in which such project is located may specify. The rules of clauses (ii)(II) and (iii)(II) shall not apply for purposes designations made under this clause.''.

(c) CONFORMING AMENDMENT.—The heading of subparagraph (C) of section 42(d)(5) is amended by striking ''BUILDINGS IN HIGH COST AREAS'' and inserting ''CERTAIN BUILDINGS''.

SEC. 814. MODIFICATION OF SCATTERED SITE RULE.

Paragraph (7) of section 42(g) (relating to scattered site projects) is amended to read as follows:

''(7) SCATTERED SITE PROJECTS.—Buildings which would (but for their lack of proximity) be treated as a project for purposes of this section shall be so treated if the rent-restricted (within the meaning of paragraph (2)) residential units of such project are distributed among such buildings in proportion to the number of residential units in each building.''.

SEC. 815. TREATMENT OF RURAL PROJECTS.

Section 42(i) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(8) TREATMENT OF RURAL PROJECTS.—For purposes of this section, in the case of any project for residential rental property located in a rural area (as defined in section 520 of the Housing Act of 1949), any income limitation measured by reference to area median gross income shall be measured by reference to the greater of area median gross income or national non-metropolitan median income.''.

SEC. 816. EXPANSION OF ALLOWABLE BASIS FOR COMMUNITY SERVICE FACILITIES.

Section 42(d)(4)(C) (relating to inclusion of basis of property used to provide services for certain nontenants) is amended—

(1) by striking ''10 percent of the eligible basis'' in clause (ii)and inserting ''20 percent of the first $5,000,000 in eligible basis plus 10 percent of the remaining eligible basis'', and

(2) by adding at the end the following new flush sentences:

''For each calendar year beginning after 2008, the dollar amount in clause (ii) shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3), determined by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof. If any amount adjusted under the preceding sentence is not a multiple of $100,000, such amount shall be rounded to the next lowest multiple of $100,000.''.

Subtitle B—Improve Coordination With Other Federal Housing Programs

SEC. 821. AFFORDABLE HOUSING CREDITS ALLOWED FOR SECTION 8 MODERATE REHABILITATION DEVELOPMENTS.

Paragraph (2) of section 42(c) (relating to qualified low-income building) is amended by striking the last sentence.

SEC. 822. MODIFICATION TO LOW-INCOME HOUSING CREDIT RULES FOR REDUCTION OF ELIGIBLE BASIS BY GRANTS RECEIVED.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.42–16(b) to provide that none of the following shall be considered a grant made with respect to a building or its operation for purposes of section 42(d)(5)(A) of the Internal Revenue Code of 1986:

(1) Rental assistance under section 521 of the Housing Act of 1949 (42 U.S.C. 1490a).

(2) Assistance under section 538(f)(5) of the Housing Act of 1949 (42 U.S.C. 1490p–2(f)(5)).

(3) Interest reduction payments under section 236 of the National Housing Act (12 U.S.C. 1715z–1).

(4) Rental assistance under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q).

(5) Rental assistance under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013).

(6) Modernization, operating, and rental assistance pursuant to section 202 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4132).

(7) Assistance under title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361 et seq.).

(8) Tenant-based rental assistance under section 212 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742).

(9) Assistance under the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.).

(10) Per diem payments under section 2012 of title 38, United States Code.

(11) Rent supplements under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s).

(12) Assistance under section 542 of the Housing Act of 1949 (42 U.S.C. 1490r).

(13) Any other ongoing payment used to enable the property to be rented to low-income tenants.

(b) EFFECTIVE DATE.—The modifications required by this section shall take effect on the date of the enactment of this Act.

(c) NO INFERENCE.—Nothing contained in subsection (a) may be construed to create any inference with respect to the consideration of any program specified under subsection (a) as a grant made with respect to a building or its operation for purposes of section 42(d)(5)(A) of the Internal Revenue Code of 1986 as in effect on the day before such date of enactment.

Subtitle C—Facilitate Private Investment Capital to Increase the Efficiency of Affordable Housing Investment

SEC. 831. REPEAL OF RECAPTURE BOND RULE.

(a) IN GENERAL.—Paragraph (6) of section 42(j) (relating to recapture of credit) is amended to read as follows:

''(6) NO RECAPTURE ON DISPOSITION OF BUILDING (OR INTEREST THEREIN) REASONABLY EXPECTED TO CONTINUE AS A QUALIFIED LOW-INCOME BUILDING.—

''(A) IN GENERAL.—In the case of a disposition of a building or an interest therein, the taxpayer shall be discharged from liability for any additional tax under this subsection by reason of such disposition if it is reasonably expected that such building will continue to be operated as a qualified low-income building for the remaining compliance period with respect to such building.

''(B) STATUTE OF LIMITATIONS.—

''(i) EXTENSION OF PERIOD.—The period for assessing a deficiency attributable to the application of subparagraph (A) with respect to a building (or interest therein) during the compliance period with respect to such building shall not expire before the expiration of 3 years after the end of such compliance period.

''(ii) ASSESSMENT.—Such deficiency may be assessed before the expiration of the 3-year period referred to in clause (i) notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.''.

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by inserting after section 6050V the following new section:

''SEC. 6050W. RETURNS RELATING TO PAYMENT OF LOW-INCOME HOUSING CREDIT REPAYMENT AMOUNT.

''(a) REQUIREMENT OF REPORTING.—Every person who, at any time during the taxable year, is an owner of a building (or an interest therein)—

''(1) which is in the compliance period at any time during such year, and

''(2) with respect to which recapture is required by section 42(j),

shall, at such time as the Secretary may prescribe, make the return described in subsection (b).

''(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

''(1) is in such form as the Secretary may prescribe, and

''(2) contains—

''(A) the name, address, and TIN of each person who, with respect to such building or interest, was formerly an investor in such owner at any time during the compliance period,

''(B) the amount (if any) of any credit recapture amount required under section 42(j), and

''(C) such other information as the Secretary may prescribe.

''(c) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return a written statement showing—

''(1) the name and address of the person required to make such return and the phone number of the information contact for such person, and

''(2) the information required to be shown on the return with respect to such person.

The written statement required under the preceding sentence shall be furnished on or before March 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

''(d) COMPLIANCE PERIOD.—For purposes of this section, the term 'compliance period' has the meaning given such term by section 42(i).''.

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) (relating to definitions) is amended by inserting after clause (xxi) the following new clause:

''(xxii) section 6050W (relating to returns relating to payment of low-income housing credit repayment amount),''.

(B) Paragraph (2) of section 6724(d) is amended by striking ''or'' at the end of subparagraph (BB), by striking the period at the end of subparagraph (CC) and inserting '', or'', and by adding after subparagraph (CC) the following new subparagraph:

''(DD) section 6050W (relating to returns relating to payment of low-income housing credit repayment amount).''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050V the following new item:

''Sec. 6050W. Returns relating to payment of low-income housing credit repayment amount.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to any liability for the credit recapture amount under section 42(j) of the Internal Revenue Code of 1986 that arises after the date of the enactment of this Act.

(2) SPECIAL RULE FOR LOW-INCOME HOUSING BUILDINGS SOLD BEFORE DATE OF ENACTMENT OF THIS ACT.—In the case of a building disposed of before the date of the enactment of this Act with respect to which the taxpayer posted a bond (or alternative form of security) under section 42(j) of the Internal Revenue Code of 1986 (as in effect before such date of enactment), the taxpayer may elect (by notifying the Secretary of the Treasury in writing)—

(A) to cease to be subject to the bond requirements under section 42(j)(6) of such Code, as in effect before such date of enactment, and

(B) to be subject to the requirements of section 42(j) of such Code, as amended by this section.

SEC. 832. AFFORDABLE HOUSING CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subparagraph (B) of section 38(c)(4) (relating to special rules for specified credits) is amended by redesignating clauses (ii), (iii), and (iv) as clauses (iii), (iv), and (v), respectively, and by inserting after clause (i) the following new clause:

''(ii) the credit determined under section 42(a),''.

(b) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

Subtitle D—Help Preserve Existing Affordable Housing

SEC. 841. REPEAL OF 10-YEAR RULE FOR ACQUISITION HOUSING CREDITS.

(a) IN GENERAL.—Subparagraph (B) of section 42(d)(2) (relating to existing buildings) is amended by striking clause (ii) and by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(b) CONFORMING AMENDMENT.—Section 42(d) is amended by striking paragraph (6) and by redesignating paragraph (7) as paragraph (6).

SEC. 842. MODIFICATION OF RELATED PERSON RULE FOR AFFORDABLE HOUSING CREDIT.

(a) IN GENERAL.—Clause (iii) of section 42(d)(2)(D) (related to related person, etc.) is amended to read as follows:

''(iii) RELATED PERSON.—For purposes of subparagraph (B)(iii), a person (hereinafter in this subclause referred to as the 'related person') is related to any person if the related person bears a relationship to such person specified in section 267(b) or 707(b)(1), or the related person and such person are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52.''.

(b) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on the date of the enactment of this Act.

Subtitle E—Simplify Administration of the Housing Credit Program

SEC. 851. ELIMINATION OF CERTAIN ANNUAL RECERTIFICATIONS OF TENANT INCOMES.

Paragraph (8) of section 42(g) (relating to qualified low-income housing project) is amended—

(1) by striking ''may waive'' in the mater preceding subparagraph (A);

(2) by inserting ''may waive'' before ''any recapture'' in subparagraph (A); and

(3) by inserting ''shall waive'' before ''any annual recertification'' in subparagraph (B).

Subtitle F—Conform Multifamily Housing Bond Rules to Housing Credit Rules

SEC. 861. COORDINATION OF CERTAIN RULES APPLICABLE TO AFFORDABLE HOUSING CREDIT AND QUALIFIED RESIDENTIAL RENTAL PROJECT EXEMPT FACILITY BONDS.

(a) DETERMINATION OF NEXT AVAILABLE UNIT.—Paragraph (3) of section 142(d) (relating to current income determinations) is amended by adding at the end the following new subparagraph:

''(C) EXCEPTION FOR PROJECTS WITH RESPECT TO WHICH AFFORDABLE HOUSING CREDIT IS ALLOWED.—In the case of a project with respect to which credit is allowed under section 42, the second sentence of subparagraph (B) shall be applied by substituting 'building (within the meaning of section 42)' for 'project'.''.

(b) STUDENTS.—Paragraph (2) of section 142(d) (relating to definitions and special rules) is amended by adding at the end the following new subparagraph:

''(C) STUDENTS.—Students (as defined in section 152(f)(2)) shall not be treated as satisfying the requirements of subparagraph (A) or (B) of paragraph (1) except under rules similar to the rules of 42(i)(3)(D).''.

(c) SINGLE-ROOM OCCUPANCY UNITS.—Paragraph (2) of section 142(d) (relating to definitions and special rules), as amended by this Act, is further amended by adding at the end the following new subparagraph:

''(D) SINGLE-ROOM OCCUPANCY UNITS.—A unit shall not fail to be treated as a residential unit merely because such unit is a single-room occupancy unit (within the meaning of section 42).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to determinations of the status of qualified residential rental projects for periods beginning after the date of the enactment of this Act, with respect to bonds issued before, on, or after such date.

Subtitle G—Improve the Mortgage Revenue Bond Program

SEC. 871. SPECIAL RULE FOR USE OF MORTGAGE BONDS FOR DISASTER VICTIMS, SINGLE PARENTS, AND HOMEMAKERS.

(a) IN GENERAL.—Paragraph (2) of section 143(d) (relating to exceptions to 3-year requirement) is amended by striking ''and'' at the end of subparagraph (C) and by inserting after subparagraph (D) the following new subparagraphs:

''(E) financing of residences for individuals with an ownership interest in a principal residence which—

''(i) is located in an area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and

''(ii) has been rendered uninhabitable by reason of the major disaster,

''(F) financing of residences for individuals who—

''(i) are not married, and

''(ii) have one or more qualifying children (within the meaning of section 152), and

''(G) financing of residences for displaced homemakers,''.

(b) DISPLACED HOMEMAKERS.—Section 143(d) is amended by adding at the end the following new paragraph:

''(4) DISPLACED HOMEMAKER.—For purposes of paragraph (2)(G), the term 'displaced homemaker' means any individual who is—

''(A) over 18 years of age,

''(B) is not employed or underemployed and is experiencing difficulty in obtaining or upgrading employment, and

''(C) has not worked full-time full-year in the labor force for a number of years before the date on which financing for a residence is supplied, but has, during such years, worked primarily without remuneration to care for the home and family.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 872. REPEAL OF REQUIRED USE OF CERTAIN PRINCIPAL REPAYMENTS ON QUALIFIED MORTGAGE ISSUES TO REDEEM BONDS.

(a) IN GENERAL.—Subparagraph (A) of section 143(a)(2) (relating to qualified mortgage issue defined) is amended by inserting ''and'' at the end of clause (ii), by striking '', and'' at the end of clause (iii) and inserting a period, and by striking clause (iv) and the last sentence.

(b) CONFORMING AMENDMENT.—Clause (ii) of section 143(a)(2)(D) is amended by striking ''(and clause (iv) of subparagraph (A))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to repayments received after the date of the enactment of this Act.

Subtitle H—Effective Date

SEC. 881. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title shall apply to—

(1) housing credit dollar amounts allocated after the date of the enactment of this Act, and

(2) buildings placed in service after such date to the extent paragraph (1) of section 42(h) of the Internal Revenue Code of 1986 does not apply to such building by reason of paragraph (4) thereof, but only with respect to bonds issued after such date.

SA 4416. Ms. CANTWELL (for herself, Mr. SMITH, and Mr. KERRY) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

On page 82, between lines 7 and 8, insert the following:

SEC. 605. AFFORDABLE HOUSING CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subparagraph (B) of section 38(c)(4) of the Internal Revenue Code of 1986 (relating to specified credits) is amended—

(1) by redesignating clauses (ii), (iii), and (iv) as clauses (iii), (iv), and (v), respectively, and

(2) by inserting after clause (i) the following new clause:

''(ii) the credit determined under section 42(a),''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SA 4417. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

[SEC. ———. RULEMAKING PROCEDURE FOR SUBPRIME LENDING MORTGAGES AND NONTRADITIONAL MORTGAGE LOANS.

Notwithstanding section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) or any other provision of law, the Federal Trade Commission shall conduct rulemaking proceedings with respect to subprime mortgage lending and nontraditional mortgage loans in accordance with section 553 of title 5, United States Code.

SEC. ———. ENFORCEMENT BY STATE ATTORNEYS GENERAL.

(a) IN GENERAL.—Except as provided in subsection (f), a State, as parens patriae, may bring a civil action on behalf of its residents in an appropriate State or district court of the United States to enforce the provisions of the Federal Trade Commission Act or any other Act enforced by the Federal Trade Commission to obtain penalties and relief provided under such Acts whenever the attorney general of the State has reason to believe that the interests of the residents of the State have been or are being threatened or adversely affected by a violation of a subprime mortgage lending rule or a nontraditional mortgage loan rule promulgated by the Federal Trade Commission.

(b) NOTICE.—The State shall serve written notice to the Commission of any civil action under subsection (a) at least 60 days prior to initiating such civil action. The notice shall include a copy of the complaint to be filed to initiate such civil action, except that if it is not feasible for the State to provide such prior notice, the State shall provide notice immediately upon instituting such civil action.

(c) INTERVENTION BY FTC.—Upon receiving the notice required by subsection (b), the Commission may intervene in such civil action and upon intervening—

(1) be heard on all matters arising in such civil action; and

(2) file petitions for appeal of a decision in such civil action.

(d) SAVINGS CLAUSE.—Nothing in this section shall prevent the attorney general of a State from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence. Nothing in this section shall prohibit the attorney general of a State, or other authorized State officer, from proceeding in State or Federal court on the basis of an alleged violation of any civil or criminal statute of that State.

(e) VENUE; SERVICE OF PROCESS; JOINDER.—In a civil action brought under subsection (a)—

(1) the venue shall be a judicial district in which the lender or a related party operates or is authorized to do business;

(2) process may be served without regard to the territorial limits of the district or of the State in which the civil action is instituted; and

(3) a person who participated with a lender or related party an alleged violation that is being litigated in the civil action may be joined in the civil action without regard to the residence of the person.

(f) PREEMPTIVE ACTION BY FTC.—If the Commission has instituted a civil action or an administrative action for violation of this Act or any other Act enforced by the Commission, no State attorney general, or other official or agency of a State, may bring an action under this section during the pendency of that action against any defendant named in the complaint of the Commission for any violation of this Act alleged in the complaint.

(g) AWARD OF COSTS AND FEES.—If the attorney general of a State prevails in any civil action under subsection (a), the State can recover reasonable costs and attorney fees from the lender or related party.

SA 4418. Mr. MARTINEZ (for himself and Mr. CARPER) submitted an amendment intended to be proposed by him to the bill H.R. 3221 moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE VIII—REGULATION OF HOUSING ENTERPRISES

SEC. 800. SHORT TITLE.

This title may be cited as the ''Federal Housing Enterprise Regulatory Reform Act of 2008''.

Subtitle A—OFHEO

SEC. 801. DUTIES AND AUTHORITIES OF THE DIRECTOR OF OFHEO.

The Housing and Community Development Act of 1992 (12 U.S.C. 4513) is amended by striking section 1313 and inserting the following:

''SEC. 1313. DUTIES AND AUTHORITIES OF DIRECTOR.

''(a) DUTIES.—

''(1) PRINCIPAL DUTIES.—The principal duties of the Director shall be—

''(A) to oversee the operations of each enterprise; and

''(B) to ensure that—

''(i) each enterprise operates in a safe and sound manner, including maintenance of adequate capital and internal controls;

''(ii) the operations and activities of each enterprise foster liquid, efficient, competitive, and resilient national housing finance

markets that minimize the cost of housing finance (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities);

''(iii) each enterprise complies with this title and the rules, regulations, guidelines, and orders issued under this title and the authorizing statutes; and

''(iv) each enterprise carries out its statutory mission only through activities that are consistent with this title and the authorizing statutes.

''(2) SCOPE OF AUTHORITY.—The authority of the Director shall include the authority—

''(A) to review and, if warranted based on the principal duties described in paragraph (1), reject any acquisition or transfer of a controlling interest in an enterprise; and

''(B) to exercise such incidental powers as may be necessary or appropriate to fulfill the duties and responsibilities of the Director in the supervision and regulation of each enterprise.

''(b) DELEGATION OF AUTHORITY.—The Director may delegate to officers or employees of the Office, including each of the Deputy Directors, any of the functions, powers, or duties of the Director, as the Director considers appropriate.

''(c) LITIGATION AUTHORITY.—

''(1) IN GENERAL.—In enforcing any provision of this title, any regulation or order prescribed under this title, or any other provision of law, rule, regulation, or order, or in any other action, suit, or proceeding to which the Director is a party or in which the Director is interested, and in the administration of conservatorships and receiverships, the Director may act in the Director's own name and through the Director's own attorneys.

''(2) SUBJECT TO SUIT.—Except as otherwise provided by law, the Director shall be subject to suit (other than suits on claims for money damages) by an enterprise or director or officer thereof with respect to any matter under this title or any other applicable provision of law, rule, order, or regulation under this title, in the United States district court for the judicial district in which the enterprise has its principal place of business, or in the United States District Court for the District of Columbia, and the Director may be served with process in the manner prescribed by the Federal Rules of Civil Procedure.

''SEC. 1313A. PRUDENTIAL MANAGEMENT AND OPERATIONS STANDARDS.

''(a) STANDARDS.—The Director shall establish standards, by regulation, guideline, or order, for each enterprise relating to—

''(1) adequacy of internal controls and information systems taking into account the nature and scale of business operations;

''(2) independence and adequacy of internal audit systems;

''(3) management of credit and counterparty risk, including systems to identify concentrations of credit risk and prudential limits to restrict exposure of the enterprise to a single counterparty or groups of related counterparties;

''(4) management of interest rate risk exposure;

''(5) management of market risk, including standards that provide for systems that accurately measure, monitor, and control market risks and, as warranted, that establish limitations on market risk;

''(6) adequacy and maintenance of liquidity and reserves;

''(7) management of any asset and investment portfolio;

''(8) investments and acquisitions by an enterprise, to ensure that they are consistent with the purposes of this Act and the authorizing statutes;

''(9) maintenance of adequate records, in accordance with consistent accounting policies and practices that enable the Director to evaluate the financial condition of the enterprise;

''(10) issuance of subordinated debt by that particular enterprise, as the Director considers necessary;

''(11) overall risk management processes, including adequacy of oversight by senior management and the board of directors and of processes and policies to identify, measure, monitor, and control material risks, including reputational risks, and for adequate, well-tested business resumption plans for all major systems with remote site facilities to protect against disruptive events; and

''(12) such other operational and management standards as the Director determines to be appropriate.

''(b) FAILURE TO MEET STANDARDS.—

''(1) PLAN REQUIREMENT.—

''(A) IN GENERAL.—If the Director determines that an enterprise fails to meet any standard established under subsection (a)—

''(i) if such standard is established by regulation, the Director shall require the enterprise to submit an acceptable plan to the Director within the time allowed under subparagraph (C); and

''(ii) if such standard is established by guideline, the Director may require the enterprise to submit a plan described in clause (i).

''(B) CONTENTS.—Any plan required under subparagraph (A) shall specify the actions that the enterprise will take to correct the deficiency. If the enterprise is undercapitalized, the plan may be a part of the capital restoration plan for the enterprise under section 1369C.

''(C) DEADLINES FOR SUBMISSION AND REVIEW.—The Director shall by regulation establish deadlines that—

''(i) provide the enterprises with reasonable time to submit plans required under subparagraph (A), and generally require an enterprise to submit a plan not later than 30 days after the Director determines that the enterprise fails to meet any standard established under subsection (a); and

''(ii) require the Director to act on plans expeditiously, and generally not later than 30 days after the plan is submitted.

''(2) REQUIRED ORDER UPON FAILURE TO SUBMIT OR IMPLEMENT PLAN.—If an enterprise fails to submit an acceptable plan within the time allowed under paragraph (1)(C), or fails in any material respect to implement a plan accepted by the Director, the following shall apply:

''(A) REQUIRED CORRECTION OF DEFICIENCY.—The Director shall, by order, require the enterprise to correct the deficiency.

''(B) OTHER AUTHORITY.—The Director may, by order, take one or more of the following actions until the deficiency is corrected:

''(i) Prohibit the enterprise from permitting its average total assets (as that term is defined in section 1316(b)) during any calendar quarter to exceed its average total assets during the preceding calendar quarter, or restrict the rate at which the average total assets of the enterprise may increase from one calendar quarter to another.

''(ii) Require the enterprise, in the case of an enterprise, to increase its ratio of core capital to assets.

''(iii) Require the enterprise to take any other action that the Director determines will better carry out the purposes of this section than any of the actions described in this subparagraph.

''(3) MANDATORY RESTRICTIONS.—In complying with paragraph (2), the Director shall take one or more of the actions described in clauses (i) through (iii) of paragraph (2)(B) if—

''(A) the Director determines that the enterprise fails to meet any standard prescribed under subsection (a);

''(B) the enterprise has not corrected the deficiency; and

''(C) during the 18-month period before the date on which the enterprise first failed to meet the standard, the enterprise underwent extraordinary growth, as defined by the Director.

''(c) OTHER ENFORCEMENT AUTHORITY NOT AFFECTED.—The authority of the Director under this section is in addition to any other authority of the Director.''.

SEC. 802. AUTHORITY TO REQUIRE REPORTS BY ENTERPRISES.

Section 1314 of the Housing and Community Development Act of 1992 (12 U.S.C. 4514) is amended—

(1) in subsection (a)—

(A) in the subsection heading, by striking ''SPECIAL REPORTS AND REPORTS OF FINANCIAL CONDITION'' and inserting ''REGULAR AND SPECIAL REPORTS'';

(B) in paragraph (1)—

(i) in the paragraph heading, by striking ''FINANCIAL CONDITION'' and inserting ''REGULAR REPORTS''; and

(ii) by striking ''reports of financial condition and operations'' and inserting ''regular reports on the condition (including financial condition), management, activities, or operations of the enterprise, as the Director considers appropriate''; and

(C) in paragraph (2), after ''submit special reports'' insert ''on any of the topics specified in paragraph (1) or such other topics''; and

(2) by adding at the end the following:

''(c) REPORTS OF FRAUDULENT FINANCIAL TRANSACTIONS.—

''(1) REQUIREMENT TO REPORT.—The Director shall require an enterprise to submit to the Director a timely report upon discovery by the enterprise that it has purchased or sold a fraudulent loan or financial instrument or suspects a possible fraud relating to a purchase or sale of any loan or financial instrument. The Director shall require the enterprises to establish and maintain procedures designed to discover any such transactions.

''(2) PROTECTION FROM LIABILITY FOR REPORTS.—

''(A) IN GENERAL.—If an enterprise makes a report pursuant to paragraph (1), or an enterprise-affiliated party makes, or requires another to make, such a report, and such report is made in a good faith effort to comply with the requirements of paragraph (1), such enterprise or enterprise-afffiliated party shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such report or for any failure to provide notice of such report to the person who is the subject of such report or any other person identified in the report.

''(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as creating—

''(i) any inference that the term 'person', as used in such subparagraph, may be construed more broadly than its ordinary usage so as to include any government or agency of government; or

''(ii) any immunity against, or otherwise affecting, any civil or criminal action brought by any government or agency of government to enforce any constitution, law, or regulation of such government or agency.''.

SEC. 803. DISCLOSURE OF CHARITABLE CONTRIBUTIONS BY ENTERPRISES.

Section 1314 of the Housing and Community Development Act of 1992 (12 U.S.C. 4514), as amended by the preceding provisions of this Act, is further amended by adding at the end the following:

''(d) DISCLOSURE OF CHARITABLE CONTRIBUTIONS BY ENTERPRISES.—

''(1) REQUIRED DISCLOSURE.—The Director shall, by regulation, require each enterprise to submit a report annually, in a format designated by the Director, containing the following information:

''(A) TOTAL VALUE.—The total value of contributions made by the enterprise to nonprofit organizations during its previous fiscal year.

''(B) SUBSTANTIAL CONTRIBUTIONS.—If the value of contributions made by the enterprise to any nonprofit organization during its previous fiscal year exceeds the designated amount, the name of that organization and the value of contributions.

''(C) SUBSTANTIAL CONTRIBUTIONS TO INSIDER-AFFILIATED CHARITIES.—Identification of each contribution whose value exceeds the designated amount that were made by the enterprise during the enterprise's previous fiscal year to any nonprofit organization of which a director, officer, or controlling person of the enterprise, or a spouse thereof, was a director or trustee, the name of such nonprofit organization, and the value of the contribution.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) the term 'designated amount' means such amount as may be designated by the Director by regulation, consistent with the public interest and the protection of investors for purposes of this subsection; and

''(B) the Director may, by such regulations as the Director deems necessary or appropriate in the public interest, define the terms officer and controlling person.

''(3) PUBLIC AVAILABILITY.—The Director shall make the information submitted pursuant to this subsection publicly available.''.

SEC. 804. ASSESSMENTS.

Section 1316 of the Housing and Community Development Act of 1992 (12 U.S.C. 4516) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) ANNUAL ASSESSMENTS.—The Director shall establish and collect from the enterprises annual assessments in an amount not exceeding the amount sufficient to provide for reasonable costs and expenses of the Office, including—

''(1) the expenses of any examinations under section 1317;

''(2) the expenses of obtaining any reviews and credit assessments under section 1319; and

''(3) such amounts in excess of actual expenses for any given year as deemed necessary by the Director to maintain a working capital fund in accordance with subsection (e).'';

(2) in subsection (b)—

(A) by realigning paragraph (2) two ems from the left margin, so as to align the left margin of such paragraph with the left margins of paragraph (1); and

(B) in paragraph (3)—

(i) in subparagraph (B), by striking ''subparagraph (A)'' and inserting ''clause (i)'';

(ii) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii) and (ii), respectively, and realigning such clauses, as so redesignated, so as to be indented 6 ems from the left margin;

(iii) by striking the matter that precedes clause (i), as so redesignated, and inserting the following:

''(3) DEFINITION OF TOTAL ASSETS.—For purposes of this section, the term 'total assets' means as follows:

''(A) ENTERPRISES.—With respect to an enterprise, the sum of—''; and

(3) by striking subsection (c) and inserting the following:

''(c) INCREASED COSTS OF REGULATION.—

''(1) INCREASE FOR INADEQUATE CAPITALIZATION.—The semiannual payments made pursuant to subsection (b) by any enterprise that is not classified (for purposes of subtitle B) as adequately capitalized may be increased, as necessary, in the discretion of the Director to pay additional estimated costs of regulation of the enterprise.

''(2) ADJUSTMENT FOR ENFORCEMENT ACTIVITIES.—The Director may adjust the amounts of any semiannual assessments for an assessment under subsection (a) that are to be paid pursuant to subsection (b) by an enterprise, as necessary in the discretion of the Director, to ensure that the costs of enforcement activities under subtitle B and C for an enterprise are borne only by such enterprise.

''(3) ADDITIONAL ASSESSMENT FOR DEFICIENCIES.—If at any time, as a result of increased costs of regulation of an enterprise that is not classified (for purposes of subtitle B) as adequately captitalized or as the result of supervisory or enforcement activities under subtitle B or C for an enterprise, the amount available from any semiannual payment made by such enterprise pursuant to subsection (b) is insufficient to cover the costs of the Office with respect to such enterprise, the Director may make and collect from such enterprise an immediate assessment to cover the amount of such deficiency for the semiannual period. If, at the end of any semiannual period during which such an assessment is made, any amount remains from such assessment, such remaining amount shall be deducted from the assessment for such enterprise for the following semiannual period.'';

(4) in subsection (d), by striking ''If'' and inserting ''Except with respect to amounts collected pursuant to subsection (a)(3), if''; and

(5) by striking subsections (e) through (g) and inserting the following:

''(e) WORKING CAPITAL FUND.—At the end of each year for which an assessment under this section is made, the Director shall remit to each enterprise any amount of assessment collected from such enterprise that is attributable to subsection (a)(3) and is in excess of the amount the Director deems necessary to maintain a working capital fund.

''(f) TREATMENT OF ASSESSMENTS.—

''(1) DEPOSIT.—Amounts received by the Director from assessments under this section may be deposited by the Director in the manner provided in section 5234 of the Revised Statutes of the United States (12 U.S.C. 192) for monies deposited by the Comptroller of the Currency.

''(2) NOT GOVERNMENT FUNDS.—The amounts received by the Director from any assessment under this section shall not be construed to be Government or public funds or appropriated money.

''(3) NO APPORTIONMENT OF FUNDS.—Notwithstanding any other provision of law, the amounts received by the Director from any assessment under this section shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.

''(4) USE OF FUNDS.—The Director may use any amounts received by the Director from assessments under this section for compensation of the Director and other employees of the Office and for all other expenses of the Director and the Office.

''(5) AVAILABILITY OF OVERSIGHT FUND AMOUNTS.—Notwithstanding any other provision of law, any amounts remaining in the Federal Housing Enterprises Oversight Fund established under this section (as in effect on the day before the effective date of the Federal Housing Enterprise Regulatory Reform Act of 2008), shall, upon such effective date, be treated for purposes of this subsection as amounts received from assessments under this section.

''(g) BUDGET AND FINANCIAL MANAGEMENT.—

''(1) FINANCIAL OPERATING PLANS AND FORECASTS.—The Director shall provide to the Director of the Office of Management and Budget copies of the Director's financial operating plans and forecasts as prepared by the Director in the ordinary course of the Office's operations, and copies of the quarterly reports of the Office's financial condition and results of operations as prepared by the Director in the ordinary course of the Office's operations.

''(2) FINANCIAL STATEMENTS.—The Office shall prepare annually a statement of assets and liabilities and surplus or deficit; a statement of income and expenses; and a statement of sources and application of funds.

''(3) FINANCIAL MANAGEMENT SYSTEMS.—The Office shall implement and maintain financial management systems that comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and that uses a general ledger system that accounts for activity at the transaction level.

''(4) ASSERTION OF INTERNAL CONTROLS.—The Director shall provide to the Comptroller General an assertion as to the effectiveness of the internal controls that apply to financial reporting by the Office, using the standards established in section 3512 (c) of title 31, United States Code.

''(5) RULE OF CONSTRUCTION.—This subsection may not be construed as implying any obligation on the part of the Director to consult with or obtain the consent or approval of the Director of the Office of Management and Budget with respect to any reports, plans, forecasts, or other information referred to in paragraph (1) or any jurisdiction or oversight over the affairs or operations of the Office.

''(h) AUDIT OF OFFICE.—

''(1) IN GENERAL.—The Comptroller General shall annually audit the financial transactions of the Office in accordance with the U.S. generally accepted government auditing standards as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where accounts of the Office are normally kept. The representatives of the Government Accountability Office shall have access to the personnel and to all books, accounts, documents, papers, records (including electronic records), reports, files, and all other papers, automated data, things, or property belonging to or under the control of or used or employed by the Office pertaining to its financial transactions and necessary to facilitate the audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians. All such books, accounts, documents, records, reports, files, papers, and property of the Office shall remain in possession and custody of the Office. The Comptroller General may obtain and duplicate any such books, accounts, documents, records, working papers, automated data and files, or other information relevant to such audit without cost to the Comptroller General and the Comptroller General's right of access to such information shall be enforceable pursuant to section 716(c) of title 31, United States Code.

''(2) REPORT.—The Comptroller General shall submit to the Congress a report of each annual audit conducted under this subsection. The report to the Congress shall set forth the scope of the audit and shall include the statement of assets and liabilities and surplus or deficit, the statement of income and expenses, the statement of sources and application of funds, and such comments and information as may be deemed necessary to inform Congress of the financial operations and condition of the Office, together with such recommendations with respect thereto as the Comptroller General may deem advisable. A copy of each report shall be furnished to the President and to the Office at the time submitted to the Congress.

''(3) ASSISTANCE AND COSTS.—For the purpose of conducting an audit under this subsection, the Comptroller General may, in the discretion of the Comptroller General, employ by contract, without regard to section 5 of title 41, United States Code, professional services of firms and organizations of certified public accountants for temporary periods or for special purposes. Upon the request of the Comptroller General, the Director of the Office shall transfer to the Government Accountability Office from funds available, the amount requested by the Comptroller General to cover the full costs of any audit and report conducted by the Comptroller General. The Comptroller General shall credit funds transferred to the account established for salaries and expenses of the Government Accountability Office, and such amount shall be available upon receipt and without fiscal year limitation to cover the full costs of the audit and report.''.

SEC. 805. EXAMINERS AND ACCOUNTANTS.

(a) EXAMINATIONS.—Section 1317 of the Housing and Community Development Act of 1992 (12 U.S.C. 4517) is amended——

(1) in subsection (a), by adding after the period at the end the following: ''Each examination under this subsection of an enterprise shall include a review of the procedures required to be established and maintained by the enterprise pursuant to section 1314(c) (relating to fraudulent financial transactions) and the report regarding each such examination shall describe any problems with such procedures maintained by the enterprise.'';

(2) in subsection (b)—

(A) by inserting ''of an enterprise'' after ''under this section''; and

(B) by striking ''to determine the condition of an enterprise for the purpose of ensuring its financial safety and soundness'' and inserting ''or appropriate'' ; and

(3) in subsection (c)—

(A) in the second sentence, by inserting ''to conduct examinations under this section'' before the period; and

(B) in the third sentence, by striking ''from amounts available in the Federal Housing Enterprises Oversight Fund''.

(b) ENHANCED AUTHORITY TO HIRE EXAMINERS AND ACCOUNTANTS.—Section 1317 of the Housing and Community Development Act of 1992 (12 U.S.C. 4517) is amended by adding at the end the following:

''(g) APPOINTMENT OF ACCOUNTANTS, ECONOMISTS, SPECIALISTS, AND EXAMINERS.—

''(1) APPLICABILITY.—This section applies with respect to any position of examiner, accountant, specialist in financial markets, specialist in technology, and economist at the Office, with respect to supervision and regulation of the enterprises, that is in the competitive service.

''(2) APPOINTMENT AUTHORITY.—The Director may appoint candidates to any position described in paragraph (1)—

''(A) in accordance with the statutes, rules, and regulations governing appointments in the excepted service; and

''(B) notwithstanding any statutes, rules, and regulations governing appointments in the competitive service.''.

SEC. 806. PROHIBITION AND WITHHOLDING OF EXECUTIVE COMPENSATION.

(a) IN GENERAL.—Section 1318 of the Housing and Community Development Act of 1992 (12 U.S.C. 4518) is amended—

(1) in the section heading, by striking ''**OF EXCESSIVE**'' and inserting ''**AND WITHHOLDING OF EXECUTIVE**'';

(2) by redesignating subsection (b) as subsection (d); and

(3) by inserting after subsection (a) the following:

''(b) FACTORS.—In making any determination under subsection (a), the Director may take into consideration any factors the Director considers relevant, including any wrongdoing on the part of the executive officer, and such wrongdoing shall include any fraudulent act or omission, breach of trust or fiduciary duty, violation of law, rule, regulation, order, or written agreement, and insider abuse with respect to the enterprise. The approval of an agreement or contract pursuant to section 309(d)(3)(B) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(d)(3)(B)) or section 303(h)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(h)(2)) shall not preclude the Director from making any subsequent determination under subsection (a).

''(c) WITHHOLDING OF COMPENSATION.—In carrying out subsection (a), the Director may require an enterprise to withhold any payment, transfer, or disbursement of compensation to an executive officer, or to place such compensation in an escrow account, during the review of the reasonableness and comparability of compensation.''.

(b) CONFORMING AMENDMENTS.—

(1) FANNIE MAE.—Section 309(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(d)) is amended by adding at the end the following:

''(4) Notwithstanding any other provision of this section, the corporation shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).''.

(2) FREDDIE MAC.—Section 303(h) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(h)) is amended by adding at the end the following:

''(4) Notwithstanding any other provision of this section, the Corporation shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).''.

SEC. 807. REVIEWS OF ENTERPRISES.

Section 1319 of the Housing and Community Development Act of 1992 (12 U.S.C. 4519) is amended—

(1) by striking the section designation and heading and inserting the following:

''SEC. 1319. REVIEWS OF ENTERPRISES.''; and

(2) by inserting after ''any entity'' the following: ''that the Director considers appropriate, including an entity''.

SEC. 808. REGULATIONS AND ORDERS.

Section 1319G of the Housing and Community Development Act of 1992 (12 U.S.C. 4526) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) AUTHORITY.—The Director shall issue any regulations, guidelines, and orders necessary to carry out the duties of the Director under this title and each of the authorizing statutes to ensure that the purposes of this title and such Acts are accomplished.'';

(2) in subsection (b), by inserting '', this title, or any of the authorizing statutes'' after ''under this section''; and

(3) by striking subsection (c).

SEC. 809. RISK-BASED CAPITAL REQUIREMENTS.

Section 1361 of the Housing and Community Development Act of 1992 (12 U.S.C. 4611) is amended to read as follows:

''SEC. 1361. RISK-BASED CAPITAL LEVELS FOR ENTERPRISES.

''(a) IN GENERAL.—The Director shall, by regulation, establish risk-based capital requirements for the enterprises to ensure that the enterprises operate in a safe and sound manner, maintaining sufficient capital and reserves to support the risks that arise in the operations and management of the enterprises.

''(b) CONFIDENTIALITY OF INFORMATION.—Any person that receives any book, record, or information from the Director or an enterprise to enable the risk-based capital requirements established under this section to be applied shall—

''(1) maintain the confidentiality of the book, record, or information in a manner that is generally consistent with the level of confidentiality established for the material by the Director or the enterprise; and

''(2) be exempt from section 552 of title 5, United States Code, with respect to the book, record, or information.

''(c) NO LIMITATION.—Nothing in this section shall limit the authority of the Director to require other reports or undertakings, or take other action, in furtherance of the responsibilities of the Director under this Act.''.

SEC. 810. REVIEW OF AND AUTHORITY OVER ENTERPRISE ASSETS AND LIABILITIES.

Subtitle B of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4611 et seq.) is amended—

(1) by striking the subtitle designation and heading and inserting the following:

''Subtitle B—Required Capital Levels for Enterprises, Special Enforcement Powers, and Reviews of Assets and Liabilities''; and

(2) by adding at the end the following:

''SEC. 1369E. REVIEWS OF ENTERPRISE ASSETS AND LIABILITIES.

''(a) IN GENERAL.—The Director shall conduct, on a periodic basis, a review of the on-balance sheet and off-balance sheet assets and liabilities of each enterprise.

''(b) AUTHORITY TO REQUIRE DISPOSITION OR ACQUISITION.—Pursuant to such a review and notwithstanding the capital classifications of the enterprises, the Director may by order require an enterprise, under such terms and conditions as the Director determines to be appropriate, to dispose of or acquire any asset or liability, if the Director determines that such action is consistent with the safe and sound operation of the enterprise or with the purposes of this Act or any of the authorizing statutes.''.

SEC. 811. CORPORATE GOVERNANCE OF ENTERPRISES.

The Housing and Community Development Act of 1992 is amended by inserting before section 1323 (12 U.S.C. 4543) the following:

''SEC. 1322A. CORPORATE GOVERNANCE OF ENTERPRISES.

''(a) BOARD OF DIRECTORS.—

''(1) INDEPENDENCE.—A majority of seated members of the board of directors of each enterprise shall be independent board members, as defined under rules set forth by the New York Stock Exchange, as such rules may be amended from time to time.

''(2) FREQUENCY OF MEETINGS.—To carry out its obligations and duties under applicable laws, rules, regulations, and guidelines,

the board of directors of an enterprise shall meet at least eight times a year and not less than once a calendar quarter.

''(3) NON-MANAGEMENT BOARD MEMBER MEETINGS.—The non-management directors of an enterprise shall meet at regularly scheduled executive sessions without management participation.

''(4) QUORUM; PROHIBITION ON PROXIES.—For the transaction of business, a quorum of the board of directors of an enterprise shall be at least a majority of the seated board of directors and a board member may not vote by proxy.

''(5) INFORMATION.—The management of an enterprise shall provide a board member of the enterprise with such adequate and appropriate information that a reasonable board member would find important to the fulfillment of his or her fiduciary duties and obligations.

''(6) ANNUAL REVIEW.—At least annually, the board of directors of each enterprise shall review, with appropriate professional assistance, the requirements of laws, rules, regulations, and guidelines that are applicable to its activities and duties.

''(b) COMMITTEES OF BOARDS OF DIRECTORS.—

''(1) FREQUENCY OF MEETINGS.—Any committee of the board of directors of an enterprise shall meet with sufficient frequency to carry out its obligations and duties under applicable laws, rules, regulations, and guidelines.

''(2) REQUIRED COMMITTEES.—Each enterprise shall provide for the establishment, however styled, of the following committees of the board of directors:

''(A) Audit committee.

''(B) Compensation committee.

''(C) Nominating/corporate governance committee.

Such committees shall be in compliance with the charter, independence, composition, expertise, duties, responsibilities, and other requirements set forth under section 10A(m) of the Securities Exchange Act of 1934 (15 U.S.C. 78j–1(m)), with respect to the audit committee, and under rules issued by the New York Stock Exchange, as such rules may be amended from time to time.

''(c) COMPENSATION.—

''(1) IN GENERAL.—The compensation of board members, executive officers, and employees of an enterprise—

''(A) shall not be in excess of that which is reasonable and appropriate;

''(B) shall be commensurate with the duties and responsibilities of such persons,

''(C) shall be consistent with the long-term goals of the enterprise;

''(D) shall not focus solely on earnings performance, but shall take into account risk management, operational stability and legal and regulatory compliance as well; and

''(E) shall be undertaken in a manner that complies with applicable laws, rules, and regulations.

''(2) REIMBURSEMENT.—If an enterprise is required to prepare an accounting restatement due to the material noncompliance of the enterprise, as a result of misconduct, with any financial reporting requirement under the securities laws, the chief executive officer and chief financial officer of the enterprise shall reimburse the enterprise as provided under section 304 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7243). This provision does not otherwise limit the authority of the Office to employ remedies available to it under its enforcement authorities.

''(d) CODE OF CONDUCT AND ETHICS.—

''(1) IN GENERAL.—An enterprise shall establish and administer a written code of conduct and ethics that is reasonably designed to assure the ability of board members, executive officers, and employees of the enterprise to discharge their duties and responsibilities, on behalf of the enterprise, in an objective and impartial manner, and that includes standards required under section 406 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7264) and other applicable laws, rules, and regulations.

''(2) REVIEW.—Not less than once every three years, an enterprise shall review the adequacy of its code of conduct and ethics for consistency with practices appropriate to the enterprise and make any appropriate revisions to such code.

''(e) CONDUCT AND RESPONSIBILITIES OF BOARD OF DIRECTORS.—The board of directors of an enterprise shall be responsible for directing the conduct and affairs of the enterprise in furtherance of the safe and sound operation of the enterprise and shall remain reasonably informed of the condition, activities, and operations of the enterprise. The responsibilities of the board of directors shall include having in place adequate policies and procedures to assure its oversight of, among other matters, the following:

''(1) Corporate strategy, major plans of action, risk policy, programs for legal and regulatory compliance and corporate performance, including prudent plans for growth and allocation of adequate resources to manage operations risk.

''(2) Hiring and retention of qualified executive officers and succession planning for such executive officers.

''(3) Compensation programs of the enterprise.

''(4) Integrity of accounting and financial reporting systems of the enterprise, including independent audits and systems of internal control.

''(5) Process and adequacy of reporting, disclosures, and communications to shareholders, investors, and potential investors.

''(6) Extensions of credit to board members and executive officers.

''(7) Responsiveness of executive officers in providing accurate and timely reports to Federal regulators and in addressing the supervisory concerns of Federal regulators in a timely and appropriate manner.

''(f) PROHIBITION OF EXTENSIONS OF CREDIT.—An enterprise may not directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any board member or executive officer of the enterprise, as provided by section 13(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(k)).

''(g) CERTIFICATION OF DISCLOSURES.—The chief executive officer and the chief financial officer of an enterprise shall review each quarterly report and annual report issued by the enterprise and such reports shall include certifications by such officers as required by section 302 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7241).

''(h) CHANGE OF AUDIT PARTNER.—An enterprise may not accept audit services from an external auditing firm if the lead or coordinating audit partner who has primary responsibility for the external audit of the enterprise, or the external audit partner who has responsibility for reviewing the external audit has performed audit services for the enterprise in each of the five previous fiscal years.

''(i) COMPLIANCE PROGRAM.—

''(1) REQUIREMENT.—Each enterprise shall establish and maintain a compliance program that is reasonably designed to assure that the enterprise complies with applicable laws, rules, regulations, and internal controls.

''(2) COMPLIANCE OFFICER.—The compliance program of an enterprise shall be headed by a compliance officer, however styled, who reports directly to the chief executive officer of the enterprise. The compliance officer shall report regularly to the board of directors or an appropriate committee of the board of directors on compliance with and the adequacy of current compliance policies and procedures of the enterprise, and shall recommend any adjustments to such policies and procedures that the compliance officer considers necessary and appropriate.

''(j) RISK MANAGEMENT PROGRAM.—

''(1) REQUIREMENT.—Each enterprise shall establish and maintain a risk management program that is reasonably designed to manage the risks of the operations of the enterprise.

''(2) RISK MANAGEMENT OFFICER.—The risk management program of an enterprise shall be headed by a risk management officer, however styled, who reports directly to the chief executive officer of the enterprise. The risk management officer shall report regularly to the board of directors or an appropriate committee of the board of directors on compliance with and the adequacy of current risk management policies and procedures of the enterprise, and shall recommend any adjustments to such policies and procedures that the risk management officer considers necessary and appropriate.

''(k) COMPLIANCE WITH OTHER LAWS.—

''(1) DEREGISTERED OR UNREGISTERED COMMON STOCK.—If an enterprise deregisters or has not registered its common stock with the Securities and Exchange Commission under the Securities Exchange Act of 1934, the enterprise shall comply or continue to comply with sections 10A(m) and 13(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78j-1(m), 78m(k)) and sections 302, 304, and 406 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7241, 7243, 7264), subject to such requirements as provided by subsection (l) of this section.

''(2) REGISTERED COMMON STOCK.—An enterprise that has its common stock registered with the Securities and Exchange Commission shall maintain such registered status, unless it provides 60 days prior written notice to the Director stating its intent to deregister and its understanding that it will remain subject to the requirements of the sections of the Securities Exchange Act of 1934 and the Sarbanes-Oxley Act of 2002, subject to such requirements as provided by subsection (l) of this section.

''(l) OTHER MATTERS.—The Director may from time to time establish standards, by regulation, order, or guideline, regarding such other corporate governance matters of the enterprises as the Director considers appropriate.

''(m) MODIFICATION OF STANDARDS.—In connection with standards of Federal or State law (including the Revised Model Corporation Act) or New York Stock Exchange rules that are made applicable to an enterprise by section 1710.10 of the Director's rules (12 C.F.R. 1710.10) and by subsections (a), (b), (g), (i), (j), and (k) of this section, the Director, in the Director's sole discretion, may modify the standards contained in this section or in part 1710 of the Director's rules (12 U.S.C. Part 1710) in accordance with section 553 of title 5, United States Code, and upon written notice to the enterprise.''.

SEC. 812. REQUIRED REGISTRATION UNDER SECURITIES EXCHANGE ACT OF 1934.

The Housing and Community Development Act of 1992 is amended by adding after section 1322A, as added by the preceding provisions of this Act, the following:

''SEC. 1322B. REQUIRED REGISTRATION UNDER SECURITIES EXCHANGE ACT OF 1934.

''(a) IN GENERAL.—Each enterprise shall register at least one class of the capital stock of such enterprise, and maintain such

registration with the Securities and Exchange Commission, under the Securities Exchange Act of 1934.

''(b) ENTERPRISES.—Each enterprise shall comply with sections 14 and 16 of the Securities Exchange Act of 1934.''.

SEC. 813. FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

The Federal Financial Institutions Examination Council Act of 1978 is amended—

(1) in section 1003 (12 U.S.C. 3302)—

(A) in paragraph (1), by inserting ''Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development,'' after ''Supervision,''; and

(B) in paragraph (3), by striking ''or a credit union;'' and inserting ''a credit union, or an enterprise (as that term is defined in section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502)).'';

(2) in section 1004(a) (12 U.S.C. 3303)—

(A) in paragraph (4), by striking the comma at the end and inserting a semicolon;

(B) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively; and

(C) by inserting after paragraph (4) the following:

''(5) the Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development; and''; and

(3) in section 1006(d) (12 U.S.C. 3305(d)), by striking ''and employees of the Federal Housing Finance Board''.

Subtitle B—Improvement of Mission Supervision

SEC. 821. TRANSFER OF PROGRAM APPROVAL AND HOUSING GOAL OVERSIGHT.

Part 2 of subtitle A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4541 et seq.) is amended—

(1) by striking the heading for the part and inserting the following:

''PART II—ADDITIONAL AUTHORITIES OF THE DIRECTOR'';

and

(2) by striking sections 1321 and 1322.

SEC. 822. REVIEW OF ENTERPRISE PRODUCTS.

Part 2 of subtitle A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4501 et seq.), as amended by this Act, is amended by inserting before section 1323 the following:

''SEC. 1321. PRIOR APPROVAL AUTHORITY FOR PRODUCTS.

''(a) IN GENERAL.—The Director shall require each enterprise to obtain the approval of the Director for any product of the enterprise before initially offering the product.

''(b) STANDARD FOR APPROVAL.—In considering any request for approval of a product pursuant to subsection (a), the Director shall make a determination that—

''(1) in the case of a product of the Federal National Mortgage Association, the Director determines that the product is authorized under paragraph (2), (3), (4), or (5) of section 302(b) or section 304 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b), 1719);

''(2) in the case of a product of the Federal Home Loan Mortgage Corporation, the Director determines that the product is authorized under paragraph (1), (4), or (5) of section 305(a) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a));

''(3) the product is in the public interest;

''(4) the product is consistent with the safety and soundness of the enterprise or the mortgage finance system; and

''(5) the product does not impair the stability or competitiveness of the mortgage finance system.

''(c) PROCEDURE FOR APPROVAL.—

''(1) SUBMISSION OF REQUEST.—An enterprise shall submit to the Director a written request for approval of a product that describes the product in such form as prescribed by order or regulation of the Director.

''(2) REQUEST FOR PUBLIC COMMENT.—Immediately upon receipt of a request for approval of a product, as required under paragraph (1), the Director shall publish notice of such request and of the period for public comment pursuant to paragraph (3) regarding the product, and a description of the product proposed by the request. The Director shall give interested parties the opportunity to respond in writing to the proposed product.

''(3) PUBLIC COMMENT PERIOD.—During the 30-day period beginning on the date of publication pursuant to paragraph (2) of a request for approval of a product, the Director shall receive public comments regarding the proposed product.

''(4) OFFERING OF PRODUCT.—

''(A) IN GENERAL.—Not later than 30 days after the close of the public comment period described in paragraph (3), the Director shall approve or deny the product, specifying the grounds for such decision in writing.

''(B) FAILURE TO ACT.—If the Director fails to act within the 30-day period described in subparagraph (A), then the enterprise may offer the product.

''(d) EXPEDITED REVIEW.—

''(1) DETERMINATION AND NOTICE.—If an enterprise determines that any new activity, service, undertaking or offering is excluded from the definition of a product under subsection (f), then the enterprise shall provide written notice to the Director prior to the commencement of such activity, service, undertaking, or offering.

''(2) DIRECTOR DETERMINATION OF APPLICABLE PROCEDURE.—Immediately upon receipt of any notice pursuant to paragraph (1), the Director shall make a determination under paragraph (3).

''(3) DETERMINATION AND TREATMENT AS A PRODUCT.—If the Director determines that any new activity, service, undertaking, or offering consists of, relates to, or involves a product—

''(A) the Director shall notify the enterprise of the determination;

''(B) the new activity, service, undertaking, or offering described in the notice under paragraph (1) shall be considered a product for the purposes of this section; and

''(C) the enterprise shall withdraw its request or submit a written request for approval of the product pursuant to subsection (c).

''(e) CONDITIONAL APPROVAL.—The Director may conditionally approve the offering of any product by an enterprise, and may establish terms, conditions, or limitations with respect to such product with which the enterprise must comply in order to offer such product.

''(f) DEFINITION OF PRODUCT.—As used in this section, the term 'product'—

''(1) all programs, products, and activities, offered by the enterprise in the marketplace; and

''(2) does not include—

''(A) the automated loan underwriting system of an enterprise in existence as of the date of enactment of the Federal Housing Enterprise Regulatory Reform Act of 2008, including any upgrade to the technology, operating system, or software to operate the underwriting system; or

''(B) any modification to the mortgage terms and conditions or mortgage underwriting criteria relating to the mortgages that are purchased or guaranteed by an enterprise, provided that such modifications do not alter the underlying transaction so as to include services or financing, other than residential mortgage financing, or create significant new exposure to risk for the enterprise or the holder of the mortgage.

''(g) NO LIMITATION.—Nothing in this section shall be deemed to restrict—

''(1) the safety and soundness authority of the Director over all new and existing products or activities; or

''(2) the authority of the Director to review all new and existing products or activities to determine that such products or activities are consistent with the statutory mission of an enterprise.''.

SEC. 823. MONITORING AND ENFORCING COMPLIANCE WITH HOUSING GOALS.

Section 1336(a)(1) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4566(a)(1)) is amended by striking ''established'' and all that follows through ''1334'' and inserting ''under this subpart''.

SEC. 824. ASSUMPTION BY DIRECTOR OF OTHER HUD RESPONSIBILITIES.

(a) IN GENERAL.—Part 2 of subtitle A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4541 et seq.) is amended—

(1) by striking ''Secretary'' each place that term appears and inserting ''Director'' in each of sections 1323, 1324, 1326, 1331, 1332, 1333, 1334, and 1336;

(2) in section 1332 (12 U.S.C. 4562), by striking subsection (d);

(3) in section 1333 (12 U.S.C. 4563), by striking subsection (d);

(4) in section 1334 (12 U.S.C. 4564), by striking subsection (d); and

(5) by striking sections 1337, 1338, and 1349 (12 U.S.C. 4567, 4562 note, 4589).

(b) RETENTION OF FAIR HOUSING RESPONSIBILITIES.—Section 1325 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4545) is amended in the matter preceding paragraph (1), by inserting ''of Housing and Urban Development'' after ''The Secretary''.

SEC. 825. ADMINISTRATIVE AND JUDICIAL ENFORCEMENT PROCEEDINGS.

(a) DIRECTOR AUTHORITY.—Subpart C of part 2 of subtitle A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4581 et seq.) is amended by striking ''Secretary'' each place that term appears and inserting ''Director'' in each of—

(1) section 1341 (12 U.S.C. 4581);
(2) section 1342 (12 U.S.C. 4582);
(3) section 1343 (12 U.S.C. 4583);
(4) section 1344 (12 U.S.C. 4584);
(5) section 1345 (12 U.S.C. 4585);
(6) section 1346 (12 U.S.C. 4586);
(7) section 1347 (12 U.S.C. 4587); and
(8) section 1348 (12 U.S.C. 4588).

(b) SUBPOENA ENFORCEMENT BY DIRECTOR.—Section 1348(c) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4588(c)) is amended by inserting ''may bring an action or'' before ''may request''.

SEC. 826. CONFORMING LOAN LIMITS.

(a) FANNIE MAE.—Section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) is amended by striking ''The Corporation shall establish'' and all that follows through the end of the paragraph and inserting the following: ''Such limitations shall not exceed $417,000 for a mortgage secured by a single-family residence, $533,850 for a mortgage secured by a 2-family residence, $645,300 for a mortgage secured by a 3-family residence, or $801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning after the effective date under section 163 of the Federal Housing Enterprise Regulatory Reform Act of 2008, subject to the limitations in this paragraph.

Such limitation shall be calculated with respect to the total original principal obligation of the mortgage, and not merely with respect to the interest purchased by the enterprise. Each adjustment shall be made by adding to or subtracting from each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase or decrease, during the most recent 12-month or fourth quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Office of Federal Housing Enterprise Oversight (pursuant to section 1321 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4541)).''.

(b) FREDDIE MAC.—Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) is amended by striking ''The Corporation shall establish'' and all that follows through the end of the paragraph and inserting the following: ''Such limitations shall not exceed $417,000 for a mortgage secured by a single-family residence, $533,850 for a mortgage secured by a 2-family residence, $645,300 for a mortgage secured by a 3-family residence, or $801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning after the effective date under section 163 of the Federal Housing Enterprise Regulatory Reform Act of 2008, subject to the limitations in this paragraph. Such limitation shall be calculated with respect to the total original principal obligation of the mortgage and not merely with respect to the interest purchased by the enterprise. Each adjustment shall be made by adding to or subtracting from each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase or decrease, during the most recent 12-month or fourth quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Office of Federal Housing Enterprise Oversight (pursuant to section 1321 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4541)).''.

(c) HOUSING PRICE INDEX.—The Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by this Act, is amended by inserting before section 1323 the following:

''SEC. 1322. HOUSING PRICE INDEX.

''(a) METHOD OF ASSESSMENT.—The Director shall establish, by regulation, and maintain a method of assessing the national average single-family housing price for use in adjusting the conforming loan limitations of the enterprises.

''(b) CONSIDERATIONS.—The Director shall take into consideration the monthly survey of all major lenders conducted by the Office to determine the national average single-family house price, the Housing Price Index maintained by the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development before the effective date under section 163 of the Federal Housing Enterprise Regulatory Reform Act of 2008, any appropriate housing price indexes of the Bureau of the Census of the Department of Commerce, and any other indexes or measure that the Director considers appropriate.''.

SEC. 827. REPORTING OF MORTGAGE DATA; HOUSING GOALS.

(a) REPORTING OF MORTGAGE DATA.—Section 1325 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4546), as so redesignated by this Act, is amended—

(1) in subsection (a), by striking ''The Director'' and inserting ''Subject to subsection (d), the Director''; and

(2) by adding at the end the following:

''(d) MORTGAGE DATA.—The Director shall, by regulation or order, provide that certain information relating to single family mortgage data of the enterprises shall be disclosed to the public in order to make available to the public the same data from the enterprises that is required of insured depository institutions under the Home Mortgage Disclosure Act.''.

(b) DEFINITIONS.—Section 1334 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4564), as amended by this Act, is amended by adding at the end the following:

''(d) DEFINITIONS.—For purposes of this section, the term 'underserved area' means an urban census tract that has—

''(1) an average median family income of less than 80 percent of the area median family income; or

''(2) a minority population of at least 30 percent and a median family income of less than 100 percent of the area family median income.''.

SEC. 828. DUTY TO SERVE UNDERSERVED MARKETS.

(a) ESTABLISHMENT AND EVALUATION OF PERFORMANCE.—Section 1335 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4565) is amended—

(1) in the section heading, by inserting ''DUTY TO SERVE UNDERSERVED MARKETS AND'' before ''OTHER'';

(2) by striking subsection (b);

(3) in subsection (a)—

(A) by inserting ''and to carry out the duty under subsection (a)'' before '', each enterprise shall'';

(B) in paragraph (3), by inserting ''and'' at the end;

(C) in paragraph (4), by striking ''; and'' and inserting a period; and

(D) by striking paragraph (5); and

(4) by redesignating subsection (a) as subsection (b);

(5) by inserting before subsection (b) (as so redesignated) the following:

''(a) DUTY TO SERVE UNDERSERVED MARKETS.—

''(1) DUTY.—In accordance with the purposes of the enterprises under section 301(3) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716) and section 301(b)(3) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) to undertake activities relating to mortgages on housing for very low-, low-, and moderate-income families, involving a reasonable economic return that may be less than the return earned on other activities, each enterprise shall have the duty to increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing for underserved markets.

''(2) UNDERSERVED MARKETS.—To meet its duty under paragraph (1), each enterprise shall lead the industry in developing loan products and flexible underwriting guidelines to facilitate a secondary market—

''(A) for mortgages on manufactured homes for very low-, low-, and moderate-income families;

''(B) to preserve housing affordable to very low-, low-, and moderate-income families, including housing projects subsidized under—

''(i) the project-based and tenant-based rental assistance programs under section 8 of the United States Housing Act of 1937;

''(ii) the program under section 236 of the National Housing Act;

''(iii) the below market interest rate mortgage program under section 221(d)(4) of the National Housing Act;

''(iv) the supportive housing for the elderly program under section 202 of the Housing Act of 1959;

''(v) the supportive housing program for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act; and

''(vi) the rural rental housing program under section 515 of the Housing Act of 1949;

''(C) for mortgages on housing for very low-, low-, and moderate-income families in rural areas, and for mortgages for housing for any other underserved market for very low-, low-, and moderate-income families that the Director identifies as lacking adequate credit through conventional lending sources, which underserved markets may be identified by borrower type, market segment, or geographic area; and

''(D) for mortgages originated through State or local affordable or subsidized housing programs.''; and

(6) by adding at the end the following:

''(c) EVALUATION AND REPORTING OF COMPLIANCE.—

''(1) METHOD OF EVALUATION.—Not later than 6 months after the effective date of title I of the Federal Housing Enterprise Regulatory Reform Act of 2008, the Director shall establish a method for evaluating whether, and the extent to which, the enterprises have complied with the duty under subsection (a) to serve underserved markets and for rating the extent of such compliance.

''(2) ANNUAL EVALUATIONS.—Using the method established under paragraph (1), the Director shall, for each year, evaluate such compliance and rate the performance of each enterprise as to the extent of compliance. The Director shall include such evaluation and rating for each enterprise for a year in the report for that year submitted pursuant to section 1319B(a).

''(3) SEPARATE EVALUATIONS.—In determining whether an enterprise has complied with the duty under subsection (a), the Director shall separately evaluate whether the enterprise has complied with such duty with respect to each of the underserved markets identified in subsection (a), taking into consideration—

''(A) the development of loan products and more flexible underwriting guidelines;

''(B) the extent of outreach to qualified loan sellers in each of such underserved markets; and

''(C) the volume of loans purchased in each of such underserved markets.''.

(b) ENFORCEMENT.—Section 1336(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4566(a)) is amended—

(1) in paragraph (1), by inserting before the period ''and with the duty under section 1335A of each enterprise with respect to underserved markets''; and

(2) by adding at the end the following:

''(4) ENFORCEMENT OF DUTY TO PROVIDE MORTGAGE CREDIT TO UNDERSERVED MARKETS.—Compliance with the duty under section 1335(a) of each enterprise to serve underserved markets (as determined in accordance with section 1335(c)) shall be enforceable under this section to the same extent and under the same provisions that the housing goals established under sections 1332, 1333, and 1334 are enforceable. Such duty shall not be enforceable under any provision of this title (including subpart C), other than this section, or under any provision of the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act, as applicable.''.

SEC. 829. HOME PURCHASE GOAL.

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4501 et seq.) is amended—

(1) by inserting after section 1334 the following:

''SEC. 1334A. HOME PURCHASE GOAL.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Director shall establish an annual home purchase goal for the purchase by each enterprise of mortgage financing of owner-occupied single family dwelling units.

''(2) COMPONENTS.—The Director may, by regulation, establish components for the goal established under paragraph (1) to include any or all of the following:

''(A) First-time home buyers.

''(B) Low- and moderate-income home buyers.

''(C) Home buyers in central cities, rural areas, and other underserved areas.

''(D) Home buyers who obtain financing through State or local affordable or subsidized housing programs.

''(3) OTHER AUTHORITY.—The Director may, by regulation, establish the goal under paragraph (1) with components as percentages of enterprise business, or by such other means as necessary to increase the secondary market financing of mortgages by the enterprises for home purchases, consistent with the missions of the enterprises.

''(4) ENFORCEABILITY.—The components of the goal established by the Director under paragraph (1) shall be enforceable as goals under subpart C.

''(b) FACTORS TO BE CONSIDERED.—In establishing the home purchase goal for an enterprise under this section, the Director shall consider—

''(1) national housing needs;

''(2) economic, housing, and demographic conditions;

''(3) the performance and effort of the enterprises toward achieving the home purchase goal in previous years;

''(4) the size of the conventional mortgage market serving home purchasers, relative to the size of the overall conventional mortgage market;

''(5) the ability of the enterprises to lead the industry in making mortgage credit available for home purchasers; and

''(6) the need to maintain the sound financial condition of the enterprises.

''(c) TRANSITION.—In order to permit a transition to the establishment of the goal under this section, such goal shall not be effective or enforceable during the 1-year period beginning on the date of its establishment under subsection (a).

''(d) IMPLEMENTATION DURING TRANSITION.—The Director shall establish, by rule, any requirements necessary to implement the transition provisions under subsection (c), after providing the enterprises with an opportunity to review and comment not less than 30 days before the issuance of such notice.

''SEC. 1334B HOUSING GOALS, ADDITIONS, MODIFICATIONS, AND RESCISSIONS.

''(a) IN GENERAL.—

''(1) AUTHORITY TO ADDRESS GOALS.—The Director may, by regulation, establish additional annual housing goals, or modify or rescind existing housing goals, to address national housing needs consistent with the missions, of the enterprises and the authorizing statutes, for the purchase of mortgages, if the Director determines, by regulation, that the housing need is greatest.

''(2) METHODOLOGY.—The Director may issue a regulation which establishes or modifies any goal under this subsection—

''(A) as a percentage of the mortgage purchases of each enterprise;

''(B) as a dollar amount of each enterprise's mortgage purchases; or

''(C) by such other means as necessary to increase the enterprises' secondary market financing of mortgages addressed by the goal.

''(b) FACTORS TO BE CONSIDERED.—In establishing any additional goals under this section, the Director shall consider—

''(1) national housing needs;

''(2) economic, housing, and demographic conditions;

''(3) the performance and effort of the enterprises toward achieving the need addressed by any such additional goal in previous years;

''(4) the size of the conventional mortgage market serving the need addressed by the goal, relative to the size of the overall conventional mortgage market;

''(5) the ability of the enterprises to lead the industry in making mortgage credit available to meet the need addressed by the goal; and

''(6) the need to maintain the sound financial condition of the enterprises.

''(c) TRANSITION.—In order to permit a transition to the establishment of any goal under this section, such goal shall not be effective or enforceable during the 1-year period beginning on the date of its establishment under subsection (a).'';

(2) in section 1335 (12 U.S.C. 4565(a)), by striking ''meet the low-'' and all that follows through ''1334'' and inserting ''meet the goals under this subpart'';

(3) in section 1336 (12 U.S.C. 4566), by striking subsections (b) and (c) and inserting the following:

''(b) NOTICE AND PRELIMINARY DETERMINATION OF FAILURE TO MEET GOALS.—

''(1) NOTICE.—If the Director preliminarily determines that an enterprise has failed, or that there is a substantial probability that an enterprise will fail, to meet any housing goal under this subpart, the Director shall provide written notice to the enterprise of such a preliminary determination, the reasons for such determination, and the information on which the Director based the determination.

''(2) RESPONSE PERIOD.—

''(A) IN GENERAL.—During the 30-day period beginning on the date on which an enterprise is provided notice under paragraph (1), the enterprise may submit to the Director any written information that the enterprise considers appropriate for consideration by the Director in finally determining whether such failure has occurred or whether the achievement of such goal was or is feasible.

''(B) EXTENDED PERIOD.—The Director may extend the period under subparagraph (A) for good cause for not more than 30 additional days.

''(C) SHORTENED PERIOD.—The Director may shorten the period under subparagraph (A) for good cause.

''(D) FAILURE TO RESPOND.—The failure of an enterprise to provide information during the 30-day period under this paragraph (as extended or shortened) shall waive any right of the enterprise to comment on the proposed determination or action of the Director.

''(3) CONSIDERATION OF INFORMATION AND FINAL DETERMINATION.—

''(A) IN GENERAL.—After the expiration of the response period under paragraph (2), or upon receipt of information provided during such period by the enterprise, whichever occurs earlier, the Director shall issue a final determination on—

''(i) whether the enterprise has failed, or there is a substantial probability that the enterprise will fail, to meet the housing goal; and

''(ii) whether (taking into consideration market and economic conditions and the financial condition of the enterprise) the achievement of the housing goal was or is feasible.

''(B) CONSIDERATIONS.—In making a final determination under subparagraph (A), the Director shall take into consideration any relevant information submitted by the enterprise during the response period.

''(C) NOTICE.—The Director shall provide written notice, including a response to any information submitted during the response period to the enterprise, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives, of—

''(i) each final determination under this paragraph that an enterprise has failed, or that there is a substantial probability that the enterprise will fail, to meet a housing goal;

''(ii) each final determination that the achievement of a housing goal was or is feasible; and

''(iii) the reasons for each such final determination.

''(c) CEASE AND DESIST, CIVIL MONEY PENALTIES, AND REMEDIES INCLUDING HOUSING PLANS.—

''(1) REQUIREMENT.—If the Director finds, pursuant to subsection (b), that there is a substantial probability that an enterprise will fail, or has actually failed, to meet any housing goal under this subpart, and that the achievement of the housing goal was or is feasible, the Director may require that the enterprise submit a housing plan under this subsection. If the Director makes such a finding and the enterprise refuses to submit such a plan, submits an unacceptable plan, fails to comply with the plan, or the Director finds that the enterprise has failed to meet any housing goal under this subpart, in addition to requiring an enterprise to submit a housing plan, the Director may issue a cease and desist order in accordance with section 1341, impose civil money penalties in accordance with section 1345, or order other remedies as set forth in paragraph (7).

''(2) HOUSING PLAN.—If the Director requires a housing plan under this subsection, such a plan shall be—

''(A) a feasible plan describing the specific actions the enterprise will take—

''(i) to achieve the goal for the next calendar year; and

''(ii) if the Director determines that there is a substantial probability that the enterprise will fail to meet a goal in the current year, to make such improvements and changes in its operations as are reasonable in the remainder of such year; and

''(B) sufficiently specific to enable the Director to monitor compliance periodically.

''(3) DEADLINE FOR SUBMISSION.—The Director shall, by regulation, establish a deadline for an enterprise to comply with any remedial action or submit a housing plan to the Director, which may not be more than 45 days after the enterprise is provided notice. The regulations shall provide that the Director may extend the deadline to the extent that the Director determines necessary. Any extension of the deadline shall be in writing and for a time certain.

''(4) APPROVAL.—The Director shall review each submission by an enterprise, including a housing plan submitted under this subsection, and, not later than 30 days after submission, approve or disapprove the plan or other action. The Director may extend the period for approval or disapproval for a single additional 30-day period if the Director determines it necessary. The Director shall approve any plan that the Director determines is likely to succeed, and conforms with the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act (as applicable), this title, and any other applicable provision of law.

''(5) NOTICE OF APPROVAL AND DISAPPROVAL.—The Director shall provide written notice to any enterprise submitting a housing plan of the approval or disapproval of the plan (which shall include the reasons for any disapproval of the plan) and of any extension of the period for approval or disapproval.

''(6) RESUBMISSION.—If the initial housing plan submitted by an enterprise under this section is disapproved, the enterprise shall submit an amended plan acceptable to the Director not later than 30 days after such disapproval, or such longer period that the Director determines is in the public interest.

''(7) ADDITIONAL REMEDIES FOR FAILURE TO MEET GOALS.—In addition to ordering a housing plan under this section, issuing a cease and desist order under section 1341, and ordering civil money penalties under section 1345, the Director may seek other actions when an enterprise fails to meet a goal, including requesting that the Director exercise appropriate enforcement authority available to the Director under this title to prohibit the enterprise from entering into new activities, to freeze any pending approval of new activities, and to order the enterprise to suspend activities pending its achievement of the goal.'';

(4) by striking section 1338 (12 U.S.C. 4568);

(5) by striking from the heading of subpart C ''**of Housing Goals**'';

(6) by striking section 1341 (12 U.S.C. 4581) and inserting the following:

''SEC. 1341. CEASE-AND-DESIST PROCEEDINGS.

''(a) GROUNDS FOR ISSUANCE.—The Director may issue and serve a notice of charges under this section upon an enterprise if the Director determines that—

''(1) the enterprise has failed to meet any housing goal established under subpart B, following a written notice and determination of such failure in accordance with section 1336;

''(2) the enterprise has failed to submit a report under section 1327, following a notice of such failure, an opportunity for comment by the enterprise, and a final determination by the Director;

''(3) the enterprise has failed to submit the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act, subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act, or section 1337 of this title;

''(4) the enterprise has violated any provision of part 2 of this title or any order, rule, or regulation under part 2;

''(5) the enterprise has failed to submit a housing plan or perform its responsibilities under a remedial order that substantially complies with section 1336(c) within the applicable period; or

''(6) the enterprise has failed to comply with a housing plan under section 1336(c).

''(b) PROCEDURE.—

''(1) NOTICE OF CHARGES.—Each notice of charges issued under this section shall contain a statement of the facts constituting the alleged conduct and shall fix a time and place at which a hearing will be held to determine on the record whether an order to cease and desist from such conduct should issue.

''(2) ISSUANCE OF ORDER.—If the Director finds on the record made at a hearing described in paragraph (1) that any conduct specified in the notice of charges has been established (or the enterprise consents pursuant to section 1342(a)(4)), the Director may issue and serve upon the enterprise an order requiring the enterprise to—

''(A) comply with the goals;

''(B) submit a report under section 1327;

''(C) comply with any provision of part 2 of this title or any order, rule, or regulation under part 2;

''(D) submit a housing plan in compliance with section 1336(c);

''(E) comply with the housing plan in compliance with section 1336(c); or

''(F) provide the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act, or subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act.

''(c) EFFECTIVE DATE.—An order under this section shall become effective upon the expiration of the 30-day period beginning on the date of service of the order upon the enterprise (except in the case of an order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable as provided in the order, except to the extent that the order is stayed, modified, terminated, or set aside by action of the Director of or otherwise, as provided in this subpart.''; and

(7) by striking section 1345 and inserting the following:

''SEC. 1345. CIVIL MONEY PENALTIES.

''(a) AUTHORITY.—The Director may impose a civil money penalty, in accordance with the provisions of this section, on any enterprise that has failed to—

''(1) meet any housing goal established under subpart B, following a written notice and determination of such failure in accordance with section 1336(b);

''(2) submit a report under section 1327, following a notice of such failure, an opportunity for comment by the enterprise, and a final determination by the Director;

''(3) submit the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act or subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act;

''(4) comply with any provision of part 2 of this title or any order, rule, or regulation under part 2;

''(5) submit a housing plan or perform its responsibilities under a remedial order issued pursuant to section 1336(c) within the required period; or

''(6) comply with a housing plan for the enterprise under section 1336(c).

''(b) AMOUNT OF PENALTY.—The amount of a penalty under this section, as determined by the Director, may not exceed—

''(1) for any failure described in paragraph (1), (5), or (6) of subsection (a), $100,000 for each day that the failure occurs; and

''(2) for any failure described in paragraph (2), (3), or (4) of subsection (a), $50,000 for each day that the failure occurs.

''(c) PROCEDURES.—

''(1) ESTABLISHMENT.—The Director shall establish standards and procedures governing the imposition of civil money penalties under this section. Such standards and procedures—

''(A) shall provide for the Director to notify the enterprise in writing of the determination of the Director to impose the penalty, which shall be made on the record;

''(B) shall provide for the imposition of a penalty only after the enterprise has been given an opportunity for a hearing on the record pursuant to section 1342; and

''(C) may provide for review by the Director of any determination or order, or interlocutory ruling, arising from a hearing.

''(2) FACTORS IN DETERMINING AMOUNT OF PENALTY.—In determining the amount of a penalty under this section, the Director shall give consideration to factors including—

''(A) the gravity of the offense;

''(B) any history of prior offenses;

''(C) ability to pay the penalty;

''(D) injury to the public;

''(E) benefits received;

''(F) deterrence of future violations;

''(G) the length of time that the enterprise should reasonably take to achieve the goal; and

''(H) such other factors as the Director may determine, by regulation, to be appropriate.

''(d) ACTION TO COLLECT PENALTY.—If an enterprise fails to comply with an order by the Director imposing a civil money penalty under this section, after the order is no longer subject to review, as provided in sections 1342 and 1343, the Director may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia to obtain a monetary judgment against the enterprise, and such other relief as may be available. The monetary judgment may, in the court's discretion, include the attorneys' fees and other expenses incurred by the United States in connection with the action. In an action under this subsection, the validity and appropriateness of the order imposing the penalty shall not be subject to review.

''(e) SETTLEMENT BY DIRECTOR.—The Director may compromise, modify, or remit any civil money penalty which may be, or has been, imposed under this section.

''(f) DEPOSIT OF PENALTIES.—The Director shall deposit any civil money penalties collected under this section into the General Fund of the Treasury.''.

Subtitle C—Prompt Corrective Action

SEC. 831. CRITICAL CAPITAL LEVELS.

Section 1363 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4613) is amended—

(1) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively, and indenting appropriately;

(2) by striking ''shall be the sum of—'' and inserting the following: ''shall be—

''(1) the sum of—''; and

(3) in paragraph (1)(C), as so designated by this section, by striking the period at the end and inserting the following: ''; or

''(2) such other level as the Director shall establish, by regulation.''.

SEC. 832. CAPITAL CLASSIFICATIONS.

Section 1364 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4614) is amended—

(1) in subsection (a)—

(A) in paragraph (3)(A)—

(i) by striking clause (i); and

(ii) by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively; and

(B) in paragraph (4)(A), by striking ''enterprise—'' and all that follows through ''(ii) does'' and inserting ''enterprise does'';

(2) by striking subsection (b) and inserting the following:

''(b) DISCRETIONARY CLASSIFICATION.—

''(1) GROUNDS FOR RECLASSIFICATION.—The Director may reclassify an enterprise under paragraph (2) if—

''(A) at any time, the Director determines in writing that an enterprise is engaging in conduct that could result in a rapid depletion of core capital, or that the value of the property subject to mortgages held or securitized by an enterprise, or the value of collateral pledged as security, has decreased significantly;

''(B) after notice and an opportunity for hearing, the Director determines that an enterprise is in an unsafe or unsound condition; or

''(C) pursuant to section 1371(b), the Director determines that an enterprise is engaging in an unsafe or unsound practice.

''(2) RECLASSIFICATION.—In addition to any other action authorized under this title, including the reclassification of an enterprise

for any reason not specified in this subsection, if the Director takes any action described in paragraph (1), the Director may reclassify an enterprise—

''(A) as 'undercapitalized', if the enterprise is otherwise classified as adequately capitalized;

''(B) as 'significantly undercapitalized', if the enterprise is otherwise classified as undercapitalized; and

''(C) as 'critically undercapitalized', if the enterprise is otherwise classified as significantly undercapitalized.''; and

(3) by striking subsection (d) and inserting the following:

''(d) RESTRICTION ON CAPITAL DISTRIBUTIONS.—

''(1) IN GENERAL.—An enterprise shall make no capital distribution if, after making the distribution, the enterprise would be undercapitalized.

''(2) EXCEPTION.—Notwithstanding paragraph (1), the Director may permit an enterprise to repurchase, redeem, retire, or otherwise acquire shares or ownership interests if the repurchase, redemption, retirement, or other acquisition—

''(A) is made in connection with the issuance of additional shares or obligations of the enterprise in at least an equivalent amount; and

''(B) will reduce the financial obligations of the enterprise or otherwise improve the financial condition of the enterprise.''.

SEC. 833. SUPERVISORY ACTIONS APPLICABLE TO UNDERCAPITALIZED ENTERPRISES.

Section 1365 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4615) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively;

(B) by inserting before paragraph (2), as redesignated, the following:

''(1) REQUIRED MONITORING.—The Director shall—

''(A) closely monitor the condition of any undercapitalized enterprise;

''(B) closely monitor compliance with the capital restoration plan, restrictions, and requirements imposed on an undercapitalized enterprise under this section; and

''(C) periodically review the plan, restrictions, and requirements applicable to an undercapitalized enterprise to determine whether the plan, restrictions, and requirements are achieving the purpose of this section.''; and

(C) by adding at the end the following:

''(4) RESTRICTION OF ASSET GROWTH.—An undercapitalized enterprise shall not permit its average total assets during any calendar quarter to exceed its average total assets during the preceding calendar quarter, unless—

''(A) the Director has accepted the capital restoration plan of the enterprise;

''(B) any increase in total assets is consistent with the capital restoration plan; and

''(C) the ratio of tangible equity to assets of the enterprise increases during the calendar quarter at a rate sufficient to enable the enterprise to become adequately capitalized within a reasonable time.

''(5) PRIOR APPROVAL OF ACQUISITIONS AND NEW ACTIVITIES.—An undercapitalized enterprise shall not, directly or indirectly, acquire any interest in any entity or engage in any new activity, unless—

''(A) the Director has accepted the capital restoration plan of the enterprise, the enterprise is implementing the plan, and the Director determines that the proposed action is consistent with and will further the achievement of the plan; or

''(B) the Director determines that the proposed action will further the purpose of this subtitle.'';

(2) in subsection (b)—

(A) in the subsection heading, by striking ''DISCRETIONARY'';

(B) in the matter preceding paragraph (1), by striking ''may'' and inserting ''shall''; and

(C) in paragraph (2)—

(i) by striking ''make, in good faith, reasonable efforts necessary to''; and

(ii) by striking the period at the end and inserting ''in any material respect.''; and

(3) by striking subsection (c) and inserting the following:

''(c) OTHER DISCRETIONARY SAFEGUARDS.—The Director may take, with respect to an undercapitalized enterprise, any of the actions authorized to be taken under section 1366 with respect to a significantly undercapitalized enterprise, if the Director determines that such actions are necessary to carry out the purpose of this subtitle.''.

SEC. 834. SUPERVISORY ACTIONS APPLICABLE TO SIGNIFICANTLY UNDERCAPITALIZED ENTERPRISES.

Section 1366 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4616) is amended—

(1) in subsection (a)(2), by striking ''undercapitalized enterprise'' and inserting ''undercapitalized''; and

(2) in subsection (b)—

(A) in the subsection heading, by striking ''DISCRETIONARY SUPERVISORY'' and inserting ''SPECIFIC'';

(B) in the matter preceding paragraph (1), by striking ''may, at any time, take any'' and inserting ''shall carry out this section by taking, at any time, 1 or more'';

(C) by striking paragraph (6);

(D) by redesignating paragraph (5) as paragraph (6);

(E) by inserting after paragraph (4) the following:

''(5) IMPROVEMENT OF MANAGEMENT.—Take 1 or more of the following actions:

''(A) NEW ELECTION OF BOARD.—Order a new election for the board of directors of the enterprise.

''(B) DISMISSAL OF DIRECTORS OR EXECUTIVE OFFICERS.—Require the enterprise to dismiss from office any director or executive officer who had held office for more than 180 days immediately before the date on which the enterprise became undercapitalized. Dismissal under this subparagraph shall not be construed to be a removal pursuant to the enforcement powers of the Director under section 1377.

''(C) EMPLOY QUALIFIED EXECUTIVE OFFICERS.—Require the enterprise to employ qualified executive officers (who, if the Director so specifies, shall be subject to approval by the Director).''; and

(F) by adding at the end the following:

''(7) OTHER ACTION.—Require the enterprise to take any other action that the Director determines will better carry out the purpose of this section than any of the other actions specified in this subsection.''; and

(3) by striking subsection (c) and inserting the following:

''(c) RESTRICTION ON COMPENSATION OF EXECUTIVE OFFICERS.—An enterprise that is classified as significantly undercapitalized in accordance with section 1364 may not, without prior written approval by the Director—

''(1) pay any bonus to any executive officer; or

''(2) provide compensation to any executive officer at a rate exceeding the average rate of compensation of that officer (excluding bonuses, stock options, and profit sharing) during the 12 calendar months preceding the calendar month in which the enterprise became significantly undercapitalized.''.

SEC. 835. AUTHORITY OVER CRITICALLY UNDERCAPITALIZED ENTERPRISES.

(a) IN GENERAL.—Section 1367 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4617) is amended to read as follows:

''SEC. 1367. AUTHORITY OVER CRITICALLY UNDERCAPITALIZED ENTERPRISES.

''(a) APPOINTMENT OF THE OFFICE AS CONSERVATOR OR RECEIVER.—

''(1) IN GENERAL.—Notwithstanding any other provision of Federal or State law, the Director may appoint the Office as conservator or receiver for an enterprise in the manner provided under paragraph (2) or (4). All references to the conservator or receiver under this section are references to the Office acting as conservator or receiver.

''(2) DISCRETIONARY APPOINTMENT.—The Office may, at the discretion of the Director, be appointed conservator or receiver for the purpose of reorganizing, rehabilitating, or winding up the affairs of an enterprise.

''(3) GROUNDS FOR DISCRETIONARY APPOINTMENT OF CONSERVATOR OR RECEIVER.—The grounds for appointing conservator or receiver for any enterprise under paragraph (2) are as follows:

''(A) SUBSTANTIAL DISSIPATION.—Substantial dissipation of assets or earnings due to—

''(i) any violation of any provision of Federal or State law; or

''(ii) any unsafe or unsound practice.

''(B) UNSAFE OR UNSOUND CONDITION.—An unsafe or unsound condition to transact business.

''(C) CEASE-AND-DESIST ORDERS.—Any willful violation of a cease-and-desist order that has become final.

''(D) CONCEALMENT.—Any concealment of the books, papers, records, or assets of the enterprise, or any refusal to submit the books, papers, records, or affairs of the enterprise, for inspection to any examiner or to any lawful agent of the Director.

''(E) INABILITY TO MEET OBLIGATIONS.—The enterprise is likely to be unable to pay its obligations or meet the demands of its creditors in the normal course of business.

''(F) LOSSES.—The enterprise has incurred or is likely to incur losses that will deplete all or substantially all of its capital, and there is no reasonable prospect for the enterprise to become adequately capitalized (as defined in section 1364(a)(1)).

''(G) VIOLATIONS OF LAW.—Any violation of any law or regulation, or any unsafe or unsound practice or condition that is likely to—

''(i) cause insolvency or substantial dissipation of assets or earnings; or

''(ii) weaken the condition of the enterprise.

''(H) CONSENT.—The enterprise, by resolution of its board of directors or its shareholders or members, consents to the appointment.

''(I) UNDERCAPITALIZATION.—The enterprise is undercapitalized or significantly undercapitalized (as defined in section 1364(a)(3)), and—

''(i) has no reasonable prospect of becoming adequately capitalized;

''(ii) fails to become adequately capitalized, as required by—

''(I) section 1365(a)(1) with respect to an enterprise; or

''(II) section 1366(a)(1) with respect to a significantly undercapitalized enterprise;

''(iii) fails to submit a capital restoration plan acceptable to the Office within the time prescribed under section 1369C; or

''(iv) materially fails to implement a capital restoration plan submitted and accepted under section 1369C.

''(J) CRITICAL UNDERCAPITALIZATION.—The enterprise is critically undercapitalized, as defined in section 1364(a)(4).

''(K) MONEY LAUNDERING.—The Attorney General notifies the Director in writing that the enterprise has been found guilty of a criminal offense under section 1956 or 1957 of title 18, United States Code, or section 5322 or 5324 of title 31, United States Code.

''(4) MANDATORY RECEIVERSHIP.—

''(A) IN GENERAL.—The Director shall appoint the Office as receiver for an enterprise if the Director determines, in writing, that—

''(i) the assets of the enterprise are, and during the preceding 30 calendar days have been, less than the obligations of the enterprise to its creditors and others; or

''(ii) the enterprise is not, and during the preceding 30 calendar days has not been, generally paying the debts of the enterprise (other than debts that are the subject of a bona fide dispute) as such debts become due.

''(B) PERIODIC DETERMINATION REQUIRED FOR CRITICALLY UNDERCAPITALIZED ENTERPRISE.—If an enterprise is critically undercapitalized, the Director shall make a determination, in writing, as to whether the enterprise meets the criteria specified in clause (i) or (ii) of subparagraph (A)—

''(i) not later than 30 calendar days after the enterprise initially becomes critically undercapitalized; and

''(ii) at least once during each succeeding 30-calendar day period.

''(C) DETERMINATION NOT REQUIRED IF RECEIVERSHIP ALREADY IN PLACE.—Subparagraph (B) does not apply with respect to an enterprise in any period during which the Office serves as receiver for the enterprise.

''(D) RECEIVERSHIP TERMINATES CONSERVATORSHIP.—The appointment of the Office as receiver of an enterprise under this section shall immediately terminate any conservatorship established for the enterprise under this title.

''(5) JUDICIAL REVIEW.—

''(A) IN GENERAL.—If the Office is appointed conservator or receiver under this section, the enterprise may, within 30 days of such appointment, bring an action in the United States district court for the judicial district in which the home office of such enterprise is located, or in the United States District Court for the District of Columbia, for an order requiring the Office to remove itself as conservator or receiver.

''(B) REVIEW.—Upon the filing of an action under subparagraph (A), the court shall, upon the merits, dismiss such action or direct the Office to remove itself as such conservator or receiver.

''(6) DIRECTORS NOT LIABLE FOR ACQUIESCING IN APPOINTMENT OF CONSERVATOR OR RECEIVER.—The members of the board of directors of an enterprise shall not be liable to the shareholders or creditors of the enterprise for acquiescing in or consenting in good faith to the appointment of the Office as conservator or receiver for that enterprise.

''(7) OFFICE NOT SUBJECT TO ANY OTHER FEDERAL AGENCY.—When acting as conservator or receiver, the Office shall not be subject to the direction or supervision of any other agency of the United States or any State in the exercise of the rights, powers, and privileges of the Office.

''(b) POWERS AND DUTIES OF THE OFFICE AS CONSERVATOR OR RECEIVER.—

''(1) RULEMAKING AUTHORITY OF THE OFFICE.—The Office may prescribe such regulations as the Office determines to be appropriate regarding the conduct of conservatorships or receiverships.

''(2) GENERAL POWERS.—

''(A) SUCCESSOR TO ENTERPRISE.—The Office shall, as conservator or receiver, and by operation of law, immediately succeed to—

''(i) all rights, titles, powers, and privileges of the enterprise, and of any stockholder, officer, or director of such enterprise with respect to the enterprise and the assets of the enterprise; and

''(ii) title to the books, records, and assets of any other legal custodian of such enterprise.

''(B) OPERATE THE ENTERPRISE.—The Office may, as conservator or receiver—

''(i) take over the assets of and operate the enterprise with all the powers of the shareholders, the directors, and the officers of the enterprise and conduct all business of the enterprise;

''(ii) collect all obligations and money due the enterprise;

''(iii) perform all functions of the enterprise in the name of the enterprise which are consistent with the appointment as conservator or receiver;

''(iv) preserve and conserve the assets and property of the enterprise; and

''(v) provide by contract for assistance in fulfilling any function, activity, action, or duty of the Office as conservator or receiver.

''(C) FUNCTIONS OF OFFICERS, DIRECTORS, AND SHAREHOLDERS OF AN ENTERPRISE.—The Office may, by regulation or order, provide for the exercise of any function by any stockholder, director, or officer of any enterprise for which the Office has been named conservator or receiver.

''(D) POWERS AS CONSERVATOR.—The Office may, as conservator, take such action as may be—

''(i) necessary to put the enterprise in a sound and solvent condition; and

''(ii) appropriate to carry on the business of the enterprise and preserve and conserve the assets and property of the enterprise.

''(E) ADDITIONAL POWERS AS RECEIVER.—In any case in which the Office is acting as receiver, the Office shall place the enterprise in liquidation and proceed to realize upon the assets of the enterprise in such manner as the Office deems appropriate, including through the sale of assets, the transfer of assets to a limited-life enterprise established under subsection (i), or the exercise of any other rights or privileges granted to the Office under this paragraph.

''(F) ORGANIZATION OF NEW ENTERPRISE.—The Office shall, as receiver for an enterprise, organize a successor enterprise that will operate pursuant to subsection (i).

''(G) TRANSFER OR SALE OF ASSETS AND LIABILITIES.—The Office may, as conservator or receiver, transfer or sell any asset or liability of the enterprise in default, and may do so without any approval, assignment, or consent with respect to such transfer or sale.

''(H) PAYMENT OF VALID OBLIGATIONS.—The Office, as conservator or receiver, shall, to the extent of proceeds realized from the performance of contracts or sale of the assets of an enterprise, pay all valid obligations of the enterprise that are due and payable at the time of the appointment of the Office as conservator or receiver, in accordance with the prescriptions and limitations of this section.

''(I) SUBPOENA AUTHORITY.—

''(i) IN GENERAL.—

''(I) OFFICE AUTHORITY.—The Office may, as conservator or receiver, and for purposes of carrying out any power, authority, or duty with respect to an enterprise (including determining any claim against the enterprise and determining and realizing upon any asset of any person in the course of collecting money due the enterprise), exercise any power established under section 1348.

''(II) APPLICABILITY OF LAW.—The provisions of section 1348 shall apply with respect to the exercise of any power under this subparagraph, in the same manner as such provisions apply under that section.

''(ii) SUBPOENA.—A subpoena or subpoena duces tecum may be issued under clause (i) only by, or with the written approval of, the Director, or the designee of the Director.

''(iii) RULE OF CONSTRUCTION.—This subsection shall not be construed to limit any rights that the Office, in any capacity, might otherwise have under section 1317 or 1379B.

''(J) INCIDENTAL POWERS.—The Office may, as conservator or receiver—

''(i) exercise all powers and authorities specifically granted to conservators or receivers, respectively, under this section, and such incidental powers as shall be necessary to carry out such powers; and

''(ii) take any action authorized by this section, which the Office determines is in the best interests of the enterprise or the Office.

''(K) OTHER PROVISIONS.—

''(i) SHAREHOLDERS AND CREDITORS OF FAILED ENTERPRISE.—Notwithstanding any other provision of law, the appointment of the Office as receiver for an enterprise pursuant to paragraph (2) or (4) of subsection (a) and its succession, by operation of law, to the rights, titles, powers, and privileges described in subsection (b)(2)(A) shall terminate all rights and claims that the stockholders and creditors of the enterprise may have against the assets or charter of the enterprise or the Office arising as a result of their status as stockholders or creditors, except for their right to payment, resolution, or other satisfaction of their claims, as permitted under subsections (b)(9), (c), and (e).

''(ii) ASSETS OF ENTERPRISE.—Notwithstanding any other provision of law, for purposes of this section, the charter of an enterprise shall not be considered an asset of the enterprise.

''(3) AUTHORITY OF RECEIVER TO DETERMINE CLAIMS.—

''(A) IN GENERAL.—The Office may, as receiver, determine claims in accordance with the requirements of this subsection and any regulations prescribed under paragraph (4).

''(B) NOTICE REQUIREMENTS.—The receiver, in any case involving the liquidation or winding up of the affairs of a closed enterprise, shall—

''(i) promptly publish a notice to the creditors of the enterprise to present their claims, together with proof, to the receiver by a date specified in the notice which shall be not less than 90 days after the date of publication of such notice; and

''(ii) republish such notice approximately 1 month and 2 months, respectively, after the date of publication under clause (i).

''(C) MAILING REQUIRED.—The receiver shall mail a notice similar to the notice published under subparagraph (B)(i) at the time of such publication to any creditor shown on the books of the enterprise—

''(i) at the last address of the creditor appearing in such books; or

''(ii) upon discovery of the name and address of a claimant not appearing on the books of the enterprise, within 30 days after the discovery of such name and address.

''(4) RULEMAKING AUTHORITY RELATING TO DETERMINATION OF CLAIMS.—Subject to subsection (c), the Director may prescribe regulations regarding the allowance or disallowance of claims by the receiver and providing for administrative determination of claims and review of such determination.

''(5) PROCEDURES FOR DETERMINATION OF CLAIMS.—

''(A) DETERMINATION PERIOD.—

''(i) IN GENERAL.—Before the end of the 180-day period beginning on the date on which any claim against an enterprise is filed with the Office as receiver, the Office shall determine whether to allow or disallow the claim and shall notify the claimant of any determination with respect to such claim.

''(ii) EXTENSION OF TIME.—The period described in clause (i) may be extended by a written agreement between the claimant and the Office.

''(iii) MAILING OF NOTICE SUFFICIENT.—The requirements of clause (i) shall be deemed to be satisfied if the notice of any determination with respect to any claim is mailed to the last address of the claimant which appears—

''(I) on the books of the enterprise;

''(II) in the claim filed by the claimant; or

''(III) in documents submitted in proof of the claim.

''(iv) CONTENTS OF NOTICE OF DISALLOWANCE.—If any claim filed under clause (i) is disallowed, the notice to the claimant shall contain—

''(I) a statement of each reason for the disallowance; and

''(II) the procedures available for obtaining agency review of the determination to disallow the claim or judicial determination of the claim.

''(B) ALLOWANCE OF PROVEN CLAIM.—The receiver shall allow any claim received on or before the date specified in the notice published under paragraph (3)(B)(i) by the receiver from any claimant which is proved to the satisfaction of the receiver.

''(C) DISALLOWANCE OF CLAIMS FILED AFTER FILING PERIOD.—Claims filed after the date specified in the notice published under paragraph (3)(B)(i), or the date specified under paragraph (3)(C), shall be disallowed and such disallowance shall be final.

''(D) AUTHORITY TO DISALLOW CLAIMS.—

''(i) IN GENERAL.—The receiver may disallow any portion of any claim by a creditor or claim of security, preference, or priority which is not proved to the satisfaction of the receiver.

''(ii) PAYMENTS TO LESS THAN FULLY SECURED CREDITORS.—In the case of a claim of a creditor against an enterprise which is secured by any property or other asset of such enterprise, the receiver—

''(I) may treat the portion of such claim which exceeds an amount equal to the fair market value of such property or other asset as an unsecured claim against the enterprise; and

''(II) may not make any payment with respect to such unsecured portion of the claim, other than in connection with the disposition of all claims of unsecured creditors of the enterprise.

''(iii) EXCEPTIONS.—No provision of this paragraph shall apply with respect to—

''(I) any extension of credit from any Federal Reserve Bank or the United States Treasury; or

''(II) any security interest in the assets of the enterprise securing any such extension of credit.

''(E) NO JUDICIAL REVIEW OF DETERMINATION PURSUANT TO SUBPARAGRAPH (d).—No court may review the determination of the Office under subparagraph (D) to disallow a claim.

''(F) LEGAL EFFECT OF FILING.—

''(i) STATUTE OF LIMITATION TOLLED.—For purposes of any applicable statute of limitations, the filing of a claim with the receiver shall constitute a commencement of an action.

''(ii) NO PREJUDICE TO OTHER ACTIONS.—Subject to paragraph (10), the filing of a claim with the receiver shall not prejudice any right of the claimant to continue any action which was filed before the date of the appointment of the receiver, subject to the determination of claims by the receiver.

''(6) PROVISION FOR JUDICIAL DETERMINATION OF CLAIMS.—

''(A) IN GENERAL.—The claimant may file suit on a claim (or continue an action commenced before the appointment of the receiver) in the district or territorial court of the United States for the district within which the principal place of business of the enterprise is located or the United States District Court for the District of Columbia (and such court shall have jurisdiction to hear such claim), before the end of the 60-day period beginning on the earlier of—

''(i) the end of the period described in paragraph (5)(A)(i) with respect to any claim against an enterprise for which the Office is receiver; or

''(ii) the date of any notice of disallowance of such claim pursuant to paragraph (5)(A)(i).

''(B) STATUTE OF LIMITATIONS.—A claim shall be deemed to be disallowed (other than any portion of such claim which was allowed by the receiver), and such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim, if the claimant fails, before the end of the 60-day period described under subparagraph (A), to file suit on such claim (or continue an action commenced before the appointment of the receiver).

''(7) REVIEW OF CLAIMS.—

''(A) OTHER REVIEW PROCEDURES.—

''(i) IN GENERAL.—The Office shall establish such alternative dispute resolution processes as may be appropriate for the resolution of claims filed under paragraph (5)(A)(i).

''(ii) CRITERIA.—In establishing alternative dispute resolution processes, the Office shall strive for procedures which are expeditious, fair, independent, and low cost.

''(iii) VOLUNTARY BINDING OR NONBINDING PROCEDURES.—The Office may establish both binding and nonbinding processes under this subparagraph, which may be conducted by any government or private party. All parties, including the claimant and the Office, must agree to the use of the process in a particular case.

''(B) CONSIDERATION OF INCENTIVES.—The Office shall seek to develop incentives for claimants to participate in the alternative dispute resolution process.

''(8) EXPEDITED DETERMINATION OF CLAIMS.—

''(A) ESTABLISHMENT REQUIRED.—The Office shall establish a procedure for expedited relief outside of the routine claims process established under paragraph (5) for claimants who—

''(i) allege the existence of legally valid and enforceable or perfected security interests in assets of any enterprise for which the Office has been appointed receiver; and

''(ii) allege that irreparable injury will occur if the routine claims procedure is followed.

''(B) DETERMINATION PERIOD.—Before the end of the 90-day period beginning on the date on which any claim is filed in accordance with the procedures established under subparagraph (A), the Director shall—

''(i) determine—

''(I) whether to allow or disallow such claim; or

''(II) whether such claim should be determined pursuant to the procedures established under paragraph (5); and

''(ii) notify the claimant of the determination, and if the claim is disallowed, provide a statement of each reason for the disallowance and the procedure for obtaining Office review or judicial determination.

''(C) PERIOD FOR FILING OR RENEWING SUIT.—Any claimant who files a request for expedited relief shall be permitted to file a suit, or to continue a suit filed before the date of appointment of the receiver, seeking a determination of the rights of the claimant with respect to such security interest after the earlier of—

''(i) the end of the 90-day period beginning on the date of the filing of a request for expedited relief; or

''(ii) the date on which the Office denies the claim.

''(D) STATUTE OF LIMITATIONS.—If an action described under subparagraph (C) is not filed, or the motion to renew a previously filed suit is not made, before the end of the 30-day period beginning on the date on which such action or motion may be filed under subparagraph (B), the claim shall be deemed to be disallowed as of the end of such period (other than any portion of such claim which was allowed by the receiver), such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim.

''(E) LEGAL EFFECT OF FILING.—

''(i) STATUTE OF LIMITATION TOLLED.—For purposes of any applicable statute of limitations, the filing of a claim with the receiver shall constitute a commencement of an action.

''(ii) NO PREJUDICE TO OTHER ACTIONS.—Subject to paragraph (10), the filing of a claim with the receiver shall not prejudice any right of the claimant to continue any action that was filed before the appointment of the receiver, subject to the determination of claims by the receiver.

''(9) PAYMENT OF CLAIMS.—

''(A) IN GENERAL.—The receiver may, in the discretion of the receiver, and to the extent that funds are available from the assets of the enterprise, pay creditor claims, in such manner and amounts as are authorized under this section, which are—

''(i) allowed by the receiver;

''(ii) approved by the Office pursuant to a final determination pursuant to paragraph (7) or (8); or

''(iii) determined by the final judgment of any court of competent jurisdiction.

''(B) AGREEMENTS AGAINST THE INTEREST OF THE OFFICE.—No agreement that tends to diminish or defeat the interest of the Office in any asset acquired by the Office as receiver under this section shall be valid against the Office unless such agreement is in writing and executed by an authorized officer or representative of the enterprise.

''(C) PAYMENT OF DIVIDENDS ON CLAIMS.—The receiver may, in the sole discretion of the receiver, pay from the assets of the enterprise dividends on proved claims at any time, and no liability shall attach to the Office by reason of any such payment, for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment.

''(D) RULEMAKING AUTHORITY OF THE DIRECTOR.—The Director may prescribe such rules, including definitions of terms, as the Director deems appropriate to establish a single uniform interest rate for, or to make payments of post-insolvency interest to creditors holding proven claims against the receivership estates of any enterprise, following satisfaction by the receiver of the principal amount of all creditor claims.

''(10) SUSPENSION OF LEGAL ACTIONS.—

''(A) IN GENERAL.—After the appointment of a conservator or receiver for an enterprise, the conservator or receiver may, in any judicial action or proceeding to which such enterprise is or becomes a party, request a stay for a period not to exceed—

''(i) 45 days, in the case of any conservator; and

''(ii) 90 days, in the case of any receiver.

''(B) GRANT OF STAY BY ALL COURTS REQUIRED.—Upon receipt of a request by the conservator or receiver under subparagraph (A) for a stay of any judicial action or proceeding in any court with jurisdiction of such action or proceeding, the court shall grant such stay as to all parties.

''(11) ADDITIONAL RIGHTS AND DUTIES.—

''(A) PRIOR FINAL ADJUDICATION.—The Office shall abide by any final unappealable judgment of any court of competent jurisdiction which was rendered before the appointment of the Office as conservator or receiver.

''(B) RIGHTS AND REMEDIES OF CONSERVATOR OR RECEIVER.—In the event of any appealable

judgment, the Office as conservator or receiver—

''(i) shall have all of the rights and remedies available to the enterprise (before the appointment of such conservator or receiver) and the Office, including removal to Federal court and all appellate rights; and

''(ii) shall not be required to post any bond in order to pursue such remedies.

''(C) NO ATTACHMENT OR EXECUTION.—No attachment or execution may issue by any court upon assets in the possession of the receiver, or upon the charter, of an enterprise for which the Office has been appointed receiver.

''(D) LIMITATION ON JUDICIAL REVIEW.—Except as otherwise provided in this subsection, no court shall have jurisdiction over—

''(i) any claim or action for payment from, or any action seeking a determination of rights with respect to, the assets or charter of any enterprise for which the Office has been appointed receiver; or

''(ii) any claim relating to any act or omission of such enterprise or the Office as receiver.

''(E) DISPOSITION OF ASSETS.—In exercising any right, power, privilege, or authority as conservator or receiver in connection with any sale or disposition of assets of an enterprise for which the Office has been appointed conservator or receiver, the Office shall conduct its operations in a manner which—

''(i) maximizes the net present value return from the sale or disposition of such assets;

''(ii) minimizes the amount of any loss realized in the resolution of cases; and

''(iii) ensures adequate competition and fair and consistent treatment of offerors.

''(12) STATUTE OF LIMITATIONS FOR ACTIONS BROUGHT BY CONSERVATOR OR RECEIVER.—

''(A) IN GENERAL.—Notwithstanding any provision of any contract, the applicable statute of limitations with regard to any action brought by the Office as conservator or receiver shall be—

''(i) in the case of any contract claim, the longer of—

''(I) the 6-year period beginning on the date on which the claim accrues; or

''(II) the period applicable under State law; and

''(ii) in the case of any tort claim, the longer of—

''(I) the 3-year period beginning on the date on which the claim accrues; or

''(II) the period applicable under State law.

''(B) DETERMINATION OF THE DATE ON WHICH A CLAIM ACCRUES.—For purposes of subparagraph (A), the date on which the statute of limitations begins to run on any claim described in such subparagraph shall be the later of—

''(i) the date of the appointment of the Office as conservator or receiver; or

''(ii) the date on which the cause of action accrues.

''(13) REVIVAL OF EXPIRED STATE CAUSES OF ACTION.—

''(A) IN GENERAL.—In the case of any tort claim described under subparagraph (B) for which the statute of limitations applicable under State law with respect to such claim has expired not more than 5 years before the appointment of the Office as conservator or receiver, the Office may bring an action as conservator or receiver on such claim without regard to the expiration of the statute of limitations applicable under State law.

''(B) CLAIMS DESCRIBED.—A tort claim referred to under subparagraph (A) is a claim arising from fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the enterprise.

''(14) ACCOUNTING AND RECORDKEEPING REQUIREMENTS.—

''(A) IN GENERAL.—The Office as conservator or receiver shall, consistent with the accounting and reporting practices and procedures established by the Office, maintain a full accounting of each conservatorship and receivership or other disposition of an enterprise in default.

''(B) ANNUAL ACCOUNTING OR REPORT.—With respect to each conservatorship or receivership, the Office shall make an annual accounting or report available to the Board, the Comptroller General of the United States, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives.

''(C) AVAILABILITY OF REPORTS.—Any report prepared under subparagraph (B) shall be made available by the Office upon request to any shareholder of an enterprise or any member of the public.

''(D) RECORDKEEPING REQUIREMENT.—After the end of the 6-year period beginning on the date on which the conservatorship or receivership is terminated by the Director, the Office may destroy any records of such enterprise which the Office, in the discretion of the Office, determines to be unnecessary, unless directed not to do so by a court of competent jurisdiction or governmental agency, or prohibited by law.

''(15) FRAUDULENT TRANSFERS.—

''(A) IN GENERAL.—The Office, as conservator or receiver, may avoid a transfer of any interest of an enterprise-affiliated party, or any person determined by the conservator or receiver to be a debtor of the enterprise, in property, or any obligation incurred by such party or person, that was made within 5 years of the date on which the Office was appointed conservator or receiver, if such party or person voluntarily or involuntarily made such transfer or incurred such liability with the intent to hinder, delay, or defraud the enterprise, the Office, the conservator, or receiver.

''(B) RIGHT OF RECOVERY.—To the extent a transfer is avoided under subparagraph (A), the conservator or receiver may recover, for the benefit of the enterprise, the property transferred, or, if a court so orders, the value of such property (at the time of such transfer) from—

''(i) the initial transferee of such transfer or the enterprise-affiliated party or person for whose benefit such transfer was made; or

''(ii) any immediate or mediate transferee of any such initial transferee.

''(C) RIGHTS OF TRANSFEREE OR OBLIGEE.—The conservator or receiver may not recover under subparagraph (B) from—

''(i) any transferee that takes for value, including satisfaction or securing of a present or antecedent debt, in good faith; or

''(ii) any immediate or mediate good faith transferee of such transferee.

''(D) RIGHTS UNDER THIS PARAGRAPH.—The rights under this paragraph of the conservator or receiver described under subparagraph (A) shall be superior to any rights of a trustee or any other party (other than any party which is a Federal agency) under title 11, United States Code.

''(16) ATTACHMENT OF ASSETS AND OTHER INJUNCTIVE RELIEF.—Subject to paragraph (17), any court of competent jurisdiction may, at the request of the conservator or receiver, issue an order in accordance with Rule 65 of the Federal Rules of Civil Procedure, including an order placing the assets of any person designated by the conservator or receiver under the control of the court, and appointing a trustee to hold such assets.

''(17) STANDARDS OF PROOF.—Rule 65 of the Federal Rules of Civil Procedure shall apply with respect to any proceeding under paragraph (16) without regard to the requirement of such rule that the applicant show that the injury, loss, or damage is irreparable and immediate.

''(18) TREATMENT OF CLAIMS ARISING FROM BREACH OF CONTRACTS EXECUTED BY THE CONSERVATOR OR RECEIVER.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, any final and unappealable judgment for monetary damages entered against the conservator or receiver for the breach of an agreement executed or approved in writing by the conservator or receiver after the date of its appointment, shall be paid as an administrative expense of the conservator or receiver.

''(B) NO LIMITATION OF POWER.—Nothing in this paragraph shall be construed to limit the power of the conservator or receiver to exercise any rights under contract or law, including to terminate, breach, cancel, or otherwise discontinue such agreement.

''(19) GENERAL EXCEPTIONS.—

''(A) LIMITATIONS.—The rights of the conservator or receiver appointed under this section shall be subject to the limitations on the powers of a receiver under sections 402 through 407 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4402 through 4407).

''(B) MORTGAGES HELD IN TRUST.—

''(i) IN GENERAL.—Any mortgage, pool of mortgages, or interest in a pool of mortgages held in trust, custodial, or agency capacity by an enterprise for the benefit of any person other than the enterprise shall not be available to satisfy the claims of creditors generally.

''(ii) HOLDING OF MORTGAGES.—Any mortgage, pool of mortgages, or interest in a pool of mortgages described in clause (i) shall be held by the conservator or receiver appointed under this section for the beneficial owners of such mortgage, pool of mortgages, or interest in accordance with the terms of the agreement creating such trust, custodial, or other agency arrangement.

''(iii) LIABILITY OF CONSERVATOR OR RECEIVER.—The liability of the conservator or receiver appointed under this section for damages shall, in the case of any contingent or unliquidated claim relating to the mortgages held in trust, be estimated in accordance with in the regulations of the Director.

''(c) PRIORITY OF EXPENSES AND UNSECURED CLAIMS.—

''(1) IN GENERAL.—Unsecured claims against an enterprise, or the receiver therefor, that are proven to the satisfaction of the receiver shall have priority in the following order:

''(A) Administrative expenses of the receiver.

''(B) Any other general or senior liability of the enterprise (which is not a liability described under subparagraph (C) or (D).

''(C) Any obligation subordinated to general creditors (which is not an obligation described under subparagraph (D)).

''(D) Any obligation to shareholders or members arising as a result of their status as shareholder or members.

''(2) CREDITORS SIMILARLY SITUATED.—All creditors that are similarly situated under paragraph (1) shall be treated in a similar manner, except that the receiver may take any action (including making payments) that does not comply with this subsection, if—

''(A) the Director determines that such action is necessary to maximize the value of the assets of the enterprise, to maximize the present value return from the sale or other disposition of the assets of the enterprise, or to minimize the amount of any loss realized upon the sale or other disposition of the assets of the enterprise assets; and

''(B) all creditors that are similarly situated under paragraph (1) receive not less than the amount provided in subsection (e)(2).

''(3) DEFINITION.—As used in this subsection, the term 'administrative expenses of the receiver' includes—

''(A) the actual, necessary costs and expenses incurred by the receiver in preserving the assets of a failed enterprise or liquidating or otherwise resolving the affairs of a failed enterprise; and

''(B) any obligations that the receiver determines are necessary and appropriate to facilitate the smooth and orderly liquidation or other resolution of the enterprise.

''(d) PROVISIONS RELATING TO CONTRACTS ENTERED INTO BEFORE APPOINTMENT OF CONSERVATOR OR RECEIVER.—

''(1) AUTHORITY TO REPUDIATE CONTRACTS.—In addition to any other rights a conservator or receiver may have, the conservator or receiver for any enterprise may disaffirm or repudiate any contract or lease—

''(A) to which such enterprise is a party;

''(B) the performance of which the conservator or receiver, in its sole discretion, determines to be burdensome; and

''(C) the disaffirmance or repudiation of which the conservator or receiver determines, in its sole discretion, will promote the orderly administration of the affairs of the enterprise.

''(2) TIMING OF REPUDIATION.—The conservator or receiver shall determine whether or not to exercise the rights of repudiation under this subsection within a reasonable period following such appointment.

''(3) CLAIMS FOR DAMAGES FOR REPUDIATION.—

''(A) IN GENERAL.—Except as otherwise provided under subparagraph (C) and paragraphs (4), (5), and (6), the liability of the conservator or receiver for the disaffirmance or repudiation of any contract pursuant to paragraph (1) shall be—

''(i) limited to actual direct compensatory damages; and

''(ii) determined as of—

''(I) the date of the appointment of the conservator or receiver; or

''(II) in the case of any contract or agreement referred to in paragraph (8), the date of the disaffirmance or repudiation of such contract or agreement.

''(B) NO LIABILITY FOR OTHER DAMAGES.—For purposes of subparagraph (A), the term 'actual direct compensatory damages' shall not include—

''(i) punitive or exemplary damages;

''(ii) damages for lost profits or opportunity; or

''(iii) damages for pain and suffering.

''(C) MEASURE OF DAMAGES FOR REPUDIATION OF FINANCIAL CONTRACTS.—In the case of any qualified financial contract or agreement to which paragraph (8) applies, compensatory damages shall be—

''(i) deemed to include normal and reasonable costs of cover or other reasonable measures of damages utilized in the industries for such contract and agreement claims; and

''(ii) paid in accordance with this subsection and subsection (e), except as otherwise specifically provided in this section.

''(4) LEASES UNDER WHICH THE ENTERPRISE IS THE LESSEE.—

''(A) IN GENERAL.—If the conservator or receiver disaffirms or repudiates a lease under which the enterprise was the lessee, the conservator or receiver shall not be liable for any damages (other than damages determined under subparagraph (B)) for the disaffirmance or repudiation of such lease.

''(B) PAYMENTS OF RENT.—Notwithstanding subparagraph (A), the lessor under a lease to which that subparagraph applies shall—

''(i) be entitled to the contractual rent accruing before the later of the date on which—

''(I) the notice of disaffirmance or repudiation is mailed; or

''(II) the disaffirmance or repudiation becomes effective, unless the lessor is in default or breach of the terms of the lease;

''(ii) have no claim for damages under any acceleration clause or other penalty provision in the lease; and

''(iii) have a claim for any unpaid rent, subject to all appropriate offsets and defenses, due as of the date of the appointment, which shall be paid in accordance with this subsection and subsection (e).

''(5) LEASES UNDER WHICH THE ENTERPRISE IS THE LESSOR.—

''(A) IN GENERAL.—If the conservator or receiver repudiates an unexpired written lease of real property of the enterprise under which the enterprise is the lessor and the lessee is not, as of the date of such repudiation, in default, the lessee under such lease may either—

''(i) treat the lease as terminated by such repudiation; or

''(ii) remain in possession of the leasehold interest for the balance of the term of the lease, unless the lessee defaults under the terms of the lease after the date of such repudiation.

''(B) PROVISIONS APPLICABLE TO LESSEE REMAINING IN POSSESSION.—If any lessee under a lease described under subparagraph (A) remains in possession of a leasehold interest under clause (ii) of subparagraph (A)—

''(i) the lessee—

''(I) shall continue to pay the contractual rent pursuant to the terms of the lease after the date of the repudiation of such lease; and

''(II) may offset against any rent payment which accrues after the date of the repudiation of the lease, and any damages which accrue after such date due to the nonperformance of any obligation of the enterprise under the lease after such date; and

''(ii) the conservator or receiver shall not be liable to the lessee for any damages arising after such date as a result of the repudiation, other than the amount of any offset allowed under clause (i)(II).

''(6) CONTRACTS FOR THE SALE OF REAL PROPERTY.—

''(A) IN GENERAL.—If the conservator or receiver repudiates any contract for the sale of real property and the purchaser of such real property under such contract is in possession, and is not, as of the date of such repudiation, in default, such purchaser may either—

''(i) treat the contract as terminated by such repudiation; or

''(ii) remain in possession of such real property.

''(B) PROVISIONS APPLICABLE TO PURCHASER REMAINING IN POSSESSION.—If any purchaser of real property under any contract described under subparagraph (A) remains in possession of such property under clause (ii) of subparagraph (A)—

''(i) the purchaser—

''(I) shall continue to make all payments due under the contract after the date of the repudiation of the contract; and

''(II) may offset against any such payments any damages which accrue after such date due to the nonperformance (after such date) of any obligation of the enterprise under the contract; and

''(ii) the conservator or receiver shall—

''(I) not be liable to the purchaser for any damages arising after such date as a result of the repudiation, other than the amount of any offset allowed under clause (i)(II);

''(II) deliver title to the purchaser in accordance with the provisions of the contract; and

''(III) have no obligation under the contract other than the performance required under subclause (II).

''(C) ASSIGNMENT AND SALE ALLOWED.—

''(i) IN GENERAL.—No provision of this paragraph shall be construed as limiting the right of the conservator or receiver to assign the contract described under subparagraph (A), and sell the property subject to the contract and the provisions of this paragraph.

''(ii) NO LIABILITY AFTER ASSIGNMENT AND SALE.—If an assignment and sale described under clause (i) is consummated, the conservator or receiver shall have no further liability under the contract described under subparagraph (A), or with respect to the real property which was the subject of such contract.

''(7) SERVICE CONTRACTS.—

''(A) SERVICES PERFORMED BEFORE APPOINTMENT.—In the case of any contract for services between any person and any enterprise for which the Office has been appointed conservator or receiver, any claim of such person for services performed before the appointment of the conservator or receiver shall be—

''(i) a claim to be paid in accordance with subsections (b) and (e); and

''(ii) deemed to have arisen as of the date on which the conservator or receiver was appointed.

''(B) SERVICES PERFORMED AFTER APPOINTMENT AND PRIOR TO REPUDIATION.—If, in the case of any contract for services described under subparagraph (A), the conservator or receiver accepts performance by the other person before the conservator or receiver makes any determination to exercise the right of repudiation of such contract under this section—

''(i) the other party shall be paid under the terms of the contract for the services performed; and

''(ii) the amount of such payment shall be treated as an administrative expense of the conservatorship or receivership.

''(C) ACCEPTANCE OF PERFORMANCE NO BAR TO SUBSEQUENT REPUDIATION.—The acceptance by the conservator or receiver of services referred to under subparagraph (B) in connection with a contract described in such subparagraph shall not affect the right of the conservator or receiver to repudiate such contract under this section at any time after such performance.

''(8) CERTAIN QUALIFIED FINANCIAL CONTRACTS.—

''(A) RIGHTS OF PARTIES TO CONTRACTS.—Subject to paragraphs (9) and (10), and notwithstanding any other provision of this title (other than subsection (b)(9)(B) of this section), any other Federal law, or the law of any State, no person shall be stayed or prohibited from exercising—

''(i) any right of that person to cause the termination, liquidation, or acceleration of any qualified financial contract with an enterprise that arises upon the appointment of the Office as receiver for such enterprise at any time after such appointment;

''(ii) any right under any security agreement or arrangement or other credit enhancement relating to one or more qualified financial contracts; or

''(iii) any right to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more contracts and agreements described in clause (i), including any master agreement for such contracts or agreements.

''(B) APPLICABILITY OF OTHER PROVISIONS.—Subsection (b)(10) shall apply in the case of any judicial action or proceeding brought against any receiver referred to under subparagraph (A), or the enterprise for which such receiver was appointed, by any party to

a contract or agreement described under subparagraph (A)(i) with such enterprise.

''(C) CERTAIN TRANSFERS NOT AVOIDABLE.—

''(i) IN GENERAL.—Notwithstanding paragraph (11), or any other provision of Federal or State law relating to the avoidance of preferential or fraudulent transfers, the Office, whether acting as such or as conservator or receiver of an enterprise, may not avoid any transfer of money or other property in connection with any qualified financial contract with an enterprise.

''(ii) EXCEPTION FOR CERTAIN TRANSFERS.—Clause (i) shall not apply to any transfer of money or other property in connection with any qualified financial contract with an enterprise if the Office determines that the transferee had actual intent to hinder, delay, or defraud such enterprise, the creditors of such enterprise, or any conservator or receiver appointed for such enterprise.

''(D) CERTAIN CONTRACTS AND AGREEMENTS DEFINED.—In this subsection the following definitions shall apply:

''(i) QUALIFIED FINANCIAL CONTRACT.—The term 'qualified financial contract' means any securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, and any similar agreement that the Office determines by regulation, resolution, or order to be a qualified financial contract for purposes of this paragraph.

''(ii) SECURITIES CONTRACT.—The term 'securities contract'—

''(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, or any interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option, and including any repurchase or reverse repurchase transaction on any such security, certificate of deposit, mortgage loan, interest, group or index, or option;

''(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan, unless the Office determines by regulation, resolution, or order to include any such agreement within the meaning of that term;

''(III) means any option entered into on a national securities exchange relating to foreign currencies;

''(IV) means the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option;

''(V) means any margin loan;

''(VI) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) means any combination of the agreements or transactions referred to in this clause;

''(VIII) means any option to enter into any agreement or transaction referred to in this clause;

''(IX) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII); and

''(X) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause.

''(iii) COMMODITY CONTRACT.—The term 'commodity contract' means—

''(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;

''(II) with respect to a foreign futures commission merchant, a foreign future;

''(III) with respect to a leverage transaction merchant, a leverage transaction;

''(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;

''(V) with respect to a commodity options dealer, a commodity option;

''(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) any combination of the agreements or transactions referred to in this clause;

''(VIII) any option to enter into any agreement or transaction referred to in this clause;

''(IX) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII); or

''(X) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause.

''(iv) FORWARD CONTRACT.—The term 'forward contract' means—

''(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date more than 2 days after the date on which the contract is entered into, including a repurchase transaction, reverse repurchase transaction, consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;

''(II) any combination of agreements or transactions referred to in subclauses (I) and (III);

''(III) any option to enter into any agreement or transaction referred to in subclause (I) or (II);

''(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or

''(V) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

''(v) REPURCHASE AGREEMENT.—The term 'repurchase agreement' (including a reverse repurchase agreement)—

''(I) means an agreement, including related terms, which provides for the transfer of one or more certificates of deposit, mortgage-related securities (as that term is defined in section 3 of the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities (defined for purposes of this clause as a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development, as determined by regulation or order adopted by the appropriate Federal banking authority), or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests as described above, at a date certain not later than 1 year after such transfers or on demand, against the transfer of funds, or any other similar agreement;

''(II) does not include any repurchase obligation under a participation in a commercial mortgage loan, unless the Office determines by regulation, resolution, or order to include any such participation within the meaning of such term;

''(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);

''(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);

''(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be a repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and

''(VI) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

''(vi) SWAP AGREEMENT.—The term 'swap agreement' means—

''(I) any agreement, including the terms and conditions incorporated by reference in any such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a debt index or debt swap, option, future, or forward agreement; a total return, credit spread or credit swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement; or a weather swap, weather derivative, or weather option;

''(II) any agreement or transaction that is similar to any other agreement or transaction referred to in this clause and that is of a type that has been, is presently, or in the future becomes, the subject of recurrent dealings in the swap markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, or option on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, quantitative measures associated with an occurrence, extent of an occurrence, or contingency associated with a financial, commercial, or economic consequence, or economic or financial indices or measures of economic or financial risk or value;

''(III) any combination of agreements or transactions referred to in this clause;

''(IV) any option to enter into any agreement or transaction referred to in this clause;

''(V) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV); and

''(VI) any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subclause (I), (II), (III), (IV), or (V), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

''(vii) TREATMENT OF MASTER AGREEMENT AS ONE AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.

''(viii) TRANSFER.—The term 'transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the equity of redemption of the enterprise.

''(E) CERTAIN PROTECTIONS IN EVENT OF APPOINTMENT OF CONSERVATOR.—Notwithstanding any other provision of this section, any other Federal law, or the law of any State (other than paragraph (10) of this subsection and subsection (b)(9)(B)), no person shall be stayed or prohibited from exercising—

''(i) any right such person has to cause the termination, liquidation, or acceleration of any qualified financial contract with an enterprise in a conservatorship based upon a default under such financial contract which is enforceable under applicable noninsolvency law;

''(ii) any right under any security agreement or arrangement or other credit enhancement relating to 1 or more such qualified financial contracts; or

''(iii) any right to offset or net out any termination values, payment amounts, or other transfer obligations arising under or in connection with such qualified financial contracts.

''(F) CLARIFICATION.—No provision of law shall be construed as limiting the right or power of the Office, or authorizing any court or agency to limit or delay in any manner, the right or power of the Office to transfer any qualified financial contract in accordance with paragraphs (9) and (10), or to disaffirm or repudiate any such contract in accordance with subsection (d)(1).

''(G) WALKAWAY CLAUSES NOT EFFECTIVE.—

''(i) IN GENERAL.—Notwithstanding the provisions of subparagraphs (A) and (E), and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of an enterprise in default.

''(ii) WALKAWAY CLAUSE DEFINED.—For purposes of this subparagraph, the term 'walkaway clause' means a provision in a qualified financial contract that, after calculation of a value of a party's position or an amount due to or from 1 of the parties in accordance with its terms upon termination, liquidation, or acceleration of the qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of the status of such party as a nondefaulting party.

''(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS.—In making any transfer of assets or liabilities of an enterprise in default which includes any qualified financial contract, the conservator or receiver for such enterprise shall either—

''(A) transfer to 1 person—

''(i) all qualified financial contracts between any person (or any affiliate of such person) and the enterprise in default;

''(ii) all claims of such person (or any affiliate of such person) against such enterprise under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such enterprise);

''(iii) all claims of such enterprise against such person (or any affiliate of such person) under any such contract; and

''(iv) all property securing, or any other credit enhancement for any contract described in clause (i), or any claim described in clause (ii) or (iii) under any such contract; or

''(B) transfer none of the financial contracts, claims, or property referred to under subparagraph (A) (with respect to such person and any affiliate of such person).

''(10) NOTIFICATION OF TRANSFER.—

''(A) IN GENERAL.—The conservator or receiver shall notify any person that is a party to a contract or transfer by 5:00 p.m. (Eastern Standard Time) on the business day following the date of the appointment of the receiver in the case of a receivership, or the business day following such transfer in the case of a conservatorship, if—

''(i) the conservator or receiver for an enterprise in default makes any transfer of the assets and liabilities of such enterprise; and

''(ii) such transfer includes any qualified financial contract.

''(B) CERTAIN RIGHTS NOT ENFORCEABLE.—

''(i) RECEIVERSHIP.—A person who is a party to a qualified financial contract with an enterprise may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(A) of this subsection or under section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a receiver for the enterprise (or the insolvency or financial condition of the enterprise for which the receiver has been appointed)—

''(I) until 5:00 p.m. (Eastern Standard Time) on the business day following the date of the appointment of the receiver; or

''(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).

''(ii) CONSERVATORSHIP.—A person who is a party to a qualified financial contract with an enterprise may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(E) of this subsection or under section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the enterprise (or the insolvency or financial condition of the enterprise for which the conservator has been appointed).

''(iii) NOTICE.—For purposes of this paragraph, the conservator or receiver of an enterprise shall be deemed to have notified a person who is a party to a qualified financial contract with such enterprise, if the conservator or receiver has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A).

''(C) BUSINESS DAY DEFINED.—For purposes of this paragraph, the term 'business day' means any day other than any Saturday, Sunday, or any day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed.

''(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.—In exercising the rights of disaffirmance or repudiation of a conservator or receiver with respect to any qualified financial contract to which an enterprise is a party, the conservator or receiver for such institution shall either—

''(A) disaffirm or repudiate all qualified financial contracts between—

''(i) any person or any affiliate of such person; and

''(ii) the enterprise in default; or

''(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).

''(12) CERTAIN SECURITY INTERESTS NOT AVOIDABLE.—No provision of this subsection shall be construed as permitting the avoidance of any legally enforceable or perfected security interest in any of the assets of any enterprise, except where such an interest is taken in contemplation of the insolvency of the enterprise, or with the intent to hinder, delay, or defraud the enterprise or the creditors of such enterprise.

''(13) AUTHORITY TO ENFORCE CONTRACTS.—

''(A) IN GENERAL.—Notwithstanding any provision of a contract providing for termination, default, acceleration, or exercise of rights upon, or solely by reason of, insolvency or the appointment of, or the exercise

of rights or powers by, a conservator or receiver, the conservator or receiver may enforce any contract, other than a contract for liability insurance for a director or officer, or a contract or an enterprise bond, entered into by the enterprise.

''(B) CERTAIN RIGHTS NOT AFFECTED.—No provision of this paragraph may be construed as impairing or affecting any right of the conservator or receiver to enforce or recover under a liability insurance contract for an officer or director, or enterprise bond under other applicable law.

''(C) CONSENT REQUIREMENT.—

''(i) IN GENERAL.—Except as otherwise provided under this section, no person may exercise any right or power to terminate, accelerate, or declare a default under any contract to which an enterprise is a party, or to obtain possession of or exercise control over any property of the enterprise, or affect any contractual rights of the enterprise, without the consent of the conservator or receiver, as appropriate, for a period of—

''(I) 45 days after the date of appointment of a conservator; or

''(II) 90 days after the date of appointment of a receiver.

''(ii) EXCEPTIONS.—This subparagraph shall not—

''(I) apply to a contract for liability insurance for an officer or director;

''(II) apply to the rights of parties to certain qualified financial contracts under subsection (d)(8); and

''(III) be construed as permitting the conservator or receiver to fail to comply with otherwise enforceable provisions of such contracts.

''(14) SAVINGS CLAUSE.—The meanings of terms used in this subsection are applicable for purposes of this subsection only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any similar terms under any other statute, regulation, or rule, including the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000, the securities laws (as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934), and the Commodity Exchange Act.

''(e) VALUATION OF CLAIMS IN DEFAULT.—

''(1) IN GENERAL.—Notwithstanding any other provision of Federal law or the law of any State, and regardless of the method which the Office determines to utilize with respect to an enterprise in default or in danger of default, including transactions authorized under subsection (i), this subsection shall govern the rights of the creditors of such enterprise.

''(2) MAXIMUM LIABILITY.—The maximum liability of the Office, acting as receiver or in any other capacity, to any person having a claim against the receiver or the enterprise for which such receiver is appointed shall be not more than the amount that such claimant would have received if the Office had liquidated the assets and liabilities of the enterprise without exercising the authority of the Office under subsection (i).

''(f) LIMITATION ON COURT ACTION.—Except as provided in this section or at the request of the Director, no court may take any action to restrain or affect the exercise of powers or functions of the Office as a conservator or a receiver.

''(g) LIABILITY OF DIRECTORS AND OFFICERS.—

''(1) IN GENERAL.—A director or officer of an enterprise may be held personally liable for monetary damages in any civil action described in paragraph (2) brought by, on behalf of, or at the request or direction of the Office, and prosecuted wholly or partially for the benefit of the Office—

''(A) acting as conservator or receiver of such enterprise; or

''(B) acting based upon a suit, claim, or cause of action purchased from, assigned by, or otherwise conveyed by such receiver or conservator.

''(2) ACTIONS ADDRESSED.—Paragraph (1) applies in any civil action for gross negligence, including any similar conduct or conduct that demonstrates a greater disregard of a duty of care than gross negligence, including intentional tortious conduct, as such terms are defined and determined under applicable State law.

''(3) NO LIMITATION.—Nothing in this subsection shall impair or affect any right of the Office under other applicable law.

''(h) DAMAGES.—In any proceeding related to any claim against a director, officer, employee, agent, attorney, accountant, appraiser, or any other party employed by or providing services to an enterprise, recoverable damages determined to result from the improvident or otherwise improper use or investment of any assets of the enterprise shall include principal losses and appropriate interest.

''(i) LIMITED-LIFE ENTERPRISES.—

''(1) ORGANIZATION.—

''(A) PURPOSE.—The Office, as receiver appointed pursuant to subsection (a), shall, in the case of an enterprise, organize a limited-life enterprise with respect to that enterprise in accordance with this subsection.

''(B) AUTHORITIES.—Upon the creation of a limited-life enterprise under subparagraph (A), the limited-life enterprise may—

''(i) assume such liabilities of the enterprise that is in default or in danger of default as the Office may, in its discretion, determine to be appropriate, except that the liabilities assumed shall not exceed the amount of assets purchased or transferred from the enterprise to the limited-life enterprise;

''(ii) purchase such assets of the enterprise that is in default, or in danger of default as the Office may, in its discretion, determine to be appropriate; and

''(iii) perform any other temporary function which the Office may, in its discretion, prescribe in accordance with this section.

''(2) CHARTER AND ESTABLISHMENT.—

''(A) TRANSFER OF CHARTER.—

''(i) FANNIE MAE.—If the Office is appointed as receiver for the Federal National Mortgage Association, the limited-life enterprise established under this subsection with respect to such enterprise shall, by operation of law and immediately upon its organization—

''(I) succeed to the charter of the Federal National Mortgage Association, as set forth in the Federal National Mortgage Association Charter Act; and

''(II) thereafter operate in accordance with, and subject to, such charter, this Act, and any other provision of law to which the Federal National Mortgage Association is subject, except as otherwise provided in this subsection.

''(ii) FREDDIE MAC.—If the Office is appointed as receiver for the Federal Home Loan Mortgage Corporation, the limited-life enterprise established under this subsection with respect to such enterprise shall, by operation of law and immediately upon its organization—

''(I) succeed to the charter of the Federal Home Loan Mortgage Corporation, as set forth in the Federal Home Loan Mortgage Corporation Charter Act; and

''(II) thereafter operate in accordance with, and subject to, such charter, this Act, and any other provision of law to which the Federal Home Loan Mortgage Corporation is subject, except as otherwise provided in this subsection.

''(B) INTERESTS IN AND ASSETS AND OBLIGATIONS OF ENTERPRISE IN DEFAULT.—Notwithstanding subparagraph (A) or any other provision of law—

''(i) a limited-life enterprise shall assume, acquire, or succeed to the assets or liabilities of an enterprise only to the extent that such assets or liabilities are transferred by the Office to the limited-life enterprise in accordance with, and subject to the restrictions set forth in, paragraph (1)(B);

''(ii) a limited-life enterprise shall not assume, acquire, or succeed to any obligation that an enterprise for which a receiver has been appointed may have to any shareholder of the enterprise that arises as a result of the status of that person as a shareholder of the enterprise; and

''(iii) no shareholder or creditor of an enterprise shall have any right or claim against the charter of the enterprise once the Office has been appointed receiver for the enterprise and a limited-life enterprise succeeds to the charter pursuant to subparagraph (A).

''(C) LIMITED-LIFE ENTERPRISE TREATED AS BEING IN DEFAULT FOR CERTAIN PURPOSES.—A limited-life enterprise shall be treated as an enterprise in default at such times and for such purposes as the Office may, in its discretion, determine.

''(D) MANAGEMENT.—Upon its establishment, a limited-life enterprise shall be under the management of a board of directors consisting of not fewer than 5 nor more than 10 members appointed by the Office.

''(E) BYLAWS.—The board of directors of a limited-life enterprise shall adopt such bylaws as may be approved by the Office.

''(3) CAPITAL STOCK.—

''(A) NO REQUIREMENT.—The Office is not required to pay capital stock into a limited-life enterprise or to issue any capital stock on behalf of a limited-life enterprise established under this subsection.

''(B) AUTHORITY.—If the Director determines that such action is advisable, the Office may cause capital stock or other securities of a limited-life enterprise established with respect to an enterprise to be issued and offered for sale, in such amounts and on such terms and conditions as the Director may determine, in the discretion of the Director.

''(4) INVESTMENTS.—Funds of a limited-life enterprise shall be kept on hand in cash, invested in obligations of the United States or obligations guaranteed as to principal and interest by the United States, or deposited with the Office, or any Federal reserve bank.

''(5) EXEMPT TAX STATUS.—Notwithstanding any other provision of Federal or State law, a limited-life enterprise, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

''(6) WINDING UP.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), not later than 2 years after the date of its organization, the Office shall wind up the affairs of a limited-life enterprise.

''(B) EXTENSION.—The Director may, in the discretion of the Director, extend the status of a limited-life enterprise for 3 additional 1-year periods.

''(C) TERMINATION OF STATUS AS LIMITED-LIFE ENTERPRISE.—

''(i) IN GENERAL.—Upon the sale by the Office of 80 percent or more of the capital stock of a limited-life enterprise, as defined in clause (iv), to 1 or more persons (other than the Office)—

''(I) the status of the limited-life enterprise as such shall terminate; and

''(II) the enterprise shall cease to be a limited-life enterprise for purposes of this subsection.

''(ii) DIVESTITURE OF REMAINING STOCK, IF ANY.—

''(I) IN GENERAL.—Not later than 1 year after the date on which the status of a limited-life enterprise is terminated pursuant to clause (i), the Office shall sell to 1 or more persons (other than the Office) any remaining capital stock of the former limited-life enterprise.

''(II) EXTENSION AUTHORIZED.—The Director may extend the period referred to in subclause (I) for not longer than an additional 2 years, if the Director determines that such action would be in the public interest.

''(iii) SAVINGS CLAUSE.—Notwithstanding any provision of law, other than clause (ii), the Office shall not be required to sell the capital stock of an enterprise or a limited-life enterprise established with respect to an enterprise.

''(iv) APPLICABILITY.—This subparagraph applies only with respect to a limited-life enterprise that is established with respect to an enterprise.

''(7) TRANSFER OF ASSETS AND LIABILITIES.—

''(A) IN GENERAL.—

''(i) TRANSFER OF ASSETS AND LIABILITIES.—The Office, as receiver, may transfer any assets and liabilities of an enterprise in default, or in danger of default, to the limited-life enterprise in accordance with and subject to the restrictions of paragraph (1).

''(ii) SUBSEQUENT TRANSFERS.—At any time after the establishment of a limited-life enterprise, the Office, as receiver, may transfer any assets and liabilities of the enterprise in default, or in danger of default, as the Office may, in its discretion, determine to be appropriate in accordance with and subject to the restrictions of paragraph (1).

''(iii) EFFECTIVE WITHOUT APPROVAL.—The transfer of any assets or liabilities of an enterprise in default or in danger of default to a limited-life enterprise shall be effective without any further approval under Federal or State law, assignment, or consent with respect thereto.

''(iv) EQUITABLE TREATMENT OF SIMILARLY SITUATED CREDITORS.—The Office shall treat all creditors of an enterprise in default or in danger of default that are similarly situated under subsection (c)(1) in a similar manner in exercising the authority of the Office under this subsection to transfer any assets or liabilities of the enterprise to the limited-life enterprise established with respect to such enterprise, except that the Office may take actions (including making payments) that do not comply with this clause, if—

''(I) the Director determines that such actions are necessary to maximize the value of the assets of the enterprise, to maximize the present value return from the sale or other disposition of the assets of the enterprise, or to minimize the amount of any loss realized upon the sale or other disposition of the assets of the enterprise; and

''(II) all creditors that are similarly situated under subsection (c)(1) receive not less than the amount provided in subsection (e)(2).

''(v) LIMITATION ON TRANSFER OF LIABILITIES.—Notwithstanding any other provision of law, the aggregate amount of liabilities of an enterprise that are transferred to, or assumed by, a limited-life enterprise may not exceed the aggregate amount of assets of the enterprise that are transferred to, or purchased by, the limited-life enterprise.

''(8) REGULATIONS.—The Office may promulgate such regulations as the Office determines to be necessary or appropriate to implement this subsection.

''(9) POWERS OF LIMITED-LIFE ENTERPRISES.—

''(A) IN GENERAL.—Each limited-life enterprise created under this subsection shall have all corporate powers of, and be subject to the same provisions of law as, the enterprise in default or in danger of default to which it relates, except that—

''(i) the Office may—

''(I) remove the directors of a limited-life enterprise;

''(II) fix the compensation of members of the board of directors and senior management, as determined by the Office in its discretion, of a limited-life enterprise; and

''(III) indemnify the representatives for purposes of paragraph (1)(B), and the directors, officers, employees, and agents of a limited-life enterprise on such terms as the Office determines to be appropriate; and

''(ii) the board of directors of a limited-life enterprise—

''(I) shall elect a chairperson who may also serve in the position of chief executive officer, except that such person shall not serve either as chairperson or as chief executive officer without the prior approval of the Office; and

''(II) may appoint a chief executive officer who is not also the chairperson, except that such person shall not serve as chief executive officer without the prior approval of the Office.

''(B) STAY OF JUDICIAL ACTION.—Any judicial action to which a limited-life enterprise becomes a party by virtue of its acquisition of any assets or assumption of any liabilities of an enterprise in default shall be stayed from further proceedings for a period of not longer than 45 days, at the request of the limited-life enterprise. Such period may be modified upon the consent of all parties.

''(10) NO FEDERAL STATUS.—

''(A) AGENCY STATUS.—A limited-life enterprise is not an agency, establishment, or instrumentality of the United States.

''(B) EMPLOYEE STATUS.—Representatives for purposes of paragraph (1)(B), interim directors, directors, officers, employees, or agents of a limited-life enterprise are not, solely by virtue of service in any such capacity, officers or employees of the United States. Any employee of the Office or of any Federal instrumentality who serves at the request of the Office as a representative for purposes of paragraph (1)(B), interim director, director, officer, employee, or agent of a limited-life enterprise shall not—

''(i) solely by virtue of service in any such capacity lose any existing status as an officer or employee of the United States for purposes of title 5, United States Code, or any other provision of law; or

''(ii) receive any salary or benefits for service in any such capacity with respect to a limited-life enterprise in addition to such salary or benefits as are obtained through employment with the Office or such Federal instrumentality.

''(11) AUTHORITY TO OBTAIN CREDIT.—

''(A) IN GENERAL.—A limited-life enterprise may obtain unsecured credit and issue unsecured debt.

''(B) INABILITY TO OBTAIN CREDIT.—If a limited-life enterprise is unable to obtain unsecured credit or issue unsecured debt, the Director may authorize the obtaining of credit or the issuance of debt by the limited-life enterprise—

''(i) with priority over any or all of the obligations of the limited-life enterprise;

''(ii) secured by a lien on property of the limited-life enterprise that is not otherwise subject to a lien; or

''(iii) secured by a junior lien on property of the limited-life enterprise that is subject to a lien.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—The Director, after notice and a hearing, may authorize the obtaining of credit or the issuance of debt by a limited-life enterprise that is secured by a senior or equal lien on property of the limited-life enterprise that is subject to a lien (other than mortgages that collateralize the mortgage-backed securities issued or guaranteed by an enterprise) only if—

''(I) the limited-life enterprise is unable to otherwise obtain such credit or issue such debt; and

''(II) there is adequate protection of the interest of the holder of the lien on the property with respect to which such senior or equal lien is proposed to be granted.

''(12) BURDEN OF PROOF.—In any hearing under this subsection, the Director has the burden of proof on the issue of adequate protection.

''(13) AFFECT ON DEBTS AND LIENS.—The reversal or modification on appeal of an authorization under this subsection to obtain credit or issue debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so issued, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the issuance of such debt, or the granting of such priority or lien, were stayed pending appeal.

''(j) OTHER OFFICE EXEMPTIONS.—

''(1) APPLICABILITY.—The provisions of this subsection shall apply with respect to the Office in any case in which the Office is acting as a conservator or a receiver.

''(2) TAXATION.—The Office, including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation imposed by any State, county, municipality, or local taxing authority, except that any real property of the Office shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed, except that, notwithstanding the failure of any person to challenge an assessment under State law of the value of such property, and the tax thereon, shall be determined as of the period for which such tax is imposed.

''(3) PROPERTY PROTECTION.—No property of the Office shall be subject to levy, attachment, garnishment, foreclosure, or sale without the consent of the Office, nor shall any involuntary lien attach to the property of the Office.

''(4) PENALTIES AND FINES.—The Office shall not be liable for any amounts in the nature of penalties or fines, including those arising from the failure of any person to pay any real property, personal property, probate, or recording tax or any recording or filing fees when due.

''(k) PROHIBITION OF CHARTER REVOCATION.—In no case may the receiver appointed pursuant to this section revoke, annul, or terminate the charter of an enterprise.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4501 et seq.) is amended by striking sections 1369, 1369A, and 1369B (12 U.S.C. 4619, 4620, and 4621).

Subtitle D—Enforcement Actions

SEC. 841. CEASE-AND-DESIST PROCEEDINGS.

Section 1371 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4631) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

''(a) ISSUANCE FOR UNSAFE OR UNSOUND PRACTICES AND VIOLATIONS.—If, in the opinion of the Director, an enterprise or any enterprise-affiliated party is engaging or has engaged, or the Director has reasonable cause to believe that the enterprise or any enterprise-affiliated party is about to engage, in an unsafe or unsound practice in

conducting the business of the enterprise or the Finance Facility, or is violating or has violated, or the Director has reasonable cause to believe is about to violate, a law, rule, regulation, or order, or any condition imposed in writing by the Director in connection with the granting of any application or other request by the enterprise or the Finance Facility or any written agreement entered into with the Director, the Director may issue and serve upon the enterprise or enterprise-affiliated party a notice of charges in respect thereof.

''(b) ISSUANCE FOR UNSATISFACTORY RATING.—If an enterprise receives, in its most recent report of examination, a less-than-satisfactory rating for credit risk, market risk, operations, or corporate governance, the Director may (if the deficiency is not corrected) deem the enterprise to be engaging in an unsafe or unsound practice for purposes of subsection (a).'';

(2) in subsection (c)—

(A) in paragraph (1), by inserting before the period at the end the following: '', unless the party served with a notice of charges shall appear at the hearing personally or by a duly authorized representative, the party shall be deemed to have consented to the issuance of the cease-and-desist order''; and

(B) in paragraph (2)—

(i) by striking ''or director'' and inserting ''director, or enterprise-affiliated party''; and

(ii) by inserting ''or enterprise-affiliated party'' before ''consents'';

(3) in each of subsections (c), (d), and (e), by striking ''conduct'' each place that term appears and inserting ''practice'';

(4) in subsection (d)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''or director'' and inserting ''director, or enterprise-affiliated party'';

(ii) by inserting ''to require a enterprise or enterprise-affiliated party'' after ''includes the authority'';

(B) in paragraph (1)—

(i) by striking ''to require an executive officer or a director to''; and

(ii) by striking ''loss'' and all that follows through ''person'' and inserting ''loss, if'';

(iii) in subparagraph (A), by inserting ''such entity or party or finance facility'' before ''was''; and

(iv) by striking subparagraph (B) and inserting the following:

''(B) the violation or practice involved a reckless disregard for the law or any applicable regulations or prior order of the Director;''; and

(C) in paragraph (4), by inserting ''loan or'' before ''asset'';

(5) in subsection (e), by inserting ''or enterprise-affiliated party''—

(A) before ''or any executive''; and

(B) before the period at the end; and

(6) in subsection (f)—

(A) by striking ''enterprise'' and inserting ''enterprise, finance facility,''; and

(B) by striking ''or director'' and inserting ''director, or enterprise-affiliated party''.

SEC. 842. TEMPORARY CEASE-AND-DESIST PROCEEDINGS.

Section 1372 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4632) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) GROUNDS FOR ISSUANCE.—

''(1) IN GENERAL.—If the Director determines that the actions specified in the notice of charges served upon an enterprise or any enterprise-affiliated party pursuant to section 1371(a), or the continuation thereof, is likely to cause insolvency or significant dissipation of assets or earnings of that enterprise, or is likely to weaken the condition of that enterprise prior to the completion of the proceedings conducted pursuant to sections 1371 and 1373, the Director may—

''(A) issue a temporary order requiring that enterprise or enterprise-affiliated party to cease and desist from any such violation or practice; and

''(B) require that enterprise or enterprise-affiliated party to take affirmative action to prevent or remedy such insolvency, dissipation, condition, or prejudice pending completion of such proceedings.

''(2) ADDITIONAL REQUIREMENTS.—An order issued under paragraph (1) may include any requirement authorized under subsection 1371(d).'';

(2) in subsection (b), by striking ''or director'' and inserting ''director, or enterprise-affiliated party''; and

(3) in subsection (d), by striking ''or director'' each place that term appears and inserting ''director, or enterprise-affiliated party''; and

(4) in subsection (e)—

(A) by striking ''request the Attorney General of the United States to''; and

(B) by striking ''or may, under the direction and control of the Attorney General, bring such action''.

SEC. 843. REMOVAL AND PROHIBITION AUTHORITY.

(a) IN GENERAL.—Part 1 of subtitle C of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4631 et seq.) is amended—

(1) by redesignating sections 1377 through 1379B (12 U.S.C. 4637–4641) as sections 1379 through 1379D, respectively; and

(2) by inserting after section 1376 (12 U.S.C. 4636) the following:

''SEC. 1377. REMOVAL AND PROHIBITION AUTHORITY.

''(a) AUTHORITY TO ISSUE ORDER.—

''(1) IN GENERAL.—The Director may serve upon a party described in paragraph (2), or any officer, director, or management of the Finance Facility a written notice of the intention of the Director to suspend or remove such party from office, or prohibit any further participation by such party, in any manner, in the conduct of the affairs of the enterprise.

''(2) APPLICABILITY.—A party described in this paragraph is an enterprise-affiliated party or any officer, director, or management of the Finance Facility, if the Director determines that—

''(A) that party, officer, or director has, directly or indirectly—

''(i) violated—

''(I) any law or regulation;

''(II) any cease-and-desist order which has become final;

''(III) any condition imposed in writing by the Director in connection with the grant of any application or other request by such enterprise; or

''(IV) any written agreement between such enterprise and the Director;

''(ii) engaged or participated in any unsafe or unsound practice in connection with any enterprise or business institution; or

''(iii) committed or engaged in any act, omission, or practice which constitutes a breach of such party's fiduciary duty;

''(B) by reason of the violation, practice, or breach described in subparagraph (A)—

''(i) such enterprise or business institution has suffered or will probably suffer financial loss or other damage; or

''(ii) such party has received financial gain or other benefit; and

''(C) the violation, practice, or breach described in subparagraph (A)—

''(i) involves personal dishonesty on the part of such party; or

''(ii) demonstrates willful or continuing disregard by such party for the safety or soundness of such enterprise or business institution.

''(b) SUSPENSION ORDER.—

''(1) SUSPENSION OR PROHIBITION AUTHORITY.—If the Director serves written notice under subsection (a) upon a party subject to that subsection (a), the Director may, by order, suspend or remove such party from office, or prohibit such party from further participation in any manner in the conduct of the affairs of the enterprise, if the Director—

''(A) determines that such action is necessary for the protection of the enterprise; and

''(B) serves such party with written notice of the order.

''(2) EFFECTIVE PERIOD.—Any order issued under this subsection—

''(A) shall become effective upon service; and

''(B) unless a court issues a stay of such order under subsection (g), shall remain in effect and enforceable until—

''(i) the date on which the Director dismisses the charges contained in the notice served under subsection (a) with respect to such party; or

''(ii) the effective date of an order issued under subsection (b).

''(3) COPY OF ORDER.—If the Director issues an order under subsection (b) to any party, the Director shall serve a copy of such order on any enterprise with which such party is affiliated at the time such order is issued.

''(c) NOTICE, HEARING, AND ORDER.—

''(1) NOTICE.—A notice under subsection (a) of the intention of the Director to issue an order under this section shall contain a statement of the facts constituting grounds for such action, and shall fix a time and place at which a hearing will be held on such action.

''(2) TIMING OF HEARING.—A hearing shall be fixed for a date not earlier than 30 days, nor later than 60 days, after the date of service of notice under subsection (a), unless an earlier or a later date is set by the Director at the request of—

''(A) the party receiving such notice, and good cause is shown; or

''(B) the Attorney General of the United States.

''(3) CONSENT.—Unless the party that is the subject of a notice delivered under subsection (a) appears at the hearing in person or by a duly authorized representative, such party shall be deemed to have consented to the issuance of an order under this section.

''(4) ISSUANCE OF ORDER OF SUSPENSION.—The Director may issue an order under this section, as the Director may deem appropriate, if—

''(A) a party is deemed to have consented to the issuance of an order under paragraph (3); or

''(B) upon the record made at the hearing, the Director finds that any of the grounds specified in the notice have been established.

''(5) EFFECTIVENESS OF ORDER.—Any order issued under paragraph (4) shall become effective at the expiration of 30 days after the date of service upon the relevant enterprise and party (except in the case of an order issued upon consent under paragraph (3), which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Director or a reviewing court.

''(d) PROHIBITION OF CERTAIN SPECIFIC ACTIVITIES.—Any person subject to an order issued under this section shall not—

''(1) participate in any manner in the conduct of the affairs of any enterprise or the Finance Facility;

''(2) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy,

consent, or authorization with respect to any voting rights in any enterprise;

''(3) violate any voting agreement previously approved by the Director; or

''(4) vote for a director, or serve or act as an enterprise-affiliated party of an enterprise or as an officer or director of the Finance Facility.

''(e) INDUSTRY-WIDE PROHIBITION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), any person who, pursuant to an order issued under this section, has been removed or suspended from office in an enterprise or the Finance Facility, or prohibited from participating in the conduct of the affairs of an enterprise or the Finance Facility, may not, while such order is in effect, continue or commence to hold any office in, or participate in any manner in the conduct of the affairs of, any enterprise or the Finance Facility.

''(2) EXCEPTION IF DIRECTOR PROVIDES WRITTEN CONSENT.—If, on or after the date on which an order is issued under this section which removes or suspends from office any party, or prohibits such party from participating in the conduct of the affairs of an enterprise or the Finance Facility, such party receives the written consent of the Director, the order shall, to the extent of such consent, cease to apply to such party with respect to the enterprise or such Finance Facility described in the written consent. Any such consent shall be publicly disclosed.

''(3) VIOLATION OF PARAGRAPH (1) TREATED AS VIOLATION OF ORDER.—Any violation of paragraph (1) by any person who is subject to an order issued under subsection (h) shall be treated as a violation of the order.

''(f) APPLICABILITY.—This section shall only apply to a person who is an individual, unless the Director specifically finds that it should apply to a corporation, firm, or other business entity.

''(g) STAY OF SUSPENSION AND PROHIBITION OF ENTERPRISE-AFFILIATED PARTY.—Not later than 10 days after the date on which any enterprise-affiliated party has been suspended from office or prohibited from participation in the conduct of the affairs of an enterprise under this section, such party may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district in which the headquarters of the enterprise is located, for a stay of such suspension or prohibition pending the completion of the administrative proceedings pursuant to subsection (c). The court shall have jurisdiction to stay such suspension or prohibition.

''(h) SUSPENSION OR REMOVAL OF ENTERPRISE-AFFILIATED PARTY CHARGED WITH FELONY.—

''(1) SUSPENSION OR PROHIBITION.—

''(A) IN GENERAL.—Whenever any enterprise-affiliated party is charged in any information, indictment, or complaint, with the commission of or participation in a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding 1 year under Federal or State law, the Director may, if continued service or participation by such party may pose a threat to the enterprise or impair public confidence in the enterprise, by written notice served upon such party, suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of any enterprise.

''(B) PROVISIONS APPLICABLE TO NOTICE.—

''(i) COPY.—A copy of any notice under subparagraph (A) shall be served upon the relevant enterprise.

''(ii) EFFECTIVE PERIOD.—A suspension or prohibition under subparagraph (A) shall remain in effect until the information, indictment, or complaint referred to in subparagraph (A) is finally disposed of, or until terminated by the Director.

''(2) REMOVAL OR PROHIBITION.—

''(A) IN GENERAL.—If a judgment of conviction or an agreement to enter a pretrial diversion or other similar program is entered against an enterprise-affiliated party in connection with a crime described in paragraph (1)(A), at such time as such judgment is not subject to further appellate review, the Director may, if continued service or participation by such party may pose a threat to the enterprise or impair public confidence in the enterprise, issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the enterprise without the prior written consent of the Director.

''(B) PROVISIONS APPLICABLE TO ORDER.—

''(i) COPY.—A copy of any order under subparagraph (A) shall be served upon the relevant enterprise, at which time the enterprise-affiliated party who is subject to the order (if a director or an officer) shall cease to be a director or officer of such enterprise.

''(ii) EFFECT OF ACQUITTAL.—A finding of not guilty or other disposition of the charge shall not preclude the Director from instituting proceedings after such finding or disposition to remove a party from office or to prohibit further participation in the affairs of an enterprise pursuant to subsection (a) or (b).

''(iii) EFFECTIVE PERIOD.—Unless terminated by the Director, any notice of suspension or order of removal issued under this subsection shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (4).

''(3) AUTHORITY OF REMAINING BOARD MEMBERS.—

''(A) IN GENERAL.—If at any time, because of the suspension of 1 or more directors pursuant to this section, there shall be on the board of directors of an enterprise less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board not so suspended, until such time as there shall be a quorum of the board of directors.

''(B) APPOINTMENT OF TEMPORARY DIRECTORS.—If all of the directors of an enterprise are suspended pursuant to this section, the Director shall appoint persons to serve temporarily as directors pending the termination of such suspensions, or until such time as those who have been suspended cease to be directors of the enterprise and their respective successors take office.

''(4) HEARING REGARDING CONTINUED PARTICIPATION.—

''(A) IN GENERAL.—Not later than 30 days after the date of service of any notice of suspension or order of removal issued pursuant to paragraph (1) or (2), the enterprise-affiliated party may request in writing an opportunity to appear before the Director to show that the continued service or participation in the conduct of the affairs of the enterprise by such party does not, or is not likely to, pose a threat to the interests of the enterprise, or threaten to impair public confidence in the enterprise.

''(B) TIMING AND FORM OF HEARING.—Upon receipt of a request for a hearing under subparagraph (A), the Director shall fix a time (not later than 30 days after the date of receipt of such request, unless extended at the request of such party) and place at which the enterprise-affiliated party may appear, personally or through counsel, before the Director or 1 or more designated employees of the Director to submit written materials (or, at the discretion of the Director, oral testimony) and oral argument.

''(C) DETERMINATION.—Not later than 60 days after the date of a hearing under subparagraph (B), the Director shall notify the enterprise-affiliated party whether the suspension or prohibition from participation in any manner in the conduct of the affairs of the enterprise will be continued, terminated, or otherwise modified, or whether the order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the enterprise will be rescinded or otherwise modified. Such notification shall contain a statement of the basis for any adverse decision of the Director.

''(5) RULES.—The Director is authorized to prescribe such rules as may be necessary to carry out this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) SAFETY AND SOUNDNESS ACT.—Subtitle C of title XIII of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (42 U.S.C. 4501 et seq.) is amended—

(A) in section 1317(f), by striking ''section 1379B'' and inserting ''section 1379D'';

(B) in section 1373(a)—

(i) in paragraph (1), by striking ''or 1376(c)'' and inserting '', 1376(c), or 1377'';

(ii) in paragraph (2), by inserting ''or 1377'' after''1371''; and

(iii) in paragraph (4), by inserting ''or removal or prohibition'' after ''cease and desist''; and

(C) in section 1374(a)—

(i) by striking ''or 1376'' and inserting '', 1376, or 1377''; and

(ii) by striking ''such section'' and inserting ''this title''.

(2) FANNIE MAE CHARTER ACT.—Section 308(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended in the second sentence, by striking ''The'' and inserting ''Except to the extent that action under section 1377 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 temporarily results in a lesser number, the''.

(3) FREDDIE MAC CHARTER ACT.—Section 303(a)(2)(A) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)(A)) is amended, in the second sentence, by striking ''The'' and inserting ''Except to the extent action under section 1377 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 temporarily results in a lesser number, the''.

SEC. 844. ENFORCEMENT AND JURISDICTION.

(a) IN GENERAL.—Section 1375 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4635) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) ENFORCEMENT.—The Director may, in the discretion of the Director, apply to the United States District Court for the District of Columbia, or the United States district court within the jurisdiction of which the headquarters of the enterprise is located, for the enforcement of any effective and outstanding notice, order, or subpoena issued under this title, or request that the Attorney General of the United States bring such an action. Such court shall have jurisdiction and power to order and require compliance with such notice, order, or subpoena.''; and

(2) in subsection (b)—

(A) by striking ''section 1371, 1372, or 1376 or'';

(B) by inserting ''subtitle C, or section 1313A'' after ''subtitle B,''; and

(C) by inserting '', standard,'' after ''notice'' each place that term appears.

(b) CONFORMING AMENDMENT.—Section 1379B of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12

U.S.C. 4641) is amended by striking subsection (c) and redesignating subsection (d) as subsection (c).

SEC. 845. CIVIL MONEY PENALTIES.

Section 1376 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4636) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Director may impose a civil money penalty in accordance with this section on any enterprise, or any executive offices of an enterprise or any enterprise-affiliated party.'';

(2) by striking subsection (b) and inserting the following:

''(b) AMOUNT OF PENALTY.—

''(1) FIRST TIER.—An enterprise or enterprise-affiliated party shall forfeit and pay a civil penalty of not more than $10,000 for each day during which a violation continues, if such enterprise or party—

''(A) violates any provision of this title, the authorizing statutes, or any order, condition, rule, or regulation under this title or any authorizing statute;

''(B) violates any final or temporary order or notice issued pursuant to this title;

''(C) violates any condition imposed in writing by the Director in connection with the grant of any application or other request by such enterprise;

''(D) violates any written agreement between the enterprise and the Director; or

''(E) engages in any conduct that the Director determines to be an unsafe or unsound practice.

''(2) SECOND TIER.—Notwithstanding paragraph (1), a enterprise or enterprise-affiliated party shall forfeit and pay a civil penalty of not more than $50,000 for each day during which a violation, practice, or breach continues, if—

''(A) the enterprise or enterprise-affiliated party, respectively—

''(i) commits any violation described in any subparagraph of paragraph (1);

''(ii) recklessly engages in an unsafe or unsound practice in conducting the affairs of the enterprise; or

''(iii) breaches any fiduciary duty; and

''(B) the violation, practice, or breach—

''(i) is part of a pattern of misconduct;

''(ii) causes or is likely to cause more than a minimal loss to the enterprise; or

''(iii) results in pecuniary gain or other benefit to such party.

''(3) THIRD TIER.—Notwithstanding paragraphs (1) and (2), any enterprise or enterprise-affiliated party shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under paragraph (4) for each day during which such violation, practice, or breach continues, if such enterprise or enterprise-affiliated party—

''(A) knowingly—

''(i) commits any violation described in any subparagraph of paragraph (1);

''(ii) engages in any unsafe or unsound practice in conducting the affairs of the enterprise; or

''(iii) breaches any fiduciary duty; and

''(B) knowingly or recklessly causes a substantial loss to the enterprise or a substantial pecuniary gain or other benefit to such party by reason of such violation, practice, or breach.

''(4) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN PARAGRAPH (3).—The maximum daily amount of any civil penalty which may be assessed pursuant to paragraph (3) for any violation, practice, or breach described in paragraph (3) is—

''(A) in the case of any enterprise-affiliated party, an amount not to exceed $2,000,000; and

''(B) in the case of any enterprise, $2,000,000.'';

(3) in subsection (c)—

(A) by inserting ''or enterprise-affiliated party'' before ''in writing''; and

(B) by inserting ''or enterprise-affiliated party'' before ''has been given''; and

(4) in subsection (d)—

(A) by striking ''or director'' each place that term appears and inserting ''director, or enterprise-affiliated party'';

(B) by striking ''request the Attorney General of the United States to'';

(C) by inserting '', or the United States district court within the jurisdiction of which the headquarters of the enterprise is located,'' after ''District of Columbia'';

(D) by striking '', or may, under the direction and control of the Attorney General of the United States, bring such an action''; and

(E) by striking ''and section 1374''.

SEC. 846. CRIMINAL PENALTY.

Subtitle C of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4631 et seq.), as amended by this Act, is amended by adding at the end the following:

''SEC. 1378. CRIMINAL PENALTY.

''Whoever, being subject to an order in effect under section 1377, without the prior written approval of the Director, knowingly participates, directly or indirectly, in any manner (including by engaging in an activity specifically prohibited in such an order) in the conduct of the affairs of any enterprise shall, notwithstanding section 3571 of title 18, be fined not more than $1,000,000, imprisoned for not more than 5 years, or both.''.

SEC. 847. NOTICE AFTER SEPARATION FROM SERVICE.

Section 1379 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4637), as so designated by this Act, is amended—

(1) by striking ''2-year'' and inserting ''6-year''; and

(2) by inserting ''or an enterprise-affiliated party'' after ''enterprise'' each place that term appears.

SEC. 848. SUBPOENA AUTHORITY.

Section 1379B of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4641) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''administrative'';

(ii) by inserting '', examination, or investigation'' after ''proceeding'';

(iii) by striking ''subchapter'' and inserting ''title''; and

(iv) by inserting ''or any designated representative thereof, including any person designated to conduct any hearing under this subtitle'' after ''Director''; and

(B) in paragraph (4), by striking ''issued by the Director'';

(2) in subsection (b), by inserting ''or in any territory or other place subject to the jurisdiction of the United States'' after ''State'';

(3) by striking subsection (c) and inserting the following:

''(c) ENFORCEMENT.—

''(1) IN GENERAL.—The Director, or any party to proceedings under this subtitle, may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district of the United States in any territory in which such proceeding is being conducted, or where the witness resides or carries on business, for enforcement of any subpoena or subpoena duces tecum issued pursuant to this section.

''(2) POWER OF COURT.—The courts described under paragraph (1) shall have the jurisdiction and power to order and require compliance with any subpoena issued under paragraph (1)'';

(4) in subsection (d), by inserting ''enterprise-affiliated party'' before ''may allow''; and

(5) by adding at the end the following:

''(e) PENALTIES.—A person shall be guilty of a misdemeanor, and upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than 1 year, or both, if that person willfully fails or refuses, in disobedience of a subpoena issued under subsection (c), to—

''(1) attend court;

''(2) testify in court;

''(3) answer any lawful inquiry; or

''(4) produce books, papers, correspondence, contracts, agreements, or such other records as requested in the subpoena.''.

SA 4419. Mr. ENSIGN submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE VIII—CLEAN ENERGY TAX STIMULUS

SEC. 801. SHORT TITLE; ETC.

(a) SHORT TITLE.—This title may be cited as the ''Clean Energy Tax Stimulus Act of 2008''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Extension of Clean Energy Production Incentives

SEC. 811. EXTENSION AND MODIFICATION OF RENEWABLE ENERGY PRODUCTION TAX CREDIT.

(a) EXTENSION OF CREDIT.—Each of the following provisions of section 45(d) (relating to qualified facilities) is amended by striking ''January 1, 2009'' and inserting ''January 1, 2010'':

(1) Paragraph (1).

(2) Clauses (i) and (ii) of paragraph (2)(A).

(3) Clauses (i)(I) and (ii) of paragraph (3)(A).

(4) Paragraph (4).

(5) Paragraph (5).

(6) Paragraph (6).

(7) Paragraph (7).

(8) Paragraph (8).

(9) Subparagraphs (A) and (B) of paragraph (9).

(b) PRODUCTION CREDIT FOR ELECTRICITY PRODUCED FROM MARINE RENEWABLES.—

(1) IN GENERAL.—Paragraph (1) of section 45(c) (relating to resources) is amended by striking ''and'' at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting '', and'', and by adding at the end the following new subparagraph:

''(I) marine and hydrokinetic renewable energy.''.

(2) MARINE RENEWABLES.—Subsection (c) of section 45 is amended by adding at the end the following new paragraph:

''(10) MARINE AND HYDROKINETIC RENEWABLE ENERGY.—

''(A) IN GENERAL.—The term 'marine and hydrokinetic renewable energy' means energy derived from—

''(i) waves, tides, and currents in oceans, estuaries, and tidal areas,

''(ii) free flowing water in rivers, lakes, and streams,

''(iii) free flowing water in an irrigation system, canal, or other man-made channel, including projects that utilize nonmechanical structures to accelerate the flow of water for electric power production purposes, or

''(iv) differentials in ocean temperature (ocean thermal energy conversion).

''(B) EXCEPTIONS.—Such term shall not include any energy which is derived from any source which utilizes a dam, diversionary structure (except as provided in subparagraph (A)(iii)), or impoundment for electric power production purposes.''.

(3) DEFINITION OF FACILITY.—Subsection (d) of section 45 is amended by adding at the end the following new paragraph:

''(11) MARINE AND HYDROKINETIC RENEWABLE ENERGY FACILITIES.—In the case of a facility producing electricity from marine and hydrokinetic renewable energy, the term 'qualified facility' means any facility owned by the taxpayer—

''(A) which has a nameplate capacity rating of at least 150 kilowatts, and

''(B) which is originally placed in service on or after the date of the enactment of this paragraph and before January 1, 2010.''.

(4) CREDIT RATE.—Subparagraph (A) of section 45(b)(4) is amended by striking ''or (9)'' and inserting ''(9), or (11)''.

(5) COORDINATION WITH SMALL IRRIGATION POWER.—Paragraph (5) of section 45(d), as amended by subsection (a), is amended by striking ''January 1, 2010'' and inserting ''the date of the enactment of paragraph (11)''.

(c) SALES OF ELECTRICITY TO REGULATED PUBLIC UTILITIES TREATED AS SALES TO UNRELATED PERSONS.—Section 45(e)(4) (relating to related persons) is amended by adding at the end the following new sentence: ''A taxpayer shall be treated as selling electricity to an unrelated person if such electricity is sold to a regulated public utility (as defined in section 7701(a)(33).''.

(d) TRASH FACILITY CLARIFICATION.—Paragraph (7) of section 45(d) is amended—

(1) by striking ''facility which burns'' and inserting ''facility (other than a facility described in paragraph (6)) which uses'', and

(2) by striking ''COMBUSTION''.

(e) EFFECTIVE DATES.—

(1) EXTENSION.—The amendments made by subsection (a) shall apply to property originally placed in service after December 31, 2008.

(2) MODIFICATIONS.—The amendments made by subsections (b) and (c) shall apply to electricity produced and sold after the date of the enactment of this Act, in taxable years ending after such date.

(3) TRASH FACILITY CLARIFICATION.—The amendments made by subsection (d) shall apply to electricity produced and sold before, on, or after December 31, 2007.

SEC. 812. EXTENSION AND MODIFICATION OF SOLAR ENERGY AND FUEL CELL INVESTMENT TAX CREDIT.

(a) EXTENSION OF CREDIT.—

(1) SOLAR ENERGY PROPERTY.—Paragraphs (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) (relating to energy credit) are each amended by striking ''January 1, 2009'' and inserting ''January 1, 2017''.

(2) FUEL CELL PROPERTY.—Subparagraph (E) of section 48(c)(1) (relating to qualified fuel cell property) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2017''.

(3) QUALIFIED MICROTURBINE PROPERTY.—Subparagraph (E) of section 48(c)(2) (relating to qualified microturbine property) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2017''.

(b) ALLOWANCE OF ENERGY CREDIT AGAINST ALTERNATIVE MINIMUM TAX.—Subparagraph (B) of section 38(c)(4) (relating to specified credits) is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by adding at the end the following new clause:

''(v) the credit determined under section 46 to the extent that such credit is attributable to the energy credit determined under section 48.''.

(c) REPEAL OF DOLLAR PER KILOWATT LIMITATION FOR FUEL CELL PROPERTY.—

(1) IN GENERAL.—Section 48(c)(1) (relating to qualified fuel cell), as amended by subsection (a)(2), is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

(2) CONFORMING AMENDMENT.—Section 48(a)(1) is amended by striking ''paragraphs (1)(B) and (2)(B) of subsection (c)'' and inserting ''subsection (c)(2)(B)''.

(d) PUBLIC ELECTRIC UTILITY PROPERTY TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (3) of section 48(a) is amended by striking the second sentence thereof.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 48(c), as amended by this section, is amended by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C).

(B) Paragraph (2) of section 48(c), as amended by subsection (a)(3), is amended by striking subparagraph (D) and redesignating subparagraph (E) as subparagraph (D).

(e) EFFECTIVE DATES.—

(1) EXTENSION.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—The amendments made by subsection (b) shall apply to credits determined under section 46 of the Internal Revenue Code of 1986 in taxable years beginning after the date of the enactment of this Act and to carrybacks of such credits.

(3) FUEL CELL PROPERTY AND PUBLIC ELECTRIC UTILITY PROPERTY.—The amendments made by subsections (c) and (d) shall apply to periods after the date of the enactment of this Act, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 813. EXTENSION AND MODIFICATION OF RESIDENTIAL ENERGY EFFICIENT PROPERTY CREDIT.

(a) EXTENSION.—Section 25D(g) (relating to termination) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2009''.

(b) NO DOLLAR LIMITATION FOR CREDIT FOR SOLAR ELECTRIC PROPERTY.—

(1) IN GENERAL.—Section 25D(b)(1) (relating to maximum credit) is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(2) CONFORMING AMENDMENTS.—Section 25D(e)(4) is amended—

(A) by striking clause (i) in subparagraph (A),

(B) by redesignating clauses (ii) and (iii) in subparagraph (A) as clauses (i) and (ii), respectively, and

(C) by striking '', (2),'' in subparagraph (C).

(c) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Subsection (c) of section 25D is amended to read as follows:

''(c) LIMITATION BASED ON AMOUNT OF TAX; CARRYFORWARD OF UNUSED CREDIT.—

''(1) LIMITATION BASED ON AMOUNT OF TAX.—In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this subpart (other than this section) and section 27 for the taxable year.

''(2) CARRYFORWARD OF UNUSED CREDIT.—

''(A) RULE FOR YEARS IN WHICH ALL PERSONAL CREDITS ALLOWED AGAINST REGULAR AND ALTERNATIVE MINIMUM TAX.—In the case of a taxable year to which section 26(a)(2) applies, if the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a)(2) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

''(B) RULE FOR OTHER YEARS.—In the case of a taxable year to which section 26(a)(2) does not apply, if the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 23(b)(4)(B) is amended by inserting ''and section 25D'' after ''this section''.

(B) Section 24(b)(3)(B) is amended by striking ''and 25B'' and inserting '', 25B, and 25D''.

(C) Section 25B(g)(2) is amended by striking ''section 23'' and inserting ''sections 23 and 25D''.

(D) Section 26(a)(1) is amended by striking ''and 25B'' and inserting ''25B, and 25D''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

(2) APPLICATION OF EGTRRA SUNSET.—The amendments made by subparagraphs (A) and (B) of subsection (c)(2) shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 in the same manner as the provisions of such Act to which such amendments relate.

SEC. 814. EXTENSION AND MODIFICATION OF CREDIT FOR CLEAN RENEWABLE ENERGY BONDS.

(a) EXTENSION.—Section 54(m) (relating to termination) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2009''.

(b) INCREASE IN NATIONAL LIMITATION.—Section 54(f) (relating to limitation on amount of bonds designated) is amended—

(1) by inserting '', and for the period beginning after the date of the enactment of the Clean Energy Tax Stimulus Act of 2008 and ending before January 1, 2010, $400,000,000'' after ''$1,200,000,000'' in paragraph (1),

(2) by striking ''$750,000,000 of the'' in paragraph (2) and inserting ''$750,000,000 of the $1,200,000,000'', and

(3) by striking ''bodies'' in paragraph (2) and inserting ''bodies, and except that the Secretary may not allocate more than ⅓ of the $400,000,000 national clean renewable energy bond limitation to finance qualified projects of qualified borrowers which are public power providers nor more than ⅓ of

such limitation to finance qualified projects of qualified borrowers which are mutual or cooperative electric companies described in section 501(c)(12) or section 1381(a)(2)(C)''.

(c) PUBLIC POWER PROVIDERS DEFINED.—Section 54(j) is amended—

(1) by adding at the end the following new paragraph:

''(6) PUBLIC POWER PROVIDER.—The term 'public power provider' means a State utility with a service obligation, as such terms are defined in section 217 of the Federal Power Act (as in effect on the date of the enactment of this paragraph).'', and

(2) by inserting ''; PUBLIC POWER PROVIDER'' before the period at the end of the heading.

(d) TECHNICAL AMENDMENT.—The third sentence of section 54(e)(2) is amended by striking ''subsection (l)(6)'' and inserting ''subsection (l)(5)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 815. EXTENSION OF SPECIAL RULE TO IMPLEMENT FERC RESTRUCTURING POLICY.

(a) QUALIFYING ELECTRIC TRANSMISSION TRANSACTION.—

(1) IN GENERAL.—Section 451(i)(3) (defining qualifying electric transmission transaction) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2010''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to transactions after December 31, 2007.

(b) INDEPENDENT TRANSMISSION COMPANY.—

(1) IN GENERAL.—Section 451(i)(4)(B)(ii) (defining independent transmission company) is amended by striking ''December 31, 2007'' and inserting ''the date which is 2 years after the date of such transaction''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the amendments made by section 909 of the American Jobs Creation Act of 2004.

Subtitle B—Extension of Incentives to Improve Energy Efficiency

SEC. 821. EXTENSION AND MODIFICATION OF CREDIT FOR ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES.

(a) EXTENSION OF CREDIT.—Section 25C(g) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2009''.

(b) QUALIFIED BIOMASS FUEL PROPERTY.—

(1) IN GENERAL.—Section 25C(d)(3) is amended—

(A) by striking ''and'' at the end of subparagraph (D),

(B) by striking the period at the end of subparagraph (E) and inserting '', and'', and

(C) by adding at the end the following new subparagraph:

''(F) a stove which uses the burning of biomass fuel to heat a dwelling unit located in the United States and used as a residence by the taxpayer, or to heat water for use in such a dwelling unit, and which has a thermal efficiency rating of at least 75 percent.''.

(2) BIOMASS FUEL.—Section 25C(d) (relating to residential energy property expenditures) is amended by adding at the end the following new paragraph:

''(6) BIOMASS FUEL.—The term 'biomass fuel' means any plant-derived fuel available on a renewable or recurring basis, including agricultural crops and trees, wood and wood waste and residues (including wood pellets), plants (including aquatic plants), grasses, residues, and fibers.''.

(c) MODIFICATIONS OF STANDARDS FOR ENERGY-EFFICIENT BUILDING PROPERTY.—

(1) ELECTRIC HEAT PUMPS.—Subparagraph (B) of section 25C(d)(3) is amended to read as follows:

''(A) an electric heat pump which achieves the highest efficiency tier established by the Consortium for Energy Efficiency, as in effect on January 1, 2008.''.

(2) CENTRAL AIR CONDITIONERS.—Section 25C(d)(3)(D) is amended by striking ''2006'' and inserting ''2008''.

(3) WATER HEATERS.—Subparagraph (E) of section 25C(d) is amended to read as follows:

''(E) a natural gas, propane, or oil water heater which has either an energy factor of at least 0.80 or a thermal efficiency of at least 90 percent.''.

(4) OIL FURNACES AND HOT WATER BOILERS.—Paragraph (4) of section 25C(d) is amended to read as follows:

''(4) QUALIFIED NATURAL GAS, PROPANE, AND OIL FURNACES AND HOT WATER BOILERS.—

''(A) QUALIFIED NATURAL GAS FURNACE.—The term 'qualified natural gas furnace' means any natural gas furnace which achieves an annual fuel utilization efficiency rate of not less than 95.

''(B) QUALIFIED NATURAL GAS HOT WATER BOILER.—The term 'qualified natural gas hot water boiler' means any natural gas hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.

''(C) QUALIFIED PROPANE FURNACE.—The term 'qualified propane furnace' means any propane furnace which achieves an annual fuel utilization efficiency rate of not less than 95.

''(D) QUALIFIED PROPANE HOT WATER BOILER.—The term 'qualified propane hot water boiler' means any propane hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.

''(E) QUALIFIED OIL FURNACES.—The term 'qualified oil furnace' means any oil furnace which achieves an annual fuel utilization efficiency rate of not less than 90.

''(F) QUALIFIED OIL HOT WATER BOILER.—The term 'qualified oil hot water boiler' means any oil hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.''.

(d) EFFECTIVE DATE.—The amendments made this section shall apply to expenditures made after December 31, 2007.

SEC. 822. EXTENSION AND MODIFICATION OF TAX CREDIT FOR ENERGY EFFICIENT NEW HOMES.

(a) EXTENSION OF CREDIT.—Subsection (g) of section 45L (relating to termination) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2010''.

(b) ALLOWANCE FOR CONTRACTOR'S PERSONAL RESIDENCE.—Subparagraph (B) of section 45L(a)(1) is amended to read as follows:

''(B)(i) acquired by a person from such eligible contractor and used by any person as a residence during the taxable year, or

''(ii) used by such eligible contractor as a residence during the taxable year.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to homes acquired after December 31, 2008.

SEC. 823. EXTENSION AND MODIFICATION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

(a) EXTENSION.—Section 179D(h) (relating to termination) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2009''.

(b) ADJUSTMENT OF MAXIMUM DEDUCTION AMOUNT.—

(1) IN GENERAL.—Subparagraph (A) of section 179D(b)(1) (relating to maximum amount of deduction) is amended by striking ''$1.80'' and inserting ''$2.25''.

(2) PARTIAL ALLOWANCE.—Paragraph (1) of section 179D(d) is amended—

(A) by striking ''$.60'' and inserting ''$0.75'', and

(B) by striking ''$1.80'' and inserting ''$2.25''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 824. MODIFICATION AND EXTENSION OF ENERGY EFFICIENT APPLIANCE CREDIT FOR APPLIANCES PRODUCED AFTER 2007.

(a) IN GENERAL.—Subsection (b) of section 45M (relating to applicable amount) is amended to read as follows:

''(b) APPLICABLE AMOUNT.—For purposes of subsection (a)—

''(1) DISHWASHERS.—The applicable amount is—

''(A) $45 in the case of a dishwasher which is manufactured in calendar year 2008 or 2009 and which uses no more than 324 kilowatt hours per year and 5.8 gallons per cycle, and

''(B) $75 in the case of a dishwasher which is manufactured in calendar year 2008, 2009, or 2010 and which uses no more than 307 kilowatt hours per year and 5.0 gallons per cycle (5.5 gallons per cycle for dishwashers designed for greater than 12 place settings).

''(2) CLOTHES WASHERS.—The applicable amount is—

''(A) $75 in the case of a residential top-loading clothes washer manufactured in calendar year 2008 which meets or exceeds a 1.72 modified energy factor and does not exceed a 8.0 water consumption factor,

''(B) $125 in the case of a residential top-loading clothes washer manufactured in calendar year 2008 or 2009 which meets or exceeds a 1.8 modified energy factor and does not exceed a 7.5 water consumption factor,

''(C) $150 in the case of a residential or commercial clothes washer manufactured in calendar year 2008, 2009, or 2010 which meets or exceeds 2.0 modified energy factor and does not exceed a 6.0 water consumption factor, and

''(D) $250 in the case of a residential or commercial clothes washer manufactured in calendar year 2008, 2009, or 2010 which meets or exceeds 2.2 modified energy factor and does not exceed a 4.5 water consumption factor.

''(3) REFRIGERATORS.—The applicable amount is—

''(A) $50 in the case of a refrigerator which is manufactured in calendar year 2008, and consumes at least 20 percent but not more than 22.9 percent less kilowatt hours per year than the 2001 energy conservation standards,

''(B) $75 in the case of a refrigerator which is manufactured in calendar year 2008 or 2009, and consumes at least 23 percent but no more than 24.9 percent less kilowatt hours per year than the 2001 energy conservation standards,

''(C) $100 in the case of a refrigerator which is manufactured in calendar year 2008, 2009, or 2010, and consumes at least 25 percent but not more than 29.9 percent less kilowatt hours per year than the 2001 energy conservation standards, and

''(D) $200 in the case of a refrigerator manufactured in calendar year 2008, 2009, or 2010 and which consumes at least 30 percent less energy than the 2001 energy conservation standards.''.

(b) ELIGIBLE PRODUCTION.—

(1) SIMILAR TREATMENT FOR ALL APPLIANCES.—Subsection (c) of section 45M (relating to eligible production) is amended—

(A) by striking paragraph (2),

(B) by striking ''(1) IN GENERAL'' and all that follows through ''the eligible'' and inserting ''The eligible'', and

(C) by moving the text of such subsection in line with the subsection heading and redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(2) MODIFICATION OF BASE PERIOD.—Paragraph (2) of section 45M(c), as amended by paragraph (1) of this section, is amended by

striking ''3-calendar year'' and inserting ''2-calendar year''.

(c) TYPES OF ENERGY EFFICIENT APPLIANCES.—Subsection (d) of section 45M (defining types of energy efficient appliances) is amended to read as follows:

''(d) TYPES OF ENERGY EFFICIENT APPLIANCE.—For purposes of this section, the types of energy efficient appliances are—

''(1) dishwashers described in subsection (b)(1),

''(2) clothes washers described in subsection (b)(2), and

''(3) refrigerators described in subsection (b)(3).''.

(d) AGGREGATE CREDIT AMOUNT ALLOWED.—

(1) INCREASE IN LIMIT.—Paragraph (1) of section 45M(e) (relating to aggregate credit amount allowed) is amended to read as follows:

''(1) AGGREGATE CREDIT AMOUNT ALLOWED.—The aggregate amount of credit allowed under subsection (a) with respect to a taxpayer for any taxable year shall not exceed $75,000,000 reduced by the amount of the credit allowed under subsection (a) to the taxpayer (or any predecessor) for all prior taxable years beginning after December 31, 2007.''.

(2) EXCEPTION FOR CERTAIN REFRIGERATOR AND CLOTHES WASHERS.—Paragraph (2) of section 45M(e) is amended to read as follows:

''(2) AMOUNT ALLOWED FOR CERTAIN REFRIGERATORS AND CLOTHES WASHERS.—Refrigerators described in subsection (b)(3)(D) and clothes washers described in subsection (b)(2)(D) shall not be taken into account under paragraph (1).''.

(e) QUALIFIED ENERGY EFFICIENT APPLIANCES.—

(1) IN GENERAL.—Paragraph (1) of section 45M(f) (defining qualified energy efficient appliance) is amended to read as follows:

''(1) QUALIFIED ENERGY EFFICIENT APPLIANCE.—The term 'qualified energy efficient appliance' means—

''(A) any dishwasher described in subsection (b)(1),

''(B) any clothes washer described in subsection (b)(2), and

''(C) any refrigerator described in subsection (b)(3).''.

(2) CLOTHES WASHER.—Section 45M(f)(3) (defining clothes washer) is amended by inserting ''commercial'' before ''residential'' the second place it appears.

(3) TOP-LOADING CLOTHES WASHER.—Subsection (f) of section 45M (relating to definitions) is amended by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively, and by inserting after paragraph (3) the following new paragraph:

''(4) TOP-LOADING CLOTHES WASHER.—The term 'top-loading clothes washer' means a clothes washer which has the clothes container compartment access located on the top of the machine and which operates on a vertical axis.''.

(4) REPLACEMENT OF ENERGY FACTOR.—Section 45M(f)(6), as redesignated by paragraph (3), is amended to read as follows:

''(6) MODIFIED ENERGY FACTOR.—The term 'modified energy factor' means the modified energy factor established by the Department of Energy for compliance with the Federal energy conservation standard.''.

(5) GALLONS PER CYCLE; WATER CONSUMPTION FACTOR.—Section 45M(f) (relating to definitions), as amended by paragraph (3), is amended by adding at the end the following:

''(9) GALLONS PER CYCLE.—The term 'gallons per cycle' means, with respect to a dishwasher, the amount of water, expressed in gallons, required to complete a normal cycle of a dishwasher.

''(10) WATER CONSUMPTION FACTOR.—The term 'water consumption factor' means, with respect to a clothes washer, the quotient of the total weighted per-cycle water consumption divided by the cubic foot (or liter) capacity of the clothes washer.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to appliances produced after December 31, 2007.

SA 4420. Mr. NELSON of Florida (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end of title VI, insert the following:

SEC. PENALTY-FREE WITHDRAWALS FROM RETIREMENT PLANS FOR FORECLOSURE RECOVERY RELIEF FOR INDIVIDUALS WITH MORTGAGES ON THEIR PRINCIPAL RESIDENCES.

(a) IN GENERAL.—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any qualified foreclosure recovery distribution.

(b) LIMITATIONS.—

(1) IN GENERAL.—For purposes of this section, the aggregate amount of distributions received by an individual which may he treated as qualified foreclosure recovery distributions for any taxable year shall not exceed the excess (if any) of—

(A) the lesser of

(i) the individual's qualified mortgage expenditures for the taxable year, or

(ii) $25,000, over

(B) the aggregate amounts treated as qualified foreclosure recovery distributions received by such individual for all prior taxable years.

(2) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would (without regard to paragraph (1)) be a qualified foreclosure recovery distribution, a plan shall not be treated as violating any requirement of the Internal Revenue Code of 1986 merely because the plan treats such distribution as a qualified foreclosure recovery distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds $25,000.

(3) CONTROLLED GROUP.—For purposes of paragraph (2), the term ''controlled group'' means any group treated as a single employer under subsection (b), (e), (m), or (o) of section 414 of such Code.

(c) AMOUNT DISTRIBUTED MAY BE REPAID.—

(1) IN GENERAL.—Any individual who receives a qualified foreclosure recovery distribution may, at any time during the 3–year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(h)(8), 408(d)(3), or 457(e)(16) of the Internal Revenue Code of 1986, as the case may be.

(2) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of such Code, if a contribution is made pursuant to paragraph (1) with respect to a qualified foreclosure recovery distribution from an eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified foreclosure recovery distribution in an eligible rollover distribution (as defined in section 402(e)(4) of such Code) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(3) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of such Code, if a contribution is made pursuant to paragraph (1) with respect to a qualified foreclosure recovery distribution from an individual retirement plan (as defined by section 7701(a)(37) of such Code), then, to the extent of the amount of the contribution, the qualified foreclosure recovery distribution shall be treated as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(4) APPLICATION TO ELIGIBLE RETIREMENT PLANS.—

(A) IN GENERAL.—Nothing in this section shall be treated as requiring an eligible retirement plan to accept any contributions described in this subsection.

(B) QUALIFICATION.—An eligible retirement plan shall not be treated as violating any requirement of Federal law solely by reason of the acceptance of contributions described in this subparagraph.

(d) DEFINITIONS.—FOR PURPOSES OF THIS SECTION

(1) QUALIFIED FORECLOSURE RECOVERY DISTRIBUTION.—The term ''qualified foreclosure recovery distribution'' means any distribution to an individual from an eligible retirement plan which is made—

(A) on or after the date of the enactment of this Act and before January 1, 2010, and

(B) during a taxable year during which the individual has qualifying mortgage expenditures.

(2) QUALIFYING MORTGAGE EXPENDITURES.—

(A) IN GENERAL.—The term ''qualifying mortgage expenditures'' means any of the following expenditures:

(i) Payment of principal or interest on an applicable mortgage.

(ii) Payment of costs paid or incurred in refinancing, or modifying the terms of, an applicable mortgage.

(B) Applicable Mortgage.—The term ''applicable mortgage'' means a mortgage which—

(i) was entered into after December 31, 1999, and before the date of the enactment of this Act, and

(ii) constitutes a security interest in the principal residence of the mortgagor.

(C) JOINT FILERS.—In the case of married individuals filing a joint return under section 6013 of the Internal Revenue Code of 1986, the qualifying mortgage expenditures of the taxpayer may be allocated between the spouses in such manner as they elect.

(3) Eligible Retirement Plan.—The term ''eligible retirement plan'' shall have the meaning given such term by section 402(c)(8)(B) of such Code.

(4) Principal Residence.—The term ''principal residence'' has the same meaning as when used in section 121 of such Code.

(e) INCOME INCLUSION SPREAD OVER 3–YEAR PERIOD FOR QUALIFIED FORECLOSURE RECOVERY DISTRIBUTIONS.—

(1) IN GENERAL.—In the case of any qualified foreclosure recovery distribution, unless the taxpayer elects not to have this subsection apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3–taxable year period beginning with such taxable year.

(2) SPECIAL RULE.—For purposes of paragraph (1), rules similar to the rules of subparagraph

(E) of section 408A(d)(3) of the Internal Revenue Code of 1986 shall apply.

(f) SPECIAL RULES.

(1) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—For purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986, qualified foreclosure recovery distributions shall not be treated as eligible rollover distributions.

(2) QUALIFIED FORECLOSURE RECOVERY DISTRIBUTIONS TREATED AS MEETING PLAN DISTRIBUTION REQUIREMENTS.—For purposes of such Code, a qualified foreclosure recovery distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of such Code.

(3) SUBSTANTIALLY EQUAL PERIODIC PAYMENTS.—A qualified foreclosure recovery distribution—

(A) shall be disregarded in determining whether a payment is a part of a series of substantially equal periodic payment under section 72(t)(2)(A)(iv) of such Code, and

(B) shall not constitute a change in substantially equal periodic payments under section 72(t)(4) of such Code.

(g) PROVISIONS RELATING TO PLAN AMENDMENTS.—

(1) IN GENERAL.—If this subsection applies to any amendment to any plan or annuity contract, such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in paragraph (2)(B)(i).

(2) AMENDMENTS TO WHICH SUBSECTION APPLIES.—

(A) IN GENERAL.—This subsection shall apply to any amendment to any plan or annuity contract which is made—

(i) pursuant to the provisions this section, or pursuant to any regulation issued by the Secretary of the Treasury or the Secretary of Labor under this section, and

(ii) on or before the last day of the first plan year beginning on or after January 1, 2010, or such later date as the Secretary of the Treasury may prescribe.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), clause (ii) shall be applied by substituting the date which is 2 years after the date otherwise applied under clause (ii).

(B) CONDITIONS.—This subsection shall not apply to any amendment unless—

(i) during the period—

(I) beginning on the date the legislative or regulatory amendment described in subparagraph (A)(i) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, any later effective date specified by the plan), and

(II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect; and

(ii) such plan or contract amendment applies retroactively for such period.

SA 4421. Mr. CARDIN (for himself and Mr. ENSIGN) proposed an amendment to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end, insert the following:

TITLE—FIRST-TIME HOMEBUYERS' TAX CREDIT

SEC. __01. CREDIT FOR FIRST-TIME HOMEBUYERS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25D the following new section:

"SEC. 25E. PURCHASE OF PRINCIPAL RESIDENCE BY FIRST-TIME HOMEBUYER.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—In the case of an individual who is a first-time homebuyer of a principal residence in the United States during any taxable year, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to so much of the purchase price of the residence as does not exceed $7,000.

''(2) ALLOCATION OF CREDIT AMOUNT.—The amount of the credit allowed under paragraph (1) shall be equally divided among the 2 taxable years beginning with the taxable year in which the purchase of the principal residence is made.

''(b) LIMITATIONS.—

''(1) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—The amount allowable as a credit under subsection (a) (determined without regard to this subsection) for the taxable year shall be reduced (but not below zero) by the amount which bears the same ratio to the credit so allowable as—

''(i) the excess (if any) of—

''(I) the taxpayer's modified adjusted gross income for such taxable year, over

''(II) $70,000 ($110,000 in the case of a joint return), bears to

''(ii) $20,000.

''(B) MODIFIED ADJUSTED GROSS INCOME.—For purposes of paragraph (1), the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

''(2) LIMITATION BASED ON AMOUNT OF TAX.—In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this subpart (other than this section and section 23) for the taxable year.

''(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) FIRST-TIME HOMEBUYER.—

''(A) IN GENERAL.—The term 'first-time homebuyer' has the same meaning as when used in section 72(t)(8)(D)(i).

''(B) ONE-TIME ONLY.—If an individual is treated as a first-time homebuyer with respect to any principal residence, such individual may not be treated as a first-time homebuyer with respect to any other principal residence.

''(C) MARRIED INDIVIDUALS FILING JOINTLY.—In the case of married individuals who file a joint return, the credit under this section is allowable only if both individuals are first-time homebuyers.

''(D) OTHER TAXPAYERS.—If 2 or more individuals who are not married purchase a principal residence—

''(i) the credit under this section is allowable only if each of the individuals is a first-time homebuyer, and

''(ii) the amount of the credit allowed under subsection (a) shall be allocated among such individuals in such manner as the Secretary may prescribe.

''(2) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 121.

''(3) PURCHASE.—

''(A) IN GENERAL.—The term 'purchase' means any acquisition, but only if—

''(i) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only the individual's spouse, ancestors, and lineal descendants), and

''(ii) the basis of the property in the hands of the person acquiring it is not determined—

''(I) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

''(II) under section 1014(a) (relating to property acquired from a decedent).

''(B) CONSTRUCTION.—A residence which is constructed by the taxpayer shall be treated as purchased by the taxpayer.

''(4) PURCHASE PRICE.—The term 'purchase price' means the adjusted basis of the principal residence on the date of acquisition (within the meaning of section 72(t)(8)(D)(iii)).

''(d) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowed under any other provision of this chapter.

''(e) RECAPTURE IN THE CASE OF CERTAIN DISPOSITIONS.—In the event that a taxpayer—

''(1) disposes of the principal residence with respect to which a credit is allowed under subsection (a), or

''(2) fails to occupy such residence as the taxpayer's principal residence,

at any time within 24 months after the date on which the taxpayer purchased such residence, then the remaining portion of the credit allowed under subsection (a) shall be disallowed in the taxable year during which such disposition occurred or in which the taxpayer failed to occupy the residence as a principal residence, and in any subsequent taxable year in which the remaining portion of the credit would, but for this subsection, have been allowed.

''(f) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section with respect to the purchase of any residence, the basis of such residence shall be reduced by the amount of the credit so allowed.

''(g) PROPERTY TO WHICH SECTION APPLIES.—The provisions of this section shall apply to a principal residence if the taxpayer's date of acquisition of the residence (within the meaning of section 72(t)(8)(D)(iii)) and date of settlement on such residence are during the period beginning on the date of the enactment of this section and ending on the date that is 1 year after such date.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 24(b)(3)(B) of the Internal Revenue Code of 1986 is amended by striking ''and 25B'' and inserting '', 25B, and 25E''.

(2) Section 25(e)(1)(C)(ii) of such Code is amended by inserting ''25E,'' after ''25D,''.

(3) Section 25B(g)(2) of such Code is amended by striking ''section 23'' and inserting ''sections 23 and 25E''.

(4) Section 25D(c)(2) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(5) Section 26(a)(1) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(6) Section 904(i) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(7) Subsection (a) of section 1016 of such Code is amended by striking ''and'' at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting '', and'', and by adding at the end the following new paragraph:

''(38) to the extent provided in section 25E(f).''.

(8) Section 1400C(d)(2) of such Code is amended by striking ''and 25D'' and inserting ''25D, and 25E''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25D the following new item:

''Sec. 25E. Purchase of principal residence by first-time homebuyer.''.

SA 4422. Mr. ROBERTS (for himself and Mr. BROWNBACK) submitted an amendment intended to be proposed to amendment SA 4389 submitted by Ms. LANDRIEU (for herself, Mr. COCHRAN, Mr. VITTER, and Mr. WICKER) to the amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end add the following:

TITLE—DISASTER TAX RELIEF ASSISTANCE

SEC. _____. TEMPORARY TAX RELIEF FOR KIOWA COUNTY, KANSAS AND SURROUNDING AREA.

The following provisions of or relating to the Internal Revenue Code of 1986 shall apply, in addition to the areas described in such provisions, to an area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (FEMA-1699-DR, as in effect on the date of the enactment of this Act) by reason of severe storms and tornados beginning on May 4, 2007, and determined by the President to warrant individual or individual and public assistance from the Federal Government under such Act with respect to damages attributed to such storms and tornados:

(1) SUSPENSION OF CERTAIN LIMITATIONS ON PERSONAL CASUALTY LOSSES.—Section 1400S(b)(1) of the Internal Revenue Code of 1986, by substituting ''May 4, 2007'' for ''August 25, 2005''.

(2) EXTENSION OF REPLACEMENT PERIOD FOR NONRECOGNITION OF GAIN.—Section 405 of the Katrina Emergency Tax Relief Act of 2005, by substituting ''on or after May 4, 2007, by reason of the May 4, 2007, storms and tornados'' for ''on or after August 25, 2005, by reason of Hurricane Katrina''.

(3) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY MAY 4 STORMS AND TORNADOS.—Section 1400R(a) of the Internal Revenue Code of 1986—

(A) by substituting ''May 4, 2007'' for ''August 28, 2005'' each place it appears,

(B) by substituting ''January 1, 2008'' for ''January 1, 2006'' both places it appears, and

(C) only with respect to eligible employers who employed an average of not more than 200 employees on business days during the taxable year before May 4, 2007.

(4) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED ON OR AFTER MAY 5, 2007.—Section 1400N(d) of such Code—

(A) by substituting ''qualified Recovery Assistance property'' for ''qualified Gulf Opportunity Zone property'' each place it appears,

(B) by substituting ''May 5, 2007'' for ''August 28, 2005'' each place it appears,

(C) by substituting ''December 31, 2008'' for ''December 31, 2007'' in paragraph (2)(A)(v),

(D) by substituting ''December 31, 2009'' for ''December 31, 2008'' in paragraph (2)(A)(v),

(E) by substituting ''May 4, 2007'' for ''August 27, 2005'' in paragraph (3)(A),

(F) by substituting ''January 1, 2009'' for ''January 1, 2008'' in paragraph (3)(B), and

(G) determined without regard to paragraph (6) thereof.

(5) INCREASE IN EXPENSING UNDER SECTION 179.—Section 1400N(e) of such Code, by substituting ''qualified section 179 Recovery Assistance property'' for ''qualified section 179 Gulf Opportunity Zone property'' each place it appears.

(6) EXPENSING FOR CERTAIN DEMOLITION AND CLEAN-UP COSTS.—Section 1400N(f) of such Code—

(A) by substituting ''qualified Recovery Assistance clean-up cost'' for ''qualified Gulf Opportunity Zone clean-up cost'' each place it appears, and

(B) by substituting ''beginning on May 4, 2007, and ending on December 31, 2009'' for ''beginning on August 28, 2005, and ending on December 31, 2007'' in paragraph (2) thereof.

(7) TREATMENT OF PUBLIC UTILITY PROPERTY DISASTER LOSSES.—Section 1400N(o) of such Code.

(8) TREATMENT OF NET OPERATING LOSSES ATTRIBUTABLE TO STORM LOSSES.—Section 1400N(k) of such Code—

(A) by substituting ''qualified Recovery Assistance loss'' for ''qualified Gulf Opportunity Zone loss'' each place it appears,

(B) by substituting ''after May 3, 2007, and before on January 1, 2010'' for ''after August 27, 2005, and before January 1, 2008'' each place it appears,

(C) by substituting ''May 4, 2007'' for ''August 28, 2005'' in paragraph (2)(B)(ii)(I) thereof,

(D) by substituting ''qualified Recovery Assistance property'' for ''qualified Gulf Opportunity Zone property'' in paragraph (2)(B)(iv) thereof, and

(E) by substituting ''qualified Recovery Assistance casualty loss'' for ''qualified Gulf Opportunity Zone casualty loss'' each place it appears.

(9) TREATMENT OF REPRESENTATIONS REGARDING INCOME ELIGIBILITY FOR PURPOSES OF QUALIFIED RENTAL PROJECT REQUIREMENTS.—Section 1400N(n) of such Code.

(10) SPECIAL RULES FOR USE OF RETIREMENT FUNDS.—Section 1400Q of such Code—

(A) by substituting ''qualified Recovery Assistance distribution'' for ''qualified hurricane distribution'' each place it appears,

(B) by substituting ''on or after May 4, 2007, and before January 1, 2009'' for ''on or after August 25, 2005, and before January 1, 2007'' in subsection (a)(4)(A)(i),

(C) by substituting ''qualified storm distribution'' for ''qualified Katrina distribution'' each place it appears,

(D) by substituting ''after November 4, 2006, and before May 5, 2007'' for ''after February 28, 2005, and before August 29, 2005'' in subsection (b)(2)(B)(ii),

(E) by substituting ''beginning on May 4, 2007, and ending on November 5, 2007'' for ''beginning on August 25, 2005, and ending on February 28, 2006'' in subsection (b)(3)(A),

(F) by substituting ''qualified storm individual'' for ''qualified Hurricane Katrina individual'' each place it appears,

(G) by substituting ''December 31, 2007'' for ''December 31, 2006'' in subsection (c)(2)(A),

(H) by substituting ''beginning on June 4, 2007, and ending on December 31, 2007'' for ''beginning on September 24, 2005, and ending on December 31, 2006'' in subsection (c)(4)(A)(i),

(I) by substituting ''May 4, 2007'' for ''August 25, 2005'' in subsection (c)(4)(A)(ii), and

(J) by substituting ''January 1, 2008'' for ''January 1, 2007'' in subsection (d)(2)(A)(ii).

SA 4423. Mr. NELSON of Florida (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end of title VI, insert the following:

SEC. ___. PENALTY-FREE WITHDRAWALS FROM RETIREMENT PLANS FOR FORECLOSURE RECOVERY RELIEF FOR INDIVIDUALS WITH MORTGAGES ON THEIR PRINCIPAL RESIDENCES.

(a) IN GENERAL.—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any qualified foreclosure recovery distribution.

(b) LIMITATIONS.—

(1) IN GENERAL.—For purposes of this section, the aggregate amount of distributions received by an individual which may be treated as qualified foreclosure recovery distributions for any taxable year shall not exceed the lesser of—

(A) the individual's qualified mortgage expenditures for the taxable year, or

(B) the excess (if any) of—

(i) $25,000, over

(ii) the aggregate amounts treated as qualified foreclosure recovery distributions received by such individual for all prior taxable years.

(2) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would (without regard to paragraph (1)) be a qualified foreclosure recovery distribution, a plan shall not be treated as violating any requirement of the Internal Revenue Code of 1986 merely because the plan treats such distribution as a qualified foreclosure recovery distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds $25,000.

(3) CONTROLLED GROUP.—For purposes of paragraph (2), the term ''controlled group'' means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of such Code.

(c) AMOUNT DISTRIBUTED MAY BE REPAID.—

(1) IN GENERAL.—Any individual who receives a qualified foreclosure recovery distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16) of the Internal Revenue Code of 1986, as the case may be.

(2) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of such Code, if a contribution is made pursuant to paragraph (1) with respect to a qualified foreclosure recovery distribution from an eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified foreclosure recovery distribution in an eligible rollover distribution (as defined in section 402(c)(4) of such Code) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(3) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of such Code, if a contribution is made pursuant to paragraph (1) with respect to a qualified foreclosure recovery distribution from an individual retirement plan (as defined by section 7701(a)(37) of such Code), then, to the extent of the amount of the contribution, the qualified foreclosure recovery distribution shall be treated as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(4) APPLICATION TO ELIGIBLE RETIREMENT PLANS.—

(A) IN GENERAL.—Nothing in this section shall be treated as requiring an eligible retirement plan to accept any contributions described in this subsection.

(B) QUALIFICATION.—An eligible retirement plan shall not be treated as violating any requirement of Federal law solely by reason of the acceptance of contributions described in this subparagraph.

(d) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED FORECLOSURE RECOVERY DISTRIBUTION.—The term ''qualified foreclosure recovery distribution'' means any distribution to an individual from an eligible retirement plan which is made—

(A) on or after the date of the enactment of this Act and before January 1, 2010, and

(B) during a taxable year during which the individual has qualifying mortgage expenditures.

(2) QUALIFYING MORTGAGE EXPENDITURES.—

(A) IN GENERAL.—The term ''qualifying mortgage expenditures'' means any of the following expenditures:

(i) Payment of principal or interest on an applicable mortgage.

(ii) Payment of costs paid or incurred in refinancing, or modifying the terms of, an applicable mortgage.

(B) APPLICABLE MORTGAGE.—The term ''applicable mortgage'' means a mortgage which—

(i) was entered into after December 31, 1999, and before the date of the enactment of this Act, and

(ii) constitutes a security interest in the principal residence of the mortgagor.

(C) JOINT FILERS.—In the case of married individuals filing a joint return under section 6013 of the Internal Revenue Code of 1986, the qualifying mortgage expenditures of the taxpayer may be allocated between the spouses in such manner as they elect.

(3) ELIGIBLE RETIREMENT PLAN.—The term ''eligible retirement plan'' shall have the meaning given such term by section 402(c)(8)(B) of such Code.

(4) PRINCIPAL RESIDENCE.—The term ''principal residence'' has the same meaning as when used in section 121 of such Code.

(e) INCOME INCLUSION SPREAD OVER 3-YEAR PERIOD FOR QUALIFIED FORECLOSURE RECOVERY DISTRIBUTIONS.—

(1) IN GENERAL.—In the case of any qualified foreclosure recovery distribution, unless the taxpayer elects not to have this subsection apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable year period beginning with such taxable year.

(2) SPECIAL RULE.—For purposes of paragraph (1), rules similar to the rules of subparagraph (E) of section 408A(d)(3) of the Internal Revenue Code of 1986 shall apply.

(f) SPECIAL RULES.—

(1) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—For purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986, qualified foreclosure recovery distributions shall not be treated as eligible rollover distributions.

(2) QUALIFIED FORECLOSURE RECOVERY DISTRIBUTIONS TREATED AS MEETING PLAN DISTRIBUTION REQUIREMENTS.—For purposes of such Code, a qualified foreclosure recovery distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of such Code.

(3) SUBSTANTIALLY EQUAL PERIODIC PAYMENTS.—A qualified foreclosure recovery distribution—

(A) shall be disregarded in determining whether a payment is a part of a series of substantially equal periodic payment under section 72(t)(2)(A)(iv) of such Code, and

(B) shall not constitute a change in substantially equal periodic payments under section 72(t)(4) of such Code.

(g) PROVISIONS RELATING TO PLAN AMENDMENTS.—

(1) IN GENERAL.—If this subsection applies to any amendment to any plan or annuity contract, such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in paragraph (2)(B)(i).

(2) AMENDMENTS TO WHICH SUBSECTION APPLIES.—

(A) IN GENERAL.—This subsection shall apply to any amendment to any plan or annuity contract which is made—

(i) pursuant to the provisions this section, or pursuant to any regulation issued by the Secretary of the Treasury or the Secretary of Labor under this section, and

(ii) on or before the last day of the first plan year beginning on or after January 1, 2010, or such later date as the Secretary of the Treasury may prescribe.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), clause (ii) shall be applied by substituting the date which is 2 years after the date otherwise applied under clause (ii).

(B) CONDITIONS.—This subsection shall not apply to any amendment unless—

(i) during the period—

(I) beginning on the date the legislative or regulatory amendment described in subparagraph (A)(i) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, any later effective date specified by the plan), and

(II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect; and

(ii) such plan or contract amendment applies retroactively for such period.

SA 4424. Mrs. HUTCHISON (for herself and Mr. NELSON of Florida) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. 605. NEW RESTAURANT PROPERTY TREATED AS 15-YEAR PROPERTY.

(a) IN GENERAL.—Section 168(e)(3)(E) of the Internal Revenue Code of 1986 (defining 15-year property) is amended by striking ''and'' at the end of clause (vii), by striking the period at the end of clause (viii) and inserting '', and'', and by adding at the end the following new clause:

''(ix) any qualified new restaurant property placed in service before the date that is 12 months after the date of the enactment of this clause.''.

(b) QUALIFIED NEW RESTAURANT PROPERTY.—Subsection (e) of section 168 of such Code is amended by adding at the end the following new paragraph:

''(8) QUALIFIED NEW RESTAURANT PROPERTY.—The term 'qualified new restaurant property' means any section 1250 property which is a building if more than 50 percent of the building's square footage is devoted to preparation of, and seating for on-premises consumption of, prepared meals.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SA 4425. Mrs. HUTCHISON (for herself and Mr. NELSON of Florida) submitted an amendment intended to be proposed by her to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end of title VI, insert the following:

SEC. 605. NEW RESTAURANT PROPERTY TREATED AS 20-YEAR PROPERTY.

(a) IN GENERAL.—Subparagraph (F) of section 168(e)(3) of the Internal Revenue Code of 1986 (defining 20-year property) is amended to read as follows:

''(F) 20-YEAR PROPERTY.—The term '20-year property' means—

''(i) initial clearing and grading land improvements with respect to any electric utility transmission and distribution plant, and

''(ii) any qualified new restaurant property placed in service before the date that is 12 months after the date of the enactment of this clause.''.

(b) QUALIFIED NEW RESTAURANT PROPERTY.—Subsection (e) of section 168 of such Code is amended by adding at the end the following new paragraph:

''(8) QUALIFIED NEW RESTAURANT PROPERTY.—The term 'qualified new restaurant property' means any section 1250 property which is a building if more than 50 percent of the building's square footage is devoted to preparation of, and seating for on-premises consumption of, prepared meals.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SA 4426. Mr. MARTINEZ (for himself and Mr. CARPER) submitted an amendment intended to be proposed to amendment SA 4387 submitted by Mr. DODD (for himself and Mr. SHELBY) to the bill H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation; which was ordered to lie on the table; as follows:

At the end, add the following:

DIVISION 2

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Division may be cited as the ''Federal Housing Finance Reform Act of 2007''.

(b) TABLE OF CONTENTS.—The table of contents for this Division is as follows:

SEC. 2. DEFINITIONS.

Section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502) is amended—

(1) in paragraph (7), by striking ''an enterprise'' and inserting ''a regulated entity'';

(2) by striking ''the enterprise'' each place such term appears (except in paragraphs (4) and (18)) and inserting ''the regulated entity'';

(3) in paragraph (5), by striking ''Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' and inserting ''Federal Housing Finance Agency'';

(4) in each of paragraphs (8), (9), (10), and (19), by striking ''Secretary'' each place that term appears and inserting ''Director'';

(5) in paragraph (13), by inserting '', with respect to an enterprise,'' after ''means'';

(6) by redesignating paragraphs (16) through (19) as paragraphs (20) through (23), respectively;

(7) by striking paragraphs (14) and (15) and inserting the following new paragraphs:

''(18) REGULATED ENTITY.—The term 'regulated entity' means—

''(A) the Federal National Mortgage Association and any affiliate thereof;

''(B) the Federal Home Loan Mortgage Corporation and any affiliate thereof; and

''(C) each Federal home loan bank.

''(19) REGULATED ENTITY-AFFILIATED PARTY.—The term 'regulated entity-affiliated party' means—

''(A) any director, officer, employee, or agent for, a regulated entity, or controlling shareholder of an enterprise;

''(B) any shareholder, affiliate, consultant, or joint venture partner of a regulated entity, and any other person, as determined by the Director (by regulation or on a case-by-case basis) that participates in the conduct of the affairs of a regulated entity, except that a shareholder of a regulated entity shall not be considered to have participated in the affairs of that regulated entity solely by reason of being a member or customer of the regulated entity;

''(C) any independent contractor for a regulated entity (including any attorney, appraiser, or accountant), if—

''(i) the independent contractor knowingly or recklessly participates in—

''(I) any violation of any law or regulation;

''(II) any breach of fiduciary duty; or

''(III) any unsafe or unsound practice; and

''(ii) such violation, breach, or practice caused, or is likely to cause, more than a minimal financial loss to, or a significant adverse effect on, the regulated entity; and

''(D) any not-for-profit corporation that receives its principal funding, on an ongoing basis, from any regulated entity.''.

(8) by redesignating paragraphs (8) through (13) as paragraphs (12) through (17), respectively; and

(9) by inserting after paragraph (7) the following new paragraph:

''(11) FEDERAL HOME LOAN BANK.—The term 'Federal home loan bank' means a bank established under the authority of the Federal Home Loan Bank Act.'';

(10) by redesignating paragraphs (2) through (7) as paragraphs (5) through (10), respectively; and

(11) by inserting after paragraph (1) the following new paragraphs:

''(2) AGENCY.—The term 'Agency' means the Federal Housing Finance Agency.

''(3) AUTHORIZING STATUTES.—The term 'authorizing statutes' means—

''(A) the Federal National Mortgage Association Charter Act;

''(B) the Federal Home Loan Mortgage Corporation Act; and

''(C) the Federal Home Loan Bank Act.

''(4) BOARD.—The term 'Board' means the Federal Housing Enterprise Board established under section 1313B.''.

TITLE I—REFORM OF REGULATION OF ENTERPRISES AND FEDERAL HOME LOAN BANKS

Subtitle A—Improvement of Safety and Soundness

SEC. 101. ESTABLISHMENT OF THE FEDERAL HOUSING FINANCE AGENCY.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 (12 U.S.C. 4501 et seq.) is amended by striking sections 1311 and 1312 and inserting the following:

''SEC. 1311. ESTABLISHMENT OF THE FEDERAL HOUSING FINANCE AGENCY.

''(a) ESTABLISHMENT.—There is established the Federal Housing Finance Agency, which shall be an independent agency of the Federal Government.

''(b) GENERAL SUPERVISORY AND REGULATORY AUTHORITY.—

''(1) IN GENERAL.—Each regulated entity shall, to the extent provided in this title, be subject to the supervision and regulation of the Agency.

''(2) AUTHORITY OVER FANNIE MAE, FREDDIE MAC, AND FEDERAL HOME LOAN BANKS.—The Director of the Federal Housing Finance Agency shall have general supervisory and regulatory authority over each regulated entity and shall exercise such general regulatory and supervisory authority, including such duties and authorities set forth under section 1313 of this Act, to ensure that the purposes of this Act, the authorizing statutes, and any other applicable law are carried out. The Director shall have the same supervisory and regulatory authority over any joint office of the Federal home loan banks, including the Office of Finance of the Federal Home Loan Banks, as the Director has over the individual Federal home loan banks.

''(c) SAVINGS PROVISION.—The authority of the Director to take actions under subtitles B and C shall not in any way limit the general supervisory and regulatory authority granted to the Director.

''SEC. 1312. DIRECTOR.

''(a) ESTABLISHMENT OF POSITION.—There is established the position of the Director of the Federal Housing Finance Agency, who shall be the head of the Agency.

''(b) APPOINTMENT; TERM.—

''(1) APPOINTMENT.—The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who are citizens of the United States, have a demonstrated understanding of financial management or oversight, and have a demonstrated understanding of capital markets, including the mortgage securities markets and housing finance.

''(2) TERM AND REMOVAL.—The Director shall be appointed for a term of 5 years and may be removed by the President only for cause.

''(3) VACANCY.—A vacancy in the position of Director that occurs before the expiration of the term for which a Director was appointed shall be filled in the manner established under paragraph (1), and the Director appointed to fill such vacancy shall be appointed only for the remainder of such term.

''(4) SERVICE AFTER END OF TERM.—An individual may serve as the Director after the expiration of the term for which appointed until a successor has been appointed.

''(5) TRANSITIONAL PROVISION.—Notwithstanding paragraphs (1) and (2), the Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development shall serve as the Director until a successor has been appointed under paragraph (1).

''(c) DEPUTY DIRECTOR OF THE DIVISION OF ENTERPRISE REGULATION.—

''(1) IN GENERAL.—The Agency shall have a Deputy Director of the Division of Enterprise Regulation, who shall be appointed by the Director from among individuals who are citizens of the United States, and have a demonstrated understanding of financial management or oversight and of mortgage securities markets and housing finance.

''(2) FUNCTIONS.—The Deputy Director of the Division of Enterprise Regulation shall have such functions, powers, and duties with respect to the oversight of the enterprises as the Director shall prescribe.

''(d) DEPUTY DIRECTOR OF THE DIVISION OF FEDERAL HOME LOAN BANK REGULATION.—

''(1) IN GENERAL.—The Agency shall have a Deputy Director of the Division of Federal Home Loan Bank Regulation, who shall be appointed by the Director from among individuals who are citizens of the United States, have a demonstrated understanding of financial management or oversight and of the Federal Home Loan Bank System and housing finance.

''(2) FUNCTIONS.—The Deputy Director of the Division of Federal Home Loan Bank Regulation shall have such functions, powers, and duties with respect to the oversight of the Federal home loan banks as the Director shall prescribe.

''(e) DEPUTY DIRECTOR FOR HOUSING.—

''(1) IN GENERAL.—The Agency shall have a Deputy Director for Housing, who shall be appointed by the Director from among individuals who are citizens of the United States, and have a demonstrated understanding of the housing markets and housing finance and of community and economic development.

''(2) FUNCTIONS.—The Deputy Director for Housing shall have such functions, powers, and duties with respect to the oversight of the housing mission and goals of the enterprises, and with respect to oversight of the housing finance and community and economic development mission of the Federal home loan banks, as the Director shall prescribe.

''(f) LIMITATIONS.—The Director and each of the Deputy Directors may not—

''(1) have any direct or indirect financial interest in any regulated entity or regulated entity-affiliated party;

''(2) hold any office, position, or employment in any regulated entity or regulated entity-affiliated party; or

''(3) have served as an executive officer or director of any regulated entity, or regulated entity-affiliated party, at any time during the 3-year period ending on the date of appointment of such individual as Director or Deputy Director.

''(g) OMBUDSMAN.—The Director shall establish the position of the Ombudsman in the Agency. The Director shall provide that the Ombudsman will consider complaints and appeals from any regulated entity and any person that has a business relationship with a regulated entity and shall specify the duties and authority of the Ombudsman.''.

(b) APPOINTMENT OF DIRECTOR.—Notwithstanding any other provision of law or of this Division, the President may, any time after the date of the enactment of this Act, appoint an individual to serve as the Director of the Federal Housing Finance Agency, as such office is established by the amendment made by subsection (a). This subsection shall take effect on the date of the enactment of this Act.

SEC. 102. DUTIES AND AUTHORITIES OF DIRECTOR.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 (12 U.S.C. 4513) is amended by striking section 1313 and inserting the following new sections:

''SEC. 1313. DUTIES AND AUTHORITIES OF DIRECTOR.

''(a) DUTIES.—

''(1) PRINCIPAL DUTIES.—The principal duties of the Director shall be—

''(A) to oversee the operations of each regulated entity and any joint office of the Federal Home Loan Banks; and

''(B) to ensure that—

''(i) each regulated entity operates in a safe and sound manner, including maintenance of adequate capital and internal controls;

''(ii) the operations and activities of each regulated entity foster liquid, efficient, competitive, and resilient national housing finance markets that minimize the cost of housing finance (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities);

''(iii) each regulated entity complies with this title and the rules, regulations, guidelines, and orders issued under this title and the authorizing statutes; and

''(iv) each regulated entity carries out its statutory mission only through activities that are consistent with this title and the authorizing statutes.

''(2) SCOPE OF AUTHORITY.—The authority of the Director shall include the authority—

''(A) to review and, if warranted based on the principal duties described in paragraph (1), reject any acquisition or transfer of a controlling interest in an enterprise; and

''(B) to exercise such incidental powers as may be necessary or appropriate to fulfill the duties and responsibilities of the Director in the supervision and regulation of each regulated entity.

''(b) DELEGATION OF AUTHORITY.—The Director may delegate to officers or employees of the Agency, including each of the Deputy Directors, any of the functions, powers, or duties of the Director, as the Director considers appropriate.

''(c) LITIGATION AUTHORITY.—

''(1) IN GENERAL.—In enforcing any provision of this title, any regulation or order prescribed under this title, or any other provision of law, rule, regulation, or order, or in

any other action, suit, or proceeding to which the Director is a party or in which the Director is interested, and in the administration of conservatorships and receiverships, the Director may act in the Director's own name and through the Director's own attorneys, or request that the Attorney General of the United States act on behalf of the Director.

''(2) CONSULTATION WITH ATTORNEY GENERAL.—The Director shall provide notice to, and consult with, the Attorney General of the United States before taking an action under paragraph (1) of this subsection or under section 1344(a), 1345(d), 1348(c), 1372(e), 1375(a), 1376(d), or 1379D(c), except that, if the Director determines that any delay caused by such prior notice and consultation may adversely affect the safety and soundness responsibilities of the Director under this title, the Director shall notify the Attorney General as soon as reasonably possible after taking such action.

''(3) SUBJECT TO SUIT.—Except as otherwise provided by law, the Director shall be subject to suit (other than suits on claims for money damages) by a regulated entity or director or officer thereof with respect to any matter under this title or any other applicable provision of law, rule, order, or regulation under this title, in the United States district court for the judicial district in which the regulated entity has its principal place of business, or in the United States District Court for the District of Columbia, and the Director may be served with process in the manner prescribed by the Federal Rules of Civil Procedure.

''SEC. 1313A. PRUDENTIAL MANAGEMENT AND OPERATIONS STANDARDS.

''(a) STANDARDS.—The Director shall establish standards, by regulation, guideline, or order, for each regulated entity relating to—

''(1) adequacy of internal controls and information systems, including information security and privacy policies and practices, taking into account the nature and scale of business operations;

''(2) independence and adequacy of internal audit systems;

''(3) management of credit and counterparty risk, including systems to identify concentrations of credit risk and prudential limits to restrict exposure of the regulated entity to a single counterparty or groups of related counterparties;

''(4) management of interest rate risk exposure;

''(5) management of market risk, including standards that provide for systems that accurately measure, monitor, and control market risks and, as warranted, that establish limitations on market risk;

''(6) adequacy and maintenance of liquidity and reserves;

''(7) management of any asset and investment portfolio;

''(8) investments and acquisitions by a regulated entity, to ensure that they are consistent with the purposes of this Act and the authorizing statutes;

''(9) maintenance of adequate records, in accordance with consistent accounting policies and practices that enable the Director to evaluate the financial condition of the regulated entity;

''(10) issuance of subordinated debt by that particular regulated entity, as the Director considers necessary;

''(11) overall risk management processes, including adequacy of oversight by senior management and the board of directors and of processes and policies to identify, measure, monitor, and control material risks, including reputational risks, and for adequate, well-tested business resumption plans for all major systems with remote site facilities to protect against disruptive events; and

''(12) such other operational and management standards as the Director determines to be appropriate.

''(b) FAILURE TO MEET STANDARDS.—

''(1) PLAN REQUIREMENT.—

''(A) IN GENERAL.—If the Director determines that a regulated entity fails to meet any standard established under subsection (a)—

''(i) if such standard is established by regulation, the Director shall require the regulated entity to submit an acceptable plan to the Director within the time allowed under subparagraph (C); and

''(ii) if such standard is established by guideline, the Director may require the regulated entity to submit a plan described in clause (i).

''(B) CONTENTS.—Any plan required under subparagraph (A) shall specify the actions that the regulated entity will take to correct the deficiency. If the regulated entity is undercapitalized, the plan may be a part of the capital restoration plan for the regulated entity under section 1369C.

''(C) DEADLINES FOR SUBMISSION AND REVIEW.—The Director shall by regulation establish deadlines that—

''(i) provide the regulated entities with reasonable time to submit plans required under subparagraph (A), and generally require a regulated entity to submit a plan not later than 30 days after the Director determines that the entity fails to meet any standard established under subsection (a); and

''(ii) require the Director to act on plans expeditiously, and generally not later than 30 days after the plan is submitted.

''(2) REQUIRED ORDER UPON FAILURE TO SUBMIT OR IMPLEMENT PLAN.—If a regulated entity fails to submit an acceptable plan within the time allowed under paragraph (1)(C), or fails in any material respect to implement a plan accepted by the Director, the following shall apply:

''(A) REQUIRED CORRECTION OF DEFICIENCY.—The Director shall, by order, require the regulated entity to correct the deficiency.

''(B) OTHER AUTHORITY.—The Director may, by order, take one or more of the following actions until the deficiency is corrected:

''(i) Prohibit the regulated entity from permitting its average total assets (as such term is defined in section 1316(b)) during any calendar quarter to exceed its average total assets during the preceding calendar quarter, or restrict the rate at which the average total assets of the entity may increase from one calendar quarter to another.

''(ii) Require the regulated entity—

''(I) in the case of an enterprise, to increase its ratio of core capital to assets.

''(II) in the case of a Federal home loan bank, to increase its ratio of total capital (as such term is defined in section 6(a)(5) of the Federal Home Loan Bank Act (12 U.S.C. 1426(a)(5)) to assets.

''(iii) Require the regulated entity to take any other action that the Director determines will better carry out the purposes of this section than any of the actions described in this subparagraph.

''(3) MANDATORY RESTRICTIONS.—In complying with paragraph (2), the Director shall take one or more of the actions described in clauses (i) through (iii) of paragraph (2)(B) if—

''(A) the Director determines that the regulated entity fails to meet any standard prescribed under subsection (a);

''(B) the regulated entity has not corrected the deficiency; and

''(C) during the 18-month period before the date on which the regulated entity first failed to meet the standard, the entity underwent extraordinary growth, as defined by the Director.

''(c) OTHER ENFORCEMENT AUTHORITY NOT AFFECTED.—The authority of the Director under this section is in addition to any other authority of the Director.''.

(b) INDEPENDENCE IN CONGRESSIONAL TESTIMONY AND RECOMMENDATIONS.—Section 111 of Public Law 93–495 (12 U.S.C. 250) is amended by striking ''the Federal Housing Finance Board'' and inserting ''the Director of the Federal Housing Finance Agency''.

SEC. 103. FEDERAL HOUSING ENTERPRISE BOARD.

(a) IN GENERAL.—Title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4501 et seq.) is amended by inserting after section 1313A, as added by section 102 of this Division, the following new section:

''SEC. 1313B. FEDERAL HOUSING ENTERPRISE BOARD.

''(a) IN GENERAL.—There is established the Federal Housing Enterprise Board, which shall advise the Director with respect to overall strategies and policies in carrying out the duties of the Director under this title.

''(b) LIMITATIONS.—The Board may not exercise any executive authority, and the Director may not delegate to the Board any of the functions, powers, or duties of the Director.

''(c) COMPOSITION.—The Board shall be comprised of 3 members, of whom—

''(1) one member shall be the Secretary of the Treasury;

''(2) one member shall be the Secretary of Housing and Urban Development; and

''(3) one member shall be the Director, who shall serve as the Chairperson of the Board.

''(d) MEETINGS.—

''(1) IN GENERAL.—The Board shall meet upon notice by the Director, but in no event shall the Board meet less frequently than once every 3 months.

''(2) SPECIAL MEETINGS.—Either the Secretary of the Treasury or the Secretary of Housing and Urban Development may, upon giving written notice to the Director, require a special meeting of the Board.

''(e) TESTIMONY.—On an annual basis, the Board shall testify before Congress regarding—

''(1) the safety and soundness of the regulated entities;

''(2) any material deficiencies in the conduct of the operations of the regulated entities;

''(3) the overall operational status of the regulated entities;

''(4) an evaluation of the performance of the regulated entities in carrying out their respective missions;

''(5) operations, resources, and performance of the Agency; and

''(6) such other matters relating to the Agency and its fulfillment of its mission, as the Board determines appropriate.''.

(b) ANNUAL REPORT OF THE DIRECTOR.—Section 1319B(a) of the Housing and Community Development Act of 1992 (12 U.S.C. 4521 (a)) is amended—

(1) in paragraph (3), by striking ''and'' at the end; and

(2) by striking paragraph (4) and inserting the following new paragraphs:

''(4) an assessment of the Board or any of its members with respect to—

''(A) the safety and soundness of the regulated entities;

''(B) any material deficiencies in the conduct of the operations of the regulated entities;

''(C) the overall operational status of the regulated entities; and

''(D) an evaluation of the performance of the regulated entities in carrying out their missions;

''(5) operations, resources, and performance of the Agency;

''(6) a description of the demographic makeup of the workforce of the Agency and the actions taken pursuant to section 1319A(b) to provide for diversity in the workforce; and

''(7) such other matters relating to the Agency and its fulfillment of its mission.''.

SEC. 104. AUTHORITY TO REQUIRE REPORTS BY REGULATED ENTITIES.

Section 1314 of the Housing and Community Development Act of 1992 (12 U.S.C. 4514) is amended—

(1) in the section heading, by striking ''**ENTERPRISES**'' and inserting ''**REGULATED ENTITIES**'';

(2) in subsection (a)—

(A) in the subsection heading, by striking ''SPECIAL REPORTS AND REPORTS OF FINANCIAL CONDITION'' and inserting ''REGULAR AND SPECIAL REPORTS'';

(B) in paragraph (1)—

(i) in the paragraph heading, by striking ''FINANCIAL CONDITION'' and inserting ''REGULAR REPORTS''; and

(ii) by striking ''reports of financial condition and operations'' and inserting ''regular reports on the condition (including financial condition), management, activities, or operations of the regulated entity, as the Director considers appropriate''; and

(C) in paragraph (2), after ''submit special reports'' insert ''on any of the topics specified in paragraph (1) or such other topics''; and

(3) by adding at the end the following new subsection:

''(c) REPORTS OF FRAUDULENT FINANCIAL TRANSACTIONS.—

''(1) REQUIREMENT TO REPORT.—The Director shall require a regulated entity to submit to the Director a timely report upon discovery by the regulated entity that it has purchased or sold a fraudulent loan or financial instrument or suspects a possible fraud relating to a purchase or sale of any loan or financial instrument. The Director shall require the regulated entities to establish and maintain procedures designed to discover any such transactions.

''(2) PROTECTION FROM LIABILITY FOR REPORTS.—

''(A) IN GENERAL.—If a regulated entity makes a report pursuant to paragraph (1), or a regulated entity-affiliated party makes, or requires another to make, such a report, and such report is made in a good faith effort to comply with the requirements of paragraph (1), such regulated entity or regulated entity-affiliated party shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such report or for any failure to provide notice of such report to the person who is the subject of such report or any other person identified in the report.

''(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as creating—

''(i) any inference that the term 'person', as used in such subparagraph, may be construed more broadly than its ordinary usage so as to include any government or agency of government; or

''(ii) any immunity against, or otherwise affecting, any civil or criminal action brought by any government or agency of government to enforce any constitution, law, or regulation of such government or agency.''.

SEC. 105. DISCLOSURE OF INCOME AND CHARITABLE CONTRIBUTIONS BY ENTERPRISES.

Section 1314 of the Housing and Community Development Act of 1992 (12 U.S.C. 4514), as amended by the preceding provisions of this Division, is further amended by adding at the end the following new subsections:

''(d) DISCLOSURE OF CHARITABLE CONTRIBUTIONS BY ENTERPRISES.—

''(1) REQUIRED DISCLOSURE.—The Director shall, by regulation, require each enterprise to submit a report annually, in a format designated by the Director, containing the following information:

''(A) TOTAL VALUE.—The total value of contributions made by the enterprise to nonprofit organizations during its previous fiscal year.

''(B) SUBSTANTIAL CONTRIBUTIONS.—If the value of contributions made by the enterprise to any nonprofit organization during its previous fiscal year exceeds the designated amount, the name of that organization and the value of contributions.

''(C) SUBSTANTIAL CONTRIBUTIONS TO INSIDER-AFFILIATED CHARITIES.—Identification of each contribution whose value exceeds the designated amount that were made by the enterprise during the enterprise's previous fiscal year to any nonprofit organization of which a director, officer, or controlling person of the enterprise, or a spouse thereof, was a director or trustee, the name of such nonprofit organization, and the value of the contribution.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) the term 'designated amount' means such amount as may be designated by the Director by regulation, consistent with the public interest and the protection of investors for purposes of this subsection; and

''(B) the Director may, by such regulations as the Director deems necessary or appropriate in the public interest, define the terms officer and controlling person.

''(3) PUBLIC AVAILABILITY.—The Director shall make the information submitted pursuant to this subsection publicly available.

''(e) DISCLOSURE OF INCOME.—Each enterprise shall include, in each annual report filed under section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m), the income reported by the issuer to the Internal Revenue Service for the most recent taxable year. Such income shall—

''(1) be presented in a prominent location in each such report and in a manner that permits a ready comparison of such income to income otherwise required to be included in such reports under regulations issued under such section; and

''(2) be submitted to the Securities and Exchange Commission in a form and manner suitable for entry into the EDGAR system of such Commission for public availability under such system.''.

SEC. 106. ASSESSMENTS.

Section 1316 of the Housing and Community Development Act of 1992 (12 U.S.C. 4516) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) ANNUAL ASSESSMENTS.—The Director shall establish and collect from the regulated entities annual assessments in an amount not exceeding the amount sufficient to provide for reasonable costs and expenses of the Agency, including—

''(1) the expenses of any examinations under section 1317 of this Act and under section 20 of the Federal Home Loan Bank Act;

''(2) the expenses of obtaining any reviews and credit assessments under section 1319;

''(3) such amounts in excess of actual expenses for any given year as deemed necessary by the Director to maintain a working capital fund in accordance with subsection (e); and

''(4) the wind up of the affairs of the Office of Federal Housing Enterprise Oversight and the Federal Housing Finance Board under title III of the Federal Housing Finance Reform Act of 2007.'';

(2) in subsection (b)—

(A) in the subsection heading, by striking ''ENTERPRISES'' and inserting ''REGULATED ENTITIES'' ;

(B) by realigning paragraph (2) two ems from the left margin, so as to align the left margin of such paragraph with the left margins of paragraph (1);

(C) in paragraph (1)—

(i) by striking ''Each enterprise'' and inserting ''Each regulated entity'';

(ii) by striking ''each enterprise'' and inserting ''each regulated entity''; and

(iii) by striking ''both enterprises'' and inserting ''all of the regulated entities''; and

(D) in paragraph (3)—

(i) in subparagraph (B), by striking ''subparagraph (A)'' and inserting ''clause (i)'';

(ii) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii) and (ii), respectively, and realigning such clauses, as so redesignated, so as to be indented 6 ems from the left margin;

(iii) by striking the matter that precedes clause (i), as so redesignated, and inserting the following:

''(3) DEFINITION OF TOTAL ASSETS.—For purposes of this section, the term 'total assets' means as follows:

''(A) ENTERPRISES.—With respect to an enterprise, the sum of—''; and

(iv) by adding at the end the following new subparagraph:

''(B) FEDERAL HOME LOAN BANKS.—With respect to a Federal home loan bank, the total assets of the Bank, as determined by the Director in accordance with generally accepted accounting principles.'';

(3) by striking subsection (c) and inserting the following new subsection:

''(c) INCREASED COSTS OF REGULATION.—

''(1) INCREASE FOR INADEQUATE CAPITALIZATION.—The semiannual payments made pursuant to subsection (b) by any regulated entity that is not classified (for purposes of subtitle B) as adequately capitalized may be increased, as necessary, in the discretion of the Director to pay additional estimated costs of regulation of the regulated entity.

''(2) ADJUSTMENT FOR ENFORCEMENT ACTIVITIES.—The Director may adjust the amounts of any semiannual payments for an assessment under subsection (a) that are to be paid pursuant to subsection (b) by a regulated entity, as necessary in the discretion of the Director, to ensure that the costs of enforcement activities under this Act for a regulated entity are borne only by such regulated entity.

''(3) ADDITIONAL ASSESSMENT FOR DEFICIENCIES.—If at any time, as a result of increased costs of regulation of a regulated entity that is not classified (for purposes of subtitle B) as adequately capitalized or as the result of supervisory or enforcement activities under this Act for a regulated entity, the amount available from any semiannual payment made by such regulated entity pursuant to subsection (b) is insufficient to cover the costs of the Agency with respect to such entity, the Director may make and collect from such regulated entity an immediate assessment to cover the amount of such deficiency for the semiannual period. If, at the end of any semiannual period during which such an assessment is made, any amount remains from such assessment, such remaining amount shall be deducted from the assessment for such regulated entity for the following semiannual period.'';

(4) in subsection (d), by striking ''If'' and inserting ''Except with respect to amounts collected pursuant to subsection (a)(3), if''; and

(5) by striking subsections (e) through (g) and inserting the following new subsections:

''(e) WORKING CAPITAL FUND.—At the end of each year for which an assessment under this section is made, the Director shall remit to each regulated entity any amount of assessment collected from such regulated entity that is attributable to subsection (a)(3) and is in excess of the amount the Director deems necessary to maintain a working capital fund.

''(f) TREATMENT OF ASSESSMENTS.—

''(1) DEPOSIT.—Amounts received by the Director from assessments under this section may be deposited by the Director in the manner provided in section 5234 of the Revised Statutes (12 U.S.C. 192) for monies deposited by the Comptroller of the Currency.

''(2) NOT GOVERNMENT FUNDS.—The amounts received by the Director from any assessment under this section shall not be construed to be Government or public funds or appropriated money.

''(3) NO APPORTIONMENT OF FUNDS.—Notwithstanding any other provision of law, the amounts received by the Director from any assessment under this section shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.

''(4) USE OF FUNDS.—The Director may use any amounts received by the Director from assessments under this section for compensation of the Director and other employees of the Agency and for all other expenses of the Director and the Agency.

''(5) AVAILABILITY OF OVERSIGHT FUND AMOUNTS.—Notwithstanding any other provision of law, any amounts remaining in the Federal Housing Enterprises Oversight Fund established under this section (as in effect before the effective date under section 185 of the Federal Housing Finance Reform Act of 2007), and any amounts remaining from assessments on the Federal Home Loan banks pursuant to section 18(b) of the Federal Home Loan Bank Act (12 U.S.C. 1438(b)), shall, upon such effective date, be treated for purposes of this subsection as amounts received from assessments under this section.

''(6) TREASURY INVESTMENTS.—

''(A) AUTHORITY.—The Director may request the Secretary of the Treasury to invest such portions of amount received by the Director from assessments paid under this section that, in the Director's discretion, are not required to meet the current working needs of the Agency.

''(B) GOVERNMENT OBLIGATIONS.—Pursuant to a request under subparagraph (A), the Secretary of the Treasury shall invest such amounts in government obligations guaranteed as to principal and interest by the United States with maturities suitable to the needs of Agency and bearing interest at a rate determined by the Secretary of the Treasury taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturity.

''(g) BUDGET AND FINANCIAL MANAGEMENT.—

''(1) FINANCIAL OPERATING PLANS AND FORECASTS.—The Director shall provide to the Director of the Office of Management and Budget copies of the Director's financial operating plans and forecasts as prepared by the Director in the ordinary course of the Agency's operations, and copies of the quarterly reports of the Agency's financial condition and results of operations as prepared by the Director in the ordinary course of the Agency's operations.

''(2) FINANCIAL STATEMENTS.—The Agency shall prepare annually a statement of assets and liabilities and surplus or deficit; a statement of income and expenses; and a statement of sources and application of funds.

''(3) FINANCIAL MANAGEMENT SYSTEMS.—The Agency shall implement and maintain financial management systems that comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and that uses a general ledger system that accounts for activity at the transaction level.

''(4) ASSERTION OF INTERNAL CONTROLS.—The Director shall provide to the Comptroller General an assertion as to the effectiveness of the internal controls that apply to financial reporting by the Agency, using the standards established in section 3512(c) of title 31, United States Code.

''(5) RULE OF CONSTRUCTION.—This subsection may not be construed as implying any obligation on the part of the Director to consult with or obtain the consent or approval of the Director of the Office of Management and Budget with respect to any reports, plans, forecasts, or other information referred to in paragraph (1) or any jurisdiction or oversight over the affairs or operations of the Agency.

''(h) AUDIT OF AGENCY.—

''(1) IN GENERAL.—The Comptroller General shall annually audit the financial transactions of the Agency in accordance with the U.S. generally accepted government auditing standards as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where accounts of the Agency are normally kept. The representatives of the Government Accountability Office shall have access to the personnel and to all books, accounts, documents, papers, records (including electronic records), reports, files, and all other papers, automated data, things, or property belonging to or under the control of or used or employed by the Agency pertaining to its financial transactions and necessary to facilitate the audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, documents, records, reports, files, papers, and property of the Agency shall remain in possession and custody of the Agency. The Comptroller General may obtain and duplicate any such books, accounts, documents, records, working papers, automated data and files, or other information relevant to such audit without cost to the Comptroller General and the Comptroller General's right of access to such information shall be enforceable pursuant to section 716(c) of title 31, United States Code.

''(2) REPORT.—The Comptroller General shall submit to the Congress a report of each annual audit conducted under this subsection. The report to the Congress shall set forth the scope of the audit and shall include the statement of assets and liabilities and surplus or deficit, the statement of income and expenses, the statement of sources and application of funds, and such comments and information as may be deemed necessary to inform Congress of the financial operations and condition of the Agency, together with such recommendations with respect thereto as the Comptroller General may deem advisable. A copy of each report shall be furnished to the President and to the Agency at the time submitted to the Congress.

''(3) ASSISTANCE AND COSTS.—For the purpose of conducting an audit under this subsection, the Comptroller General may, in the discretion of the Comptroller General, employ by contract, without regard to section 5 of title 41, United States Code, professional services of firms and organizations of certified public accountants for temporary periods or for special purposes. Upon the request of the Comptroller General, the Director of the Agency shall transfer to the Government Accountability Office from funds available, the amount requested by the Comptroller General to cover the full costs of any audit and report conducted by the Comptroller General. The Comptroller General shall credit funds transferred to the account established for salaries and expenses of the Government Accountability Office, and such amount shall be available upon receipt and without fiscal year limitation to cover the full costs of the audit and report.''.

SEC. 107. EXAMINERS AND ACCOUNTANTS.

(a) EXAMINATIONS.—Section 1317 of the Housing and Community Development Act of 1992 (12 U.S.C. 4517) is amended—

(1) in subsection (a), by adding after the period at the end the following: ''Each examination under this subsection of a regulated entity shall include a review of the procedures required to be established and maintained by the regulated entity pursuant to section 1314(c) (relating to fraudulent financial transactions) and the report regarding each such examination shall describe any problems with such procedures maintained by the regulated entity.'';

(2) in subsection (b)—

(A) by inserting ''of a regulated entity'' after ''under this section''; and

(B) by striking ''to determine the condition of an enterprise for the purpose of ensuring its financial safety and soundness'' and inserting ''or appropriate''; and

(3) in subsection (c)—

(A) in the second sentence, by inserting ''to conduct examinations under this section'' before the period; and

(B) in the third sentence, by striking ''from amounts available in the Federal Housing Enterprises Oversight Fund''.

(b) ENHANCED AUTHORITY TO HIRE EXAMINERS AND ACCOUNTANTS.—Section 1317 of the Housing and Community Development Act of 1992 (12 U.S.C. 4517) is amended by adding at the end the following new subsection:

''(g) APPOINTMENT OF ACCOUNTANTS, ECONOMISTS, SPECIALISTS, AND EXAMINERS.—

''(1) APPLICABILITY.—This section applies with respect to any position of examiner, accountant, specialist in financial markets, specialist in information technology, and economist at the Agency, with respect to supervision and regulation of the regulated entities, that is in the competitive service.

''(2) APPOINTMENT AUTHORITY.—The Director may appoint candidates to any position described in paragraph (1)—

''(A) in accordance with the statutes, rules, and regulations governing appointments in the excepted service; and

''(B) notwithstanding any statutes, rules, and regulations governing appointments in the competitive service.

''(3) RULE OF CONSTRUCTION.—The appointment of a candidate to a position under the authority of this subsection shall not be considered to cause such position to be converted from the competitive service to the excepted service.''.

(c) REPEAL.—Section 20 of the Federal Home Loan Bank Act (12 U.S.C. 1440) is amended—

(1) by striking the section heading and inserting the following: ''EXAMINATIONS AND GAO AUDITS'';

(2) in the third sentence, by striking ''the Board and'' each place such term appears; and

(3) by striking the first two sentences and inserting the following: ''The Federal home loan banks shall be subject to examinations by the Director to the extent provided in section 1317 of the Federal Housing Enterprises

Financial Safety and Soundness Act of 1992 (12 U.S.C. 4517).''.

SEC. 108. PROHIBITION AND WITHHOLDING OF EXECUTIVE COMPENSATION.

(a) IN GENERAL.—Section 1318 of the Housing and Community Development Act of 1992 (12 U.S.C. 4518) is amended—

(1) in the section heading, by striking ''**OF EXCESSIVE**'' and inserting ''**AND WITHHOLDING OF EXECUTIVE**'';

(2) by redesignating subsection (b) as subsection (d); and

(3) by inserting after subsection (a) the following new subsections:

''(b) FACTORS.—In making any determination under subsection (a), the Director may take into consideration any factors the Director considers relevant, including any wrongdoing on the part of the executive officer, and such wrongdoing shall include any fraudulent act or omission, breach of trust or fiduciary duty, violation of law, rule, regulation, order, or written agreement, and insider abuse with respect to the regulated entity. The approval of an agreement or contract pursuant to section 309(d)(3)(B) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(d)(3)(B)) or section 303(h)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(h)(2)) shall not preclude the Director from making any subsequent determination under subsection (a).

''(c) WITHHOLDING OF COMPENSATION.—In carrying out subsection (a), the Director may require a regulated entity to withhold any payment, transfer, or disbursement of compensation to an executive officer, or to place such compensation in an escrow account, during the review of the reasonableness and comparability of compensation.''.

(b) CONFORMING AMENDMENTS.—

(1) FANNIE MAE.—Section 309(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(d)) is amended by adding at the end the following new paragraph:

''(4) Notwithstanding any other provision of this section, the corporation shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).''.

(2) FREDDIE MAC.—Section 303(h) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(h)) is amended by adding at the end the following new paragraph:

''(4) Notwithstanding any other provision of this section, the Corporation shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).''.

(3) FEDERAL HOME LOAN BANKS.—Section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427) is amended by adding at the end the following new subsection:

''(l) WITHHOLDING OF COMPENSATION.—Notwithstanding any other provision of this section, a Federal home loan bank shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).''.

SEC. 109. REVIEWS OF REGULATED ENTITIES.

Section 1319 of the Housing and Community Development Act of 1992 (12 U.S.C. 4519) is amended—

(1) by striking the section designation and heading and inserting the following:

''SEC. 1319. REVIEWS OF REGULATED ENTITIES.''; and

(2) by striking ''is a nationally recognized'' and all that follows through ''1934'' and inserting the following: ''the Director considers appropriate, including an entity that is registered under section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78a) as a nationally registered statistical rating organization''.

SEC. 110. INCLUSION OF MINORITIES AND WOMEN; DIVERSITY IN AGENCY WORKFORCE.

Section 1319A of the Housing and Community Development Act of 1992 (12 U.S.C. 4520) is amended—

(1) in the section heading, by striking ''**EQUAL OPPORTUNITY IN SOLICITATION OF CONTRACTS**'' and inserting ''**MINORITY AND WOMEN INCLUSION; DIVERSITY REQUIREMENTS**'';

(2) in subsection (a), by striking ''(a) IN GENERAL.—Each enterprise'' and inserting ''(e) OUTREACH.—Each regulated entity''; and

(3) by striking subsection (b);

(4) by inserting before subsection (e), as so redesignated by paragraph (2) of this section, the following new subsections:

''(a) OFFICE OF MINORITY AND WOMEN INCLUSION.—Each regulated entity shall establish an Office of Minority and Women Inclusion, or designate an office of the entity, that shall be responsible for carrying out this section and all matters of the entity relating to diversity in management, employment, and business activities in accordance with such standards and requirements as the Director shall establish.

''(b) INCLUSION IN ALL LEVELS OF BUSINESS ACTIVITIES.—Each regulated entity shall develop and implement standards and procedures to ensure, to the maximum extent possible, the inclusion and utilization of minorities (as such term is defined in section 1204(c) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note)) and women, and minority- and women-owned businesses (as such terms are defined in section 21A(r)(4) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(r)(4)) (including financial institutions, investment banking firms, mortgage banking firms, asset management firms, broker-dealers, financial services firms, underwriters, accountants, brokers, investment consultants, and providers of legal services) in all business and activities of the regulated entity at all levels, including in procurement, insurance, and all types of contracts (including contracts for the issuance or guarantee of any debt, equity, or mortgage-related securities, the management of its mortgage and securities portfolios, the making of its equity investments, the purchase, sale and servicing of single- and multi-family mortgage loans, and the implementation of its affordable housing program and initiatives). The processes established by each regulated entity for review and evaluation for contract proposals and to hire service providers shall include a component that gives consideration to the diversity of the applicant.

''(c) APPLICABILITY.—This section shall apply to all contracts of a regulated entity for services of any kind, including services that require the services of investment banking, asset management entities, broker-dealers, financial services entities, underwriters, accountants, investment consultants, and providers of legal services.

''(d) INCLUSION IN ANNUAL REPORTS.—Each regulated entity shall include, in the annual report submitted by the entity to the Director pursuant to section 309(k) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(k)), section 307(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(c)), and section 20 of the Federal Home Loan Bank Act (12 U.S.C. 1440), as applicable, detailed information describing the actions taken by the entity pursuant to this section, which shall include a statement of the total amounts paid by the entity to third party contractors since the last such report and the percentage of such amounts paid to businesses described in subsection (b) of this section.''; and

(5) by adding at the end the following new subsection:

''(f) DIVERSITY IN AGENCY WORKFORCE.—The Agency shall take affirmative steps to seek diversity in its workforce at all levels of the agency consistent with the demographic diversity of the United States, which shall include—

''(1) heavily recruiting at historically Black colleges and universities, Hispanic-serving institutions, women's colleges, and colleges that typically serve majority minority populations;

''(2) sponsoring and recruiting at job fairs in urban communities, and placing employment advertisements in newspapers and magazines oriented toward women and people of color;

''(3) partnering with organizations that are focused on developing opportunities for minorities and women to place talented young minorities and women in industry internships, summer employment, and full-time positions; and

''(4) where feasible, partnering with inner-city high schools, girls' high schools, and high schools with majority minority populations to establish or enhance financial literacy programs and provide mentoring.''.

SEC. 111. REGULATIONS AND ORDERS.

Section 1319G of the Housing and Community Development Act of 1992 (12 U.S.C. 4526) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) AUTHORITY.—The Director shall issue any regulations, guidelines, and orders necessary to carry out the duties of the Director under this title and each of the authorizing statutes to ensure that the purposes of this title and such statutes are accomplished.'';

(2) in subsection (b), by inserting '', this title, or any of the authorizing statutes'' after ''under this section''; and

(3) by striking subsection (c).

SEC. 112. NON-WAIVER OF PRIVILEGES.

Part 1 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4511) is amended by adding at the end the following new section:

''SEC. 1319H. PRIVILEGES NOT AFFECTED BY DISCLOSURE.

''(a) IN GENERAL.—The submission by any person of any information to the Agency for any purpose in the course of any supervisory or regulatory process of the Agency shall not be construed as waiving, destroying, or otherwise affecting any privilege such person may claim with respect to such information under Federal or State law as to any person or entity other than the Agency.

''(b) RULE OF CONSTRUCTION.—No provision of subsection (a) may be construed as implying or establishing that—

''(1) any person waives any privilege applicable to information that is submitted or transferred under any circumstance to which subsection (a) does not apply; or

''(2) any person would waive any privilege applicable to any information by submitting the information to the Agency, but for this subsection.''.

SEC. 113. RISK-BASED CAPITAL REQUIREMENTS.

(a) IN GENERAL.—Section 1361 of the Housing and Community Development Act of 1992 (12 U.S.C. 4611) is amended to read as follows:

''SEC. 1361. RISK-BASED CAPITAL LEVELS FOR REGULATED ENTITIES.

''(a) IN GENERAL.—

''(1) ENTERPRISES.—The Director shall, by regulation, establish risk-based capital requirements for the enterprises to ensure that the enterprises operate in a safe and sound manner, maintaining sufficient capital and reserves to support the risks that arise in the operations and management of the enterprises.

''(2) FEDERAL HOME LOAN BANKS.—The Director shall establish risk-based capital standards under section 6 of the Federal Home Loan Bank Act for the Federal home loan banks.

''(b) CONFIDENTIALITY OF INFORMATION.—Any person that receives any book, record, or information from the Director or a regulated entity to enable the risk-based capital requirements established under this section to be applied shall—

''(1) maintain the confidentiality of the book, record, or information in a manner that is generally consistent with the level of confidentiality established for the material by the Director or the regulated entity; and

''(2) be exempt from section 552 of title 5, United States Code, with respect to the book, record, or information.

''(c) NO LIMITATION.—Nothing in this section shall limit the authority of the Director to require other reports or undertakings, or take other action, in furtherance of the responsibilities of the Director under this Act.''.

(b) FEDERAL HOME LOAN BANKS RISK-BASED CAPITAL.—Section 6(a)(3) of the Federal Home Loan Bank Act (12 U.S.C. 1426(a)(3)) is amended—

(1) by striking subparagraph (A) and inserting the following new subparagraph:

''(A) RISK-BASED CAPITAL STANDARDS.—The Director shall, by regulation, establish risk-based capital standards for the Federal home loan banks to ensure that the Federal home loan banks operate in a safe and sound manner, with sufficient permanent capital and reserves to support the risks that arise in the operations and management of the Federal home loans banks.''; and

(2) in subparagraph (B), by striking ''(A)(ii)'' and inserting ''(A)''.

SEC. 114. MINIMUM AND CRITICAL CAPITAL LEVELS.

(a) MINIMUM CAPITAL LEVEL.—Section 1362 of the Housing and Community Development Act of 1992 (12 U.S.C. 4612) is amended—

(1) in subsection (a), by striking ''IN GENERAL'' and inserting ''ENTERPRISES''; and

(2) by striking subsection (b) and inserting the following new subsections:

''(b) FEDERAL HOME LOAN BANKS.—For purposes of this subtitle, the minimum capital level for each Federal home loan bank shall be the minimum capital required to be maintained to comply with the leverage requirement for the bank established under section 6(a)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1426(a)(2)).

''(c) ESTABLISHMENT OF REVISED MINIMUM CAPITAL LEVELS.—Notwithstanding subsections (a) and (b) and notwithstanding the capital classifications of the regulated entities, the Director may, by regulations issued under section 1319G, establish a minimum capital level for the enterprises, for the Federal home loan banks, or for both the enterprises and the banks, that is higher than the level specified in subsection (a) for the enterprises or the level specified in subsection (b) for the Federal home loan banks, to the extent needed to ensure that the regulated entities operate in a safe and sound manner.

''(d) AUTHORITY TO REQUIRE TEMPORARY INCREASE.—Notwithstanding subsections (a) and (b) and any minimum capital level established pursuant to subsection (c), the Director may, by order, increase the minimum capital level for a regulated entity on a temporary basis for such period as the Director may provide if the Director—

''(1) makes any determination specified in subparagraphs (A) through (C) of section 1364(c)(1);

''(2) determines that the regulated entity has violated any of the prudential standards established pursuant to section 1313A and, as a result of such violation, determines that an unsafe and unsound condition exists; or

''(3) determines that an unsafe and unsound condition exists, except that a temporary increase in minimum capital imposed on a regulated entity pursuant to this paragraph shall not remain in place for a period of more than 6 months unless the Director makes a renewed determination of the existence of an unsafe and unsound condition.

''(e) AUTHORITY TO ESTABLISH ADDITIONAL CAPITAL AND RESERVE REQUIREMENTS FOR PARTICULAR PROGRAMS.—The Director may, at any time by order or regulation, establish such capital or reserve requirements with respect to any program or activity of a regulated entity as the Director considers appropriate to ensure that the regulated entity operates in a safe and sound manner, with sufficient capital and reserves to support the risks that arise in the operations and management of the regulated entity.

''(f) PERIODIC REVIEW.—The Director shall periodically review the amount of core capital maintained by the enterprises, the amount of capital retained by the Federal home loan banks, and the minimum capital levels established for such regulated entities pursuant to this section. The Director shall rescind any temporary minimum capital level increase if the Director determines that the circumstances or facts justifying the temporary increase are no longer present.''.

(b) CRITICAL CAPITAL LEVELS.—

(1) IN GENERAL.—Section 1363 of the Housing and Community Development Act of 1992 (12 U.S.C. 4613) is amended—

(A) by striking ''For'' and inserting ''(a) ENTERPRISES.—FOR''; and

(B) by adding at the end the following new subsection:

''(b) FEDERAL HOME LOAN BANKS.—

''(1) IN GENERAL.—For purposes of this subtitle, the critical capital level for each Federal home loan bank shall be such amount of capital as the Director shall, by regulation require.

''(2) CONSIDERATION OF OTHER CRITICAL CAPITAL LEVELS.—In establishing the critical capital level under paragraph (1) for the Federal home loan banks, the Director shall take due consideration of the critical capital level established under subsection (a) for the enterprises, with such modifications as the Director determines to be appropriate to reflect the difference in operations between the banks and the enterprises.''.

(2) REGULATIONS.—Not later than the expiration of the 180-day period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall issue regulations pursuant to section 1363(b) of the Housing and Community Development Act of 1992 (as added by paragraph (1) of this subsection) establishing the critical capital level under such section.

SEC. 115. REVIEW OF AND AUTHORITY OVER ENTERPRISE ASSETS AND LIABILITIES.

(a) IN GENERAL.—Subtitle B of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4611 et seq.) is amended—

(1) by striking the subtitle designation and heading and inserting the following:

''Subtitle B—Required Capital Levels for Regulated Entities, Special Enforcement Powers, and Reviews of Assets and Liabilities'';

and

(2) by adding at the end the following new section:

''SEC. 1369E. REVIEWS OF ENTERPRISE ASSETS AND LIABILITIES.

''(a) IN GENERAL.—The Director shall, by regulation, establish standards by which the portfolio holdings, or rate of growth of the portfolio holdings, of the enterprises will be deemed to be consistent with the mission and the safe and sound operations of the enterprises. In developing such standards, the Director shall consider—

''(1) the size or growth of the mortgage market;

''(2) the need for the portfolio in maintaining liquidity or stability of the secondary mortgage market (including the market for the mortgage-backed securities the enterprises issue);

''(3) the need for an inventory of mortgages in connection with securitizations;

''(4) the need for the portfolio to directly support the affordable housing mission of the enterprises;

''(5) the liquidity needs of the enterprises;

''(6) any potential risks posed to the enterprises by the nature of the portfolio holdings; and

''(7) any additional factors that the Director determines to be necessary to carry out the purpose under the first sentence of this subsection to establish standards for assessing whether the portfolio holdings are consistent with the mission and safe and sound operations of the enterprises.

''(b) TEMPORARY ADJUSTMENTS.—The Director may, by order, make temporary adjustments to the established standards for an enterprise or both enterprises, such as during times of economic distress or market disruption.

''(c) AUTHORITY TO REQUIRE DISPOSITION OR ACQUISITION.—The Director shall monitor the portfolio of each enterprise. Pursuant to subsection (a) and notwithstanding the capital classifications of the enterprises, the Director may, by order, require an enterprise, under such terms and conditions as the Director determines to be appropriate, to dispose of or acquire any asset, if the Director determines that such action is consistent with the purposes of this Act or any of the authorizing statutes.''.

(b) REGULATIONS.—Not later than the expiration of the 180-day period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall issue regulations pursuant to section 1369E(a) of the Housing and Community Development Act of 1992 (as added by subsection (a) of this section) establishing the portfolio holdings standards under such section.

SEC. 116. CORPORATE GOVERNANCE OF ENTERPRISES.

The Housing and Community Development Act of 1992 is amended by inserting before section 1323 (12 U.S.C. 4543) the following new section:

''SEC. 1322A. CORPORATE GOVERNANCE OF ENTERPRISES.

''(a) BOARD OF DIRECTORS.—

''(1) INDEPENDENCE.—A majority of seated members of the board of directors of each enterprise shall be independent board members, as defined under rules set forth by the New York Stock Exchange, as such rules may be amended from time to time.

''(2) FREQUENCY OF MEETINGS.—To carry out its obligations and duties under applicable laws, rules, regulations, and guidelines, the board of directors of an enterprise shall meet at least eight times a year and not less than once a calendar quarter.

''(3) NON-MANAGEMENT BOARD MEMBER MEETINGS.—The non-management directors of an enterprise shall meet at regularly scheduled executive sessions without management participation.

''(4) QUORUM; PROHIBITION ON PROXIES.—For the transaction of business, a quorum of the

board of directors of an enterprise shall be at least a majority of the seated board of directors and a board member may not vote by proxy.

''(5) INFORMATION.—The management of an enterprise shall provide a board member of the enterprise with such adequate and appropriate information that a reasonable board member would find important to the fulfillment of his or her fiduciary duties and obligations.

''(6) ANNUAL REVIEW.—At least annually, the board of directors of each enterprise shall review, with appropriate professional assistance, the requirements of laws, rules, regulations, and guidelines that are applicable to its activities and duties.

''(b) COMMITTEES OF BOARDS OF DIRECTORS.—

''(1) FREQUENCY OF MEETINGS.—Any committee of the board of directors of an enterprise shall meet with sufficient frequency to carry out its obligations and duties under applicable laws, rules, regulations, and guidelines.

''(2) REQUIRED COMMITTEES.—Each enterprise shall provide for the establishment, however styled, of the following committees of the board of directors:

''(A) Audit committee.

''(B) Compensation committee.

''(C) Nominating/corporate governance committee.

Such committees shall be in compliance with the charter, independence, composition, expertise, duties, responsibilities, and other requirements set forth under section 10A(m) of the Securities Exchange Act of 1934 (15 U.S.C. 78j–1(m)), with respect to the audit committee, and under rules issued by the New York Stock Exchange, as such rules may be amended from time to time.

''(c) COMPENSATION.—

''(1) IN GENERAL.—The compensation of board members, executive officers, and employees of an enterprise—

''(A) shall not be in excess of that which is reasonable and appropriate;

''(B) shall be commensurate with the duties and responsibilities of such persons;

''(C) shall be consistent with the long-term goals of the enterprise;

''(D) shall not focus solely on earnings performance, but shall take into account risk management, operational stability and legal and regulatory compliance as well; and

''(E) shall be undertaken in a manner that complies with applicable laws, rules, and regulations.

''(2) REIMBURSEMENT.—If an enterprise is required to prepare an accounting restatement due to the material noncompliance of the enterprise, as a result of misconduct, with any financial reporting requirement under the securities laws, the chief executive officer and chief financial officer of the enterprise shall reimburse the enterprise as provided under section 304 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7243). This provision does not otherwise limit the authority of the Agency to employ remedies available to it under its enforcement authorities.

''(d) CODE OF CONDUCT AND ETHICS.—

''(1) IN GENERAL.—An enterprise shall establish and administer a written code of conduct and ethics that is reasonably designed to assure the ability of board members, executive officers, and employees of the enterprise to discharge their duties and responsibilities, on behalf of the enterprise, in an objective and impartial manner, and that includes standards required under section 406 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7264) and other applicable laws, rules, and regulations.

''(2) REVIEW.—Not less than once every three years, an enterprise shall review the adequacy of its code of conduct and ethics for consistency with practices appropriate to the enterprise and make any appropriate revisions to such code.

''(e) CONDUCT AND RESPONSIBILITIES OF BOARD OF DIRECTORS.—The board of directors of an enterprise shall be responsible for directing the conduct and affairs of the enterprise in furtherance of the safe and sound operation of the enterprise and shall remain reasonably informed of the condition, activities, and operations of the enterprise. The responsibilities of the board of directors shall include having in place adequate policies and procedures to assure its oversight of, among other matters, the following:

''(1) Corporate strategy, major plans of action, risk policy, programs for legal and regulatory compliance and corporate performance, including prudent plans for growth and allocation of adequate resources to manage operations risk.

''(2) Hiring and retention of qualified executive officers and succession planning for such executive officers.

''(3) Compensation programs of the enterprise.

''(4) Integrity of accounting and financial reporting systems of the enterprise, including independent audits and systems of internal control.

''(5) Process and adequacy of reporting, disclosures, and communications to shareholders, investors, and potential investors.

''(6) Extensions of credit to board members and executive officers.

''(7) Responsiveness of executive officers in providing accurate and timely reports to Federal regulators and in addressing the supervisory concerns of Federal regulators in a timely and appropriate manner.

''(f) PROHIBITION OF EXTENSIONS OF CREDIT.—An enterprise may not directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any board member or executive officer of the enterprise, as provided by section 13(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(k)).

''(g) CERTIFICATION OF DISCLOSURES.—The chief executive officer and the chief financial officer of an enterprise shall review each quarterly report and annual report issued by the enterprise and such reports shall include certifications by such officers as required by section 302 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7241).

''(h) CHANGE OF AUDIT PARTNER.—An enterprise may not accept audit services from an external auditing firm if the lead or coordinating audit partner who has primary responsibility for the external audit of the enterprise, or the external audit partner who has responsibility for reviewing the external audit has performed audit services for the enterprise in each of the five previous fiscal years.

''(i) COMPLIANCE PROGRAM.—

''(1) REQUIREMENT.—Each enterprise shall establish and maintain a compliance program that is reasonably designed to assure that the enterprise complies with applicable laws, rules, regulations, and internal controls.

''(2) COMPLIANCE OFFICER.—The compliance program of an enterprise shall be headed by a compliance officer, however styled, who reports directly to the chief executive officer of the enterprise. The compliance officer shall report regularly to the board of directors or an appropriate committee of the board of directors on compliance with and the adequacy of current compliance policies and procedures of the enterprise, and shall recommend any adjustments to such policies and procedures that the compliance officer considers necessary and appropriate.

''(j) RISK MANAGEMENT PROGRAM.—

''(1) REQUIREMENT.—Each enterprise shall establish and maintain a risk management program that is reasonably designed to manage the risks of the operations of the enterprise.

''(2) RISK MANAGEMENT OFFICER.—The risk management program of an enterprise shall be headed by a risk management officer, however styled, who reports directly to the chief executive officer of the enterprise. The risk management officer shall report regularly to the board of directors or an appropriate committee of the board of directors on compliance with and the adequacy of current risk management policies and procedures of the enterprise, and shall recommend any adjustments to such policies and procedures that the risk management officer considers necessary and appropriate.

''(k) COMPLIANCE WITH OTHER LAWS.—

''(1) DEREGISTERED OR UNREGISTERED COMMON STOCK.—If an enterprise deregisters or has not registered its common stock with the Securities and Exchange Commission under the Securities Exchange Act of 1934, the enterprise shall comply or continue to comply with sections 10A(m) and 13(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78j–1(m), 78m(k)) and sections 302, 304, and 406 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7241, 7243, 7264), subject to such requirements as provided by subsection (l) of this section.

''(2) REGISTERED COMMON STOCK.—An enterprise that has its common stock registered with the Securities and Exchange Commission shall maintain such registered status, unless it provides 60 days prior written notice to the Director stating its intent to deregister and its understanding that it will remain subject to the requirements of the sections of the Securities Exchange Act of 1934 and the Sarbanes-Oxley Act of 2002, subject to such requirements as provided by subsection (l) of this section.

''(l) OTHER MATTERS.—The Director may from time to time establish standards, by regulation, order, or guideline, regarding such other corporate governance matters of the enterprises as the Director considers appropriate.

''(m) MODIFICATION OF STANDARDS.—In connection with standards of Federal or State law (including the Revised Model Corporation Act) or New York Stock Exchange rules that are made applicable to an enterprise by section 1710.10 of the Director's rules (12 CFR 1710.10) and by subsections (a), (b), (g), (i), (j), and (k) of this section, the Director, in the Director's sole discretion, may modify the standards contained in this section or in part 1710 of the Director's rules (12 CFR Part 1710) in accordance with section 553 of title 5, United States Code, and upon written notice to the enterprise.''.

SEC. 117. REQUIRED REGISTRATION UNDER SECURITIES EXCHANGE ACT OF 1934.

The Housing and Community Development Act of 1992 is amended by adding after section 1322A, as added by the preceding provisions of this Division, the following new section:

''SEC. 1322B. REQUIRED REGISTRATION UNDER SECURITIES EXCHANGE ACT OF 1934.

''(a) IN GENERAL.—Each regulated entity shall register at least one class of the capital stock of such regulated entity, and maintain such registration with the Securities and Exchange Commission, under the Securities Exchange Act of 1934.

''(b) ENTERPRISES.—Each enterprise shall comply with sections 14 and 16 of the Securities Exchange Act of 1934.''.

SEC. 118. LIAISON WITH FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

Section 1007 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3306) is amended—

(1) in the section heading, by inserting after ''STATE'' the following: ''AND FEDERAL HOUSING FINANCE AGENCY''; and

(2) by inserting after ''financial institutions'' the following: '', and one representative of the Federal Housing Finance Agency,''.

SEC. 119. GUARANTEE FEE STUDY.

(a) IN GENERAL.—The Director of the Federal Housing Finance Agency, in consultation with the heads of the federal banking agencies, shall, not later than 18 months after the date of the enactment of this Act, submit to the Congress a study concerning the pricing, transparency and reporting of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal home loan banks with regard to guarantee fees and concerning analogous practices, transparency and reporting requirements (including advances pricing practices by the Federal Home Loan Banks) of other participants in the business of mortgage purchases and securitization.

(b) FACTORS.—The study required by this section shall examine various factors such as credit risk, counterparty risk considerations, economic value considerations, and volume considerations used by the regulated entities (as such term is defined in section 1303 of the Housing and Community Development Act of 1992) included in the study in setting the amount of fees they charge.

(c) CONTENTS OF REPORT.—The report required under subsection (a) shall identify and analyze—

(1) the factors used by each enterprise (as such term is defined in section 1303 of the Housing and Community Development Act of 1992) in determining the amount of the guarantee fees it charges;

(2) the total revenue the enterprises earn from guarantee fees;

(3) the total costs incurred by the enterprises for providing guarantees;

(4) the average guarantee fee charged by the enterprises;

(5) an analysis of how and why the guarantee fees charged differ from such fees charged during the previous year;

(6) a breakdown of the revenue and costs associated with providing guarantees, based on product type and risk classifications; and

(7) other relevant information on guarantee fees with other participants in the mortgage and securitization business.

(d) PROTECTION OF INFORMATION.—Nothing in this section may be construed to require or authorize the Director of the Federal Housing Finance Agency, in connection with the study mandated by this section, to disclose information of the enterprises or other organization that is confidential or proprietary.

(e) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 120. CONFORMING AMENDMENTS.

(a) 1992 ACT.—Part 1 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4511 et seq.), as amended by the preceding provisions of this Division, is further amended—

(1) by striking ''an enterprise'' each place such term appears in such part (except in sections 1313(a)(2)(A), 1313A(b)(2)(B)(ii)(I), and 1316(b)(3)) and inserting ''a regulated entity'';

(2) by striking ''the enterprise'' each place such term appears in such part (except in section 1316(b)(3)) and inserting ''the regulated entity'';

(3) by striking ''the enterprises'' each place such term appears in such part (except in sections 1312(c)(2), and 1312(e)(2)) and inserting ''the regulated entities'';

(4) by striking ''each enterprise'' each place such term appears in such part and inserting ''each regulated entity'';

(5) by striking ''Office'' each place such term appears in such part (except in sections 1311(b)(2), 1312(b)(5), 1315(b), and 1316(a)(4), (g), and (h), 1317(c), and 1319A(a)) and inserting ''Agency'';

(6) in section 1315 (12 U.S.C. 4515)—

(A) in subsection (a)—

(i) in the subsection heading, by striking ''OFFICE PERSONNEL'' and inserting ''IN GENERAL''; and

(ii) by striking ''The'' and inserting ''Subject to title III of the Federal Housing Finance Reform Act of 2007, the'';

(B) by striking subsections (d) and (f); and

(C) by redesignating subsection (e) as subsection (d);

(7) in section 1319B (12 U.S.C. 4521), by striking ''Committee on Banking, Finance and Urban Affairs'' each place such term appears and inserting ''Committee on Financial Services''; and

(8) in section 1319F (12 U.S.C. 4525), striking all that follows ''United States Code'' and inserting '', the Agency shall be considered an agency responsible for the regulation or supervision of financial institutions.''.

(b) AMENDMENTS TO FANNIE MAE CHARTER ACT.—The Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.) is amended—

(1) by striking ''Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' each place such term appears, and inserting ''Director of the Federal Housing Finance Agency'', in—

(A) section 303(c)(2) (12 U.S.C. 1718(c)(2));

(B) section 309(d)(3)(B) (12 U.S.C. 1723a(d)(3)(B)); and

(C) section 309(k)(1); and

(2) in section 309—

(A) in subsections (d)(3)(A) and (n)(1), by striking ''Banking, Finance and Urban Affairs'' each place such term appears and inserting ''Financial Services''; and

(B) in subsection (m)—

(i) in paragraph (1), by striking ''Secretary'' the second place such term appears and inserting ''Director'';

(ii) in paragraph (2), by striking ''Secretary'' the second place such term appears and inserting ''Director''; and

(iii) by striking ''Secretary'' each other place such term appears and inserting ''Director of the Federal Housing Finance Agency''; and

(C) in subsection (n), by striking ''Secretary'' each place such term appears and inserting ''Director of the Federal Housing Finance Agency''.

(c) AMENDMENTS TO FREDDIE MAC ACT.—The Federal Home Loan Mortgage Corporation Act is amended—

(1) by striking ''Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' each place such term appears, and inserting ''Director of the Federal Housing Finance Agency'', in—

(A) section 303(b)(2) (12 U.S.C. 1452(b)(2));

(B) section 303(h)(2) (12 U.S.C. 1452(h)(2)); and

(C) section 307(c)(1) (12 U.S.C. 1456(c)(1));

(2) in sections 303(h)(1) and 307(f)(1) (12 U.S.C. 1452(h)(1), 1456(f)(1)), by striking ''Banking, Finance and Urban Affairs'' each place such term appears and inserting ''Financial Services'';

(3) in section 306(i) (12 U.S.C. 1455(i))—

(A) by striking ''1316(c)'' and inserting ''306(c)''; and

(B) by striking ''section 106'' and inserting ''section 1316''; and

(4) in section 307 (12 U.S.C. 1456))—

(A) in subsection (e)—

(i) in paragraph (1), by striking ''Secretary'' the second place such term appears and inserting ''Director'';

(ii) in paragraph (2), by striking ''Secretary'' the second place such term appears and inserting ''Director''; and

(iii) by striking ''Secretary'' each other place such term appears and inserting ''Director of the Federal Housing Finance Agency''; and

(B) in subsection (f), by striking ''Secretary'' each place such term appears and inserting ''Director of the Federal Housing Finance Agency''.

Subtitle B—Improvement of Mission Supervision

SEC. 131. TRANSFER OF PRODUCT APPROVAL AND HOUSING GOAL OVERSIGHT.

Part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4541 et seq.) is amended—

(1) by striking the designation and heading for the part and inserting the following:

''PART 2—PRODUCT APPROVAL BY DIRECTOR, CORPORATE GOVERNANCE, AND ESTABLISHMENT OF HOUSING GOALS'';

and

(2) by striking sections 1321 and 1322.

SEC. 132. REVIEW OF ENTERPRISE PRODUCTS.

(a) IN GENERAL.—Part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 is amended by inserting before section 1323 (12 U.S.C. 4543) the following new section:

''SEC. 1321. PRIOR APPROVAL AUTHORITY FOR PRODUCTS OF ENTERPRISES.

''(a) IN GENERAL.—The Director shall require each enterprise to obtain the approval of the Director for any product of the enterprise before initially offering the product.

''(b) STANDARD FOR APPROVAL.—In considering any request for approval of a product pursuant to subsection (a), the Director shall make a determination that—

''(1) in the case of a product of the Federal National Mortgage Association, the Director determines that the product is authorized under paragraph (2), (3), (4), or (5) of section 302(b) or section 304 of the Federal National Mortgage Association Charter Act, (12 U.S.C. 1717(b), 1719);

''(2) in the case of a product of the Federal Home Loan Mortgage Corporation, the Director determines that the product is authorized under paragraph (1), (4), or (5) of section 305(a) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a));

''(3) the product is in the public interest;

''(4) the product is consistent with the safety and soundness of the enterprise or the mortgage finance system; and

''(5) the product does not materially impair the efficiency of the mortgage finance system.

''(c) PROCEDURE FOR APPROVAL.—

''(1) SUBMISSION OF REQUEST.—An enterprise shall submit to the Director a written request for approval of a product that describes the product in such form as prescribed by order or regulation of the Director.

''(2) REQUEST FOR PUBLIC COMMENT.—Immediately upon receipt of a request for approval of a product, as required under paragraph (1), the Director shall publish notice of such request and of the period for public comment pursuant to paragraph (3) regarding the product, and a description of the product proposed by the request. The Director shall give interested parties the opportunity to respond in writing to the proposed product.

''(3) PUBLIC COMMENT PERIOD.—During the 30-day period beginning on the date of publication pursuant to paragraph (2) of a request for approval of a product, the Director shall receive public comments regarding the proposed product.

''(4) OFFERING OF PRODUCT.—

''(A) IN GENERAL.—Not later than 30 days after the close of the public comment period

described in paragraph (3), the Director shall approve or deny the product, specifying the grounds for such decision in writing.

''(B) FAILURE TO ACT.—If the Director fails to act within the 30-day period described in subparagraph (A), the enterprise may offer the product.

''(d) EXPEDITED REVIEW.—

''(1) DETERMINATION AND NOTICE.—If an enterprise determines that any new activity, service, undertaking, or offering is not a product, as defined in subsection (f), the enterprise shall provide written notice to the Director prior to the commencement of such activity, service, undertaking, or offering.

''(2) DIRECTOR DETERMINATION OF APPLICABLE PROCEDURE.—Immediately upon receipt of any notice pursuant to paragraph (1), the Director shall make a determination under paragraph (3).

''(3) DETERMINATION AND TREATMENT AS PRODUCT.—If the Director determines that any new activity, service, undertaking, or offering consists of, relates to, or involves a product—

''(A) the Director shall notify the enterprise of the determination;

''(B) the new activity, service, undertaking, or offering described in the notice under paragraph (1) shall be considered a product for purposes of this section; and

''(C) the enterprise shall withdraw its request or submit a written request for approval of the product pursuant to subsection (c).

''(e) CONDITIONAL APPROVAL.—The Director may conditionally approve the offering of any product by an enterprise, and may establish terms, conditions, or limitations with respect to such product with which the enterprise must comply in order to offer such product.

''(f) DEFINITION OF PRODUCT.—For purposes of this section, the term 'product' does not include—

''(1) the automated loan underwriting system of an enterprise in existence as of the date of the enactment of the Federal Housing Finance Reform Act of 2007, including any upgrade to the technology, operating system, or software to operate the underwriting system; or

''(2) any modification to the mortgage terms and conditions or mortgage underwriting criteria relating to the mortgages that are purchased or guaranteed by an enterprise: *Provided*, That such modifications do not alter the underlying transaction so as to include services or financing, other than residential mortgage financing, or create significant new exposure to risk for the enterprise or the holder of the mortgage.

''(g) NO LIMITATION.—Nothing in this section shall be deemed to restrict—

''(1) the safety and soundness authority of the Director over all new and existing products or activities; or

''(2) the authority of the Director to review all new and existing products or activities to determine that such products or activities are consistent with the statutory mission of the enterprise.''.

(b) CONFORMING AMENDMENTS.—

(1) FANNIE MAE.—Section 302(b)(6) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(6)) is amended—

(A) by striking ''implement any new program'' and inserting ''initially offer any product'';

(B) by striking ''section 1303'' and inserting ''section 1321(f)''; and

(C) by striking ''before obtaining the approval of the Secretary under section 1322'' and inserting ''except in accordance with section 1321''.

(2) FREDDIE MAC.—Section 305(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(c)) is amended—

(A) by striking ''implement any new program'' and inserting ''initially offer any product'';

(B) by striking ''section 1303'' and inserting ''section 1321(f)''; and

(C) by striking ''before obtaining the approval of the Secretary under section 1322'' and inserting ''except in accordance with section 1321''.

(3) 1992 ACT.—Section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502), as amended by section 2 of this Division, is further amended—

(A) by striking paragraph (17) (relating to the definition of ''new program''); and

(B) by redesignating paragraphs (18) through (23) as paragraphs (17) through (22), respectively.

SEC. 133. CONFORMING LOAN LIMITS.

(a) FANNIE MAE.—

(1) GENERAL LIMIT.—Section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) is amended—

(A) in the 4th sentence, by striking ''the Resolution Trust Corporation,''; and

(B) by striking the 7th and 8th sentences and inserting the following new sentences: ''For 2007, such limitations shall not exceed $417,000 for a mortgage secured by a single-family residence, $533,850 for a mortgage secured by a 2-family residence, $645,300 for a mortgage secured by a 3-family residence, and $801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning with 2008, subject to the limitations in this paragraph. Each adjustment shall be made by adding to or subtracting from each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase or decrease, during the most recent 12-month or four-quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Federal Housing Finance Agency (pursuant to section 1322 of the Housing and Community Development Act of 1992 (12 U.S.C. 4541)).''.

(2) HIGH-COST AREA LIMIT.—Section 302(b)(2) of the Federal National Mortgage Association Charter Act is (12 U.S.C. 1717(b)(2)) is amended by adding after the period at the end the following: ''Such foregoing limitations shall also be increased with respect to properties of a particular size located in any area for which the median price for such size residence exceeds the foregoing limitation for such size residence, to the lesser of 150 percent of such foregoing limitation for such size residence or the amount that is equal to the median price in such area for such size residence, except that, subject to the order, if any, issued by the Director of the Federal Housing Finance Agency pursuant to section 133(d)(3) of the Federal Housing Finance Reform Act of 2007, such increase shall apply only with respect to mortgages on which are based securities issued and sold by the corporation.''.

(b) FREDDIE MAC.—

(1) GENERAL LIMIT.—Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) is amended—

(A) in the 3rd sentence, by striking ''the Resolution Trust Corporation,''; and

(B) by striking the 6th and 7th sentences and inserting the following new sentences: ''For 2007, such limitations shall not exceed $417,000 for a mortgage secured by a single-family residence, $533,850 for a mortgage secured by a 2-family residence, $645,300 for a mortgage secured by a 3-family residence, and $801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning with 2008, subject to the limitations in this paragraph. Each adjustment shall be made by adding to or subtracting from each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase or decrease, during the most recent 12-month or four-quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Federal Housing Finance Agency (pursuant to section 1322 of the Housing and Community Development Act of 1992 (12 U.S.C. 4541)).''

(2) HIGH-COST AREA LIMIT.—Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended by adding after the period at the end the following: ''Such foregoing limitations shall also be increased with respect to properties of a particular size located in any area for which the median price for such size residence exceeds the foregoing limitation for such size residence, to the lesser of 150 percent of such foregoing limitation for such size residence or the amount that is equal to the median price in such area for such size residence, except that, subject to the order, if any, issued by the Director of the Federal Housing Finance Agency pursuant to section 133(d)(3) of the Federal Housing Finance Reform Act of 2007, such increase shall apply only with respect to mortgages on which are based securities issued and sold by the Corporation.''.

(c) HOUSING PRICE INDEX.—Subpart A of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (as amended by the preceding provisions of this Division) is amended by inserting after section 1321 (as added by section 132 of this Division) the following new section:

''SEC. 1322. HOUSING PRICE INDEX.

''(a) IN GENERAL.—The Director shall establish and maintain a method of assessing the national average 1-family house price for use for adjusting the conforming loan limitations of the enterprises. In establishing such method, the Director shall take into consideration the monthly survey of all major lenders conducted by the Federal Housing Finance Agency to determine the national average 1-family house price, the House Price Index maintained by the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development before the effective date under section 185 of the Federal Housing Finance Reform Act of 2007, any appropriate house price indexes of the Bureau of the Census of the Department of Commerce, and any other indexes or measures that the Director considers appropriate.

''(b) GAO AUDIT.—

''(1) IN GENERAL.—At such times as are required under paragraph (2), the Comptroller General of the United States shall conduct an audit of the methodology established by the Director under subsection (a) to determine whether the methodology established is an accurate and appropriate means of measuring changes to the national average 1-family house price.

''(2) TIMING.—An audit referred to in paragraph (1) shall be conducted and completed not later than the expiration of the 180-day period that begins upon each of the following dates:

''(A) ESTABLISHMENT.—The date upon which such methodology is initially established under subsection (a) in final form by the Director.

''(B) MODIFICATION OR AMENDMENT.—Each date upon which any modification or amendment to such methodology is adopted in final form by the Director.

''(3) REPORT.—Within 30 days of the completion of any audit conducted under this subsection, the Comptroller General shall submit a report detailing the results and conclusions of the audit to the Director, the Committee on Financial Services of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate.''.

(d) CONDITIONS ON CONFORMING LOAN LIMIT FOR HIGH-COST AREAS.—

(1) STUDY.—The Director of the Federal Housing Finance Agency shall conduct a study under this subsection during the six-month period beginning on the effective date under section 185 of this Division.

(2) ISSUES.—The study under this subsection shall determine—

(A) the effect that restricting the conforming loan limits for high-cost areas only to mortgages on which are based securities issued and sold by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (as provided in the last sentence of section 302(b)(2) of the Federal National Mortgage Association Charter Act and the last sentence of section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act, pursuant to the amendments made by subsections (a)(2) and (b)(2) of this section) would have on the cost to borrowers for mortgages on housing in such high-cost areas;

(B) the effects that such restrictions would have on the availability of mortgages for housing in such high-cost areas; and

(C) the extent to which the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation will be able to issue and sell securities based on mortgages for housing located in such high-cost areas.

(3) DETERMINATION.—

(A) IN GENERAL.—Not later than the expiration of the six-month period specified in paragraph (1), the Director of the Federal Housing Finance Agency shall make a determination, based on the results of the study under this subsection, of whether the restriction of conforming loan limits for high-cost areas only to mortgages on which are based securities issued and sold by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (as provided in the amendments made by subsections (a)(2) and (b)(2) of this section) will result in an increase in the cost to borrowers for mortgages on housing in such high-cost areas.

(B) ORDER.—If such determination is that costs to borrowers on housing in such high-cost areas will be increased by such restrictions, the Director may issue an order terminating such restrictions, in whole or in part.

(4) PUBLICATION.—Not later than the expiration of the six-month period specified in paragraph (1), the Director of the Federal Housing Finance Agency shall cause to be published in the Federal Register—

(A) a report that—

(i) describes the study under this subsection; and

(ii) sets forth the conclusions of the study regarding the issues to be determined under paragraph (2); and

(B) notice of the determination of the Director under paragraph (3); and

(C) the order of the Director under paragraph (3).

(5) DEFINITION.—For purposes of this subsection, the term ''conforming loan limits for high-cost areas'' means the dollar amount limitations applicable under the section 302(b)(2) of the Federal National Mortgage Association Charter Act and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (as amended by subsections (a) and (b) of this section) for areas described in the last sentence of such sections (as so amended).

SEC. 134. ANNUAL HOUSING REPORT REGARDING REGULATED ENTITIES.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 is amended by striking section 1324 (12 U.S.C. 4544) and inserting the following new section:

''SEC. 1324. ANNUAL HOUSING REPORT REGARDING REGULATED ENTITIES.

''(a) IN GENERAL.—After reviewing and analyzing the reports submitted under section 309(n) of the Federal National Mortgage Association Charter Act, section 307(f) of the Federal Home Loan Mortgage Corporation Act, and section 10(j)(11) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)(11)), the Director shall submit a report, not later than October 30 of each year, to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, on the activities of each regulated entity.

''(b) CONTENTS.—The report shall—

''(1) discuss the extent to which—

''(A) each enterprise is achieving the annual housing goals established under subpart B of this part;

''(B) each enterprise is complying with section 1337;

''(C) each Federal home loan bank is complying with section 10(j) of the Federal Home Loan Bank Act; and

''(D) each regulated entity is achieving the purposes of the regulated entity established by law;

''(2) aggregate and analyze relevant data on income to assess the compliance by each enterprise with the housing goals established under subpart B;

''(3) aggregate and analyze data on income, race, and gender by census tract and other relevant classifications, and compare such data with larger demographic, housing, and economic trends;

''(4) examine actions that—

''(A) each enterprise has undertaken or could undertake to promote and expand the annual goals established under subpart B and the purposes of the enterprise established by law; and

''(B) each Federal home loan bank has taken or could undertake to promote and expand the community investment program and affordable housing program of the bank established under section subsections (i) and (j) of section 10 of the Federal Home Loan Bank Act;

''(5) examine the primary and secondary multifamily housing mortgage markets and describe—

''(A) the availability and liquidity of mortgage credit;

''(B) the status of efforts to provide standard credit terms and underwriting guidelines for multifamily housing and to securitize such mortgage products; and

''(C) any factors inhibiting such standardization and securitization;

''(6) examine actions each regulated entity has undertaken and could undertake to promote and expand opportunities for first-time homebuyers, including the use of alternative credit scoring;

''(7) describe any actions taken under section 1325(5) with respect to originators found to violate fair lending procedures;

''(8) discuss and analyze existing conditions and trends, including conditions and trends relating to pricing, in the housing markets and mortgage markets; and

''(9) identify the extent to which each enterprise is involved in mortgage purchases and secondary market activities involving subprime loans (as identified in accordance with the regulations issued pursuant to section 134(b) of the Federal Housing Finance Reform Act of 2007) and compare the characteristics of subprime loans purchased and securitized by the enterprises to other loans purchased and securitized by the enterprises.

''(c) DATA COLLECTION AND REPORTING.—

''(1) IN GENERAL.—To assist the Director in analyzing the matters described in subsection (b) and establishing the methodology described in section 1322, the Director shall conduct, on a monthly basis, a survey of mortgage markets in accordance with this subsection.

''(2) DATA POINTS.—Each monthly survey conducted by the Director under paragraph (1) shall collect data on—

''(A) the characteristics of individual mortgages that are eligible for purchase by the enterprises and the characteristics of individual mortgages that are not eligible for purchase by the enterprises including, in both cases, information concerning—

''(i) the price of the house that secures the mortgage;

''(ii) the loan-to-value ratio of the mortgage, which shall reflect any secondary liens on the relevant property;

''(iii) the terms of the mortgage;

''(iv) the creditworthiness of the borrower or borrowers; and

''(v) whether the mortgage, in the case of a conforming mortgage, was purchased by an enterprise; and

''(B) such other matters as the Director determines to be appropriate.

''(3) PUBLIC AVAILABILITY.—The Director shall make any data collected by the Director in connection with the conduct of a monthly survey available to the public in a timely manner, provided that the Director may modify the data released to the public to ensure that the data is not released in an identifiable form.

''(4) DEFINITION.—For purposes of this subsection, the term 'identifiable form' means any representation of information that permits the identity of a borrower to which the information relates to be reasonably inferred by either direct or indirect means.''.

(b) STANDARDS FOR SUBPRIME LOANS.—The Director shall, not later than one year after the effective date under section 185, by regulations issued under section 1316G of the Housing and Community Development Act of 1992, establish standards by which mortgages purchased and mortgages purchased and securitized shall be characterized as subprime for the purpose of, and only for the purpose of, complying with the reporting requirement under section 1324(b)(9) of such Act.

SEC. 135. ANNUAL REPORTS BY REGULATED ENTITIES ON AFFORDABLE HOUSING STOCK.

The Housing and Community Development Act of 1992 is amended by inserting after section 1328 (12 U.S.C. 4548) the following new section:

''SEC. 1329. ANNUAL REPORTS ON AFFORDABLE HOUSING STOCK.

''(a) IN GENERAL.—To obtain information helpful in applying the formula under section 1337(c)(2) for the affordable housing program under such section and for other appropriate uses, the regulated entities shall conduct, or provide for the conducting of, a study on an annual basis to determine the levels of affordable housing inventory, and the changes in such levels, in communities throughout the United States.

''(b) CONTENTS.—The annual study under this section shall determine, for the United States, each State, and each community within each State—

''(1) the level of affordable housing inventory, including affordable rental dwelling units and affordable homeownership dwelling units;

''(2) any changes to the level of such inventory during the 12-month period of the study under this section, including—

''(A) any additions to such inventory, disaggregated by the category of such additions (including new construction or housing conversion);

''(B) any subtractions from such inventory, disaggregated by the category of such subtractions (including abandonment, demolition, or upgrade to market-rate housing);

''(C) the number of new affordable dwelling units placed in service; and

''(D) the number of affordable housing dwelling units withdrawn from service;

''(3) the types of financing used to build any dwelling units added to such inventory level and the period during which such units are required to remain affordable;

''(4) any excess demand for affordable housing, including the number of households on rental housing waiting lists and the tenure of the wait on such lists; and

''(5) such other information as the Director may require.

''(c) REPORT.—For each annual study conducted pursuant to this section, the regulated entities shall submit to the Congress, and make publicly available, a report setting forth the findings of the study.

''(d) REGULATIONS AND TIMING.—The Director shall, by regulation, establish requirements for the studies and reports under this section, including deadlines for the submission of such annual reports and standards for determining affordable housing.''.

SEC. 136. MORTGAGOR IDENTIFICATION REQUIREMENTS FOR MORTGAGES OF REGULATED ENTITIES.

(a) IN GENERAL.—Subpart A of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4541 et seq.), as amended by the preceding provisions of this Division, is further amended by adding at the end the following new section:

''SEC. 1330. MORTGAGOR IDENTIFICATION REQUIREMENTS FOR MORTGAGES OF REGULATED ENTITIES.

''(a) LIMITATION.—The Director shall by regulation establish standards, and shall enforce compliance with such standards, that—

''(1) prohibit the enterprises from the purchase, service, holding, selling, lending on the security of, or otherwise dealing with any mortgage on a one- to four-family residence that will be used as the principal residence of the mortgagor that does not meet the requirements under subsection (b); and

''(2) prohibit the Federal home loan banks from providing any advances to a member for use in financing, and from accepting as collateral for any advance to a member, any mortgage on a one- to four-family residence that will be used as the principal residence of the mortgagor that does not meet the requirements under subsection (b).

''(b) IDENTIFICATION REQUIREMENTS.—The requirements under this subsection with respect to a mortgage are that the mortgagor have, at the time of settlement on the mortgage, a Social Security account number.''.

(b) FANNIE MAE.—Section 304 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719) is amended by adding at the end the following new subsection:

''(g) PROHIBITION REGARDING MORTGAGOR IDENTIFICATION REQUIREMENT.—Nothing in this Act may be construed to authorize the corporation to purchase, service, hold, sell, lend on the security of, or otherwise deal with any mortgage that the corporation is prohibited from so dealing with under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

(c) FREDDIE MAC.—Section 305 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454) is amended by adding at the end the following new subsection:

''(d) PROHIBITION REGARDING MORTGAGOR IDENTIFICATION REQUIREMENTS.—Nothing in this Act may be construed to authorize the Corporation to purchase, service, hold, sell, lend on the security of, or otherwise deal with any mortgage that the Corporation is prohibited from so dealing with under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

(d) FEDERAL HOME LOAN BANKS.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

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

''(6) PROHIBITION REGARDING MORTGAGOR IDENTIFICATION REQUIREMENTS.—Nothing in this Act may be construed to authorize a Federal Home Loan Bank to provide any advance to a member for use in financing, or accept as collateral for an advance under this section, any mortgage that a Bank is prohibited from so accepting under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

SEC. 137. REVISION OF HOUSING GOALS.

(a) HOUSING GOALS.—The Housing and Community Development Act of 1992 is amended by striking sections 1331 through 1334 (12 U.S.C. 4561–4) and inserting the following new sections:

''SEC. 1331. ESTABLISHMENT OF HOUSING GOALS.

''(a) IN GENERAL.—The Director shall establish, effective for the first year that begins after the effective date under section 185 of the Federal Housing Finance Reform Act of 2007 and each year thereafter, annual housing goals, with respect to the mortgage purchases by the enterprises, as follows:

''(1) SINGLE FAMILY HOUSING GOALS.—Three single-family housing goals under section 1332.

''(2) MULTIFAMILY SPECIAL AFFORDABLE HOUSING GOALS.—A multifamily special affordable housing goal under section 1333.

''(b) ELIMINATING INTEREST RATE DISPARITIES.—

''(1) IN GENERAL.—Upon request by the Director, an enterprise shall provide to the Director, in a form determined by the Director, data the Director may review to determine whether there exist disparities in interest rates charged on mortgages to borrowers who are minorities as compared with comparable mortgages to borrowers of similar creditworthiness who are not minorities.

''(2) REMEDIAL ACTIONS UPON PRELIMINARY FINDING.—Upon a preliminary finding by the Director that a pattern of disparities in interest rates with respect to any lender or lenders exists pursuant to the data provided by an enterprise in paragraph (1), the Director shall—

''(A) refer the preliminary finding to the appropriate regulatory or enforcement agency for further review;

''(B) require the enterprise to submit additional data with respect to any lender or lenders, as appropriate and to the extent practicable, to the Director who shall submit any such additional data to the regulatory or enforcement agency for appropriate action; and

''(C) require the enterprise to undertake remedial actions, as appropriate, pursuant to section 1325(5) (12 U.S.C. 4545(5)).

''(3) ANNUAL REPORT TO CONGRESS.—The Director shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report describing the actions taken, and being taken, by the Director to carry out this subsection. No such report shall identify any lender or lenders who have not been found to have engaged in discriminatory lending practices pursuant to a final adjudication on the record, and after opportunity for an administrative hearing, in accordance with subchapter II of chapter 5 of title 5, United States Code.

''(4) PROTECTION OF IDENTITY OF INDIVIDUALS.—In carrying out this subsection, the Director shall ensure that no property-related or financial information that would enable a borrower to be identified shall be made public.

''(c) TIMING.—The Director shall establish an annual deadline by which the Director shall establish the annual housing goals under this subpart for each year, taking into consideration the need for the enterprises to reasonably and sufficiently plan their operations and activities in advance, including operations and activities necessary to meet such annual goals.

''SEC. 1332. SINGLE-FAMILY HOUSING GOALS.

''(a) IN GENERAL.—The Director shall establish annual goals for the purchase by each enterprise of conventional, conforming, single-family, purchase money mortgages financing owner-occupied and rental housing for each of the following categories of families:

''(1) Low-income families.

''(2) Families that reside in low-income areas.

''(3) Very low-income families.

''(b) REFINANCE SUBGOAL.—

''(1) IN GENERAL.—The Director shall establish a separate subgoal within each goal under subsection (a)(1) for the purchase by each enterprise of mortgages for low-income families on single family housing given to pay off or prepay an existing loan secured by the same property. The Director shall, for each year, determine whether each enterprise has complied with the subgoal under this subsection in the same manner provided under this section for determining compliance with the housing goals.

''(2) ENFORCEMENT.—For purposes of section 1336, the subgoal established under paragraph (1) of this subsection shall be considered to be a housing goal established under this section. Such subgoal shall not be enforceable under any other provision of this title (including subpart C of this part) other than section 1336 or under any provision of the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act.

''(c) DETERMINATION OF COMPLIANCE.—The Director shall determine, for each year that the housing goals under this section are in effect pursuant to section 1331(a), whether each enterprise has complied with the single-family housing goals established under this section for such year. An enterprise shall be considered to be in compliance with such a goal for a year only if, for each of the types of families described in subsection (a), the percentage of the number of conventional, conforming, single-family, owner-occupied or rental, as applicable, purchase money mortgages purchased by each enterprise in such year that serve such families, meets or exceeds the target for the year for such type of family that is established under subsection (d).

''(d) ANNUAL TARGETS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), for each of the types of families described in subsection (a), the target under this subsection for a year shall be the average percentage, for the three years that most recently precede such year and for

which information under the Home Mortgage Disclosure Act of 1975 is publicly available, of the number of conventional, conforming, single-family, owner-occupied or rental, as applicable, purchase money mortgages originated in such year that serves such type of family, as determined by the Director using the information obtained and determined pursuant to paragraphs (3) and (4).

''(2) AUTHORITY TO INCREASE TARGETS.—

''(A) IN GENERAL.—The Director may, for any year, establish by regulation, for any or all of the types of families described in subsection (a), percentage targets that are higher than the percentages for such year determined pursuant to paragraph (1), to reflect expected changes in market performance related to such information under the Home Mortgage Disclosure Act of 1975.

''(B) FACTORS.—In establishing any targets pursuant to subparagraph (A), the Director shall consider the following factors:

''(i) National housing needs.

''(ii) Economic, housing, and demographic conditions.

''(iii) The performance and effort of the enterprises toward achieving the housing goals under this section in previous years.

''(iv) The size of the conventional mortgage market serving each of the types of families described in subsection (a) relative to the size of the overall conventional mortgage market.

''(v) The ability of the enterprise to lead the industry in making mortgage credit available.

''(vi) The need to maintain the sound financial condition of the enterprises.

''(3) HMDA INFORMATION.—The Director shall annually obtain information submitted in compliance with the Home Mortgage Disclosure Act of 1975 regarding conventional, conforming, single-family, owner-occupied or rental, as applicable, purchase money mortgages originated and purchased for the previous year.

''(4) CONFORMING MORTGAGES.—In determining whether a mortgage is a conforming mortgage for purposes of this paragraph, the Director shall consider the original principal balance of the mortgage loan to be the principal balance as reported in the information referred to in paragraph (3), as rounded to the nearest thousand dollars.

''(e) NOTICE OF DETERMINATION AND ENTERPRISE COMMENT.—

''(1) NOTICE.—Within 30 days of making a determination under subsection (c) regarding a compliance of an enterprise for a year with a housing goal established under this section and before any public disclosure thereof, the Director shall provide notice of the determination to the enterprise, which shall include an analysis and comparison, by the Director, of the performance of the enterprise for the year and the targets for the year under subsection (d).

''(2) COMMENT PERIOD.—The Director shall provide each enterprise an opportunity to comment on the determination during the 30-day period beginning upon receipt by the enterprise of the notice.

''(f) USE OF BORROWER INCOME.—In monitoring the performance of each enterprise pursuant to the housing goals under this section and evaluating such performance (for purposes of section 1336), the Director shall consider a mortgagor's income to be such income at the time of origination of the mortgage.

''(g) CONSIDERATION OF UNITS IN SINGLE-FAMILY RENTAL HOUSING.—In establishing any goal under this subpart, the Director may take into consideration the number of housing units financed by any mortgage on single-family rental housing purchased by an enterprise.

''SEC. 1333. MULTIFAMILY SPECIAL AFFORDABLE HOUSING GOAL.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Director shall establish, by regulation, an annual goal for the purchase by each enterprise of each of the following types of mortgages on multifamily housing:

''(A) Mortgages that finance dwelling units for low-income families.

''(B) Mortgages that finance dwelling units for very low-income families.

''(C) Mortgages that finance dwelling units assisted by the low-income housing tax credit under section 42 of the Internal Revenue Code of 1986.

''(2) ADDITIONAL REQUIREMENTS FOR SMALLER PROJECTS.—The Director shall establish, within the goal under this section, additional requirements for the purchase by each enterprise of mortgages described in paragraph (1) for multifamily housing projects of a smaller or limited size, which may be based on the number of dwelling units in the project or the amount of the mortgage, or both, and shall include multifamily housing projects of such smaller sizes as are typical among such projects that serve rural areas.

''(3) FACTORS.—In establishing the goal under this section relating to mortgages on multifamily housing for an enterprise for a year, the Director shall consider—

''(A) national multifamily mortgage credit needs;

''(B) the performance and effort of the enterprise in making mortgage credit available for multifamily housing in previous years;

''(C) the size of the multifamily mortgage market;

''(D) the ability of the enterprise to lead the industry in making mortgage credit available, especially for underserved markets, such as for small multifamily projects of 5 to 50 units, multifamily properties in need of rehabilitation, and multifamily properties located in rural areas; and

''(E) the need to maintain the sound financial condition of the enterprise.

''(b) UNITS FINANCED BY HOUSING FINANCE AGENCY BONDS.—The Director shall give credit toward the achievement of the multifamily special affordable housing goal under this section (for purposes of section 1336) to dwelling units in multifamily housing that otherwise qualifies under such goal and that is financed by tax-exempt or taxable bonds issued by a State or local housing finance agency, but only if such bonds—

''(1) are secured by a guarantee of the enterprise; or

''(2) are not investment grade and are purchased by the enterprise.

''(c) USE OF TENANT INCOME OR RENT.—The Director shall monitor the performance of each enterprise in meeting the goals established under this section and shall evaluate such performance (for purposes of section 1336) based on—

''(1) the income of the prospective or actual tenants of the property, where such data are available; or

''(2) where the data referred to in paragraph (1) are not available, rent levels affordable to low-income and very low-income families.

A rent level shall be considered to be affordable for purposes of this subsection for an income category referred to in this subsection if it does not exceed 30 percent of the maximum income level of such income category, with appropriate adjustments for unit size as measured by the number of bedrooms.

''(d) DETERMINATION OF COMPLIANCE.—The Director shall, for each year that the housing goal under this section is in effect pursuant to section 1331(a), determine whether each enterprise has complied with such goal and the additional requirements under subsection (a)(2).

''SEC. 1334. DISCRETIONARY ADJUSTMENT OF HOUSING GOALS.

''(a) AUTHORITY.—An enterprise may petition the Director in writing at any time during a year to reduce the level of any goal for such year established pursuant to this subpart.

''(b) STANDARD FOR REDUCTION.—The Director may reduce the level for a goal pursuant to such a petition only if—

''(1) market and economic conditions or the financial condition of the enterprise require such action; or

''(2) efforts to meet the goal would result in the constraint of liquidity, over-investment in certain market segments, or other consequences contrary to the intent of this subpart, or section 301(3) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716(3)) or section 301(3) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note), as applicable.

''(c) DETERMINATION.—The Director shall make a determination regarding any proposed reduction within 30 days of receipt of the petition regarding the reduction. The Director may extend such period for a single additional 15-day period, but only if the Director requests additional information from the enterprise. A denial by the Director to reduce the level of any goal under this section may be appealed to the United States District Court for the District of Columbia or the United States district court in the jurisdiction in which the headquarters of an enterprise is located.''.

(b) CONFORMING AMENDMENTS.—The Housing and Community Development Act of 1992 is amended—

(1) in section 1335(a) (12 U.S.C. 4565(a)), in the matter preceding paragraph (1), by striking ''low- and moderate-income housing goal'' and all that follows through ''section 1334'' and inserting ''housing goals established under this subpart''; and

(2) in section 1336(a)(1) (12 U.S.C. 4566(a)(1)), by striking ''sections 1332, 1333, and 1334,'' and inserting ''this subpart''.

(c) DEFINITIONS.—Section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502), as amended by the preceding provisions of this Division, is further amended—

(1) in paragraph (22) (relating to the definition of ''very low-income''), by striking ''60 percent'' each place such term appears and inserting ''50 percent'';

(2) by redesignating paragraphs (19) through (22) as paragraphs (23) through (26), respectively;

(3) by inserting after paragraph (18) the following new paragraph:

''(22) RURAL AREA.—The term 'rural area' has the meaning given such term in section 520 of the Housing Act of 1949 (42 U.S.C. 1490), except that such term includes micropolitan areas and tribal trust lands.''.

(4) by redesignating paragraphs (13) through (18) as paragraphs (16) through (21), respectively;

(5) by inserting after paragraph (12) the following new paragraph:

''(15) LOW-INCOME AREA.—The term 'low income area' means a census tract or block numbering area in which the median income does not exceed 80 percent of the median income for the area in which such census tract or block numbering area is located, and, for the purposes of section 1332(a)(2), shall include families having incomes not greater than 100 percent of the area median income who reside in minority census tracts.'';

(6) by redesignating paragraphs (11) and (12) as paragraphs (13) and (14), respectively;

(7) by inserting after paragraph (10) the following new paragraph:

''(12) EXTREMELY LOW-INCOME.—The term 'extremely low-income' means—

''(A) in the case of owner-occupied units, income not in excess of 30 percent of the area median income; and

''(B) in the case of rental units, income not in excess of 30 percent of the area median income, with adjustments for smaller and larger families, as determined by the Secretary.'';

(8) by redesignating paragraphs (7) through (10) as paragraphs (8) through (11), respectively; and

(9) by inserting after paragraph (6) the following new paragraph:

''(7) CONFORMING MORTGAGE.—The term 'conforming mortgage' means, with respect to an enterprise, a conventional mortgage having an original principal obligation that does not exceed the dollar limitation, in effect at the time of such origination, under, as applicable—

''(A) section 302(b)(2) of the Federal National Mortgage Association Charter Act; or

''(B) section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act.''.

SEC. 138. DUTY TO SERVE UNDERSERVED MARKETS.

(a) ESTABLISHMENT AND EVALUATION OF PERFORMANCE.—Section 1335 of the Housing and Community Development Act of 1992 (12 U.S.C. 4565) is amended—

(1) in the section heading, by inserting ''**DUTY TO SERVE UNDERSERVED MARKETS AND**'' before ''**OTHER**'';

(2) by striking subsection (b);

(3) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting ''and to carry out the duty under subsection (a) of this section'' before '', each enterprise shall'';

(B) in paragraph (3), by inserting ''and'' after the semicolon at the end;

(C) in paragraph (4), by striking ''; and'' and inserting a period;

(D) by striking paragraph (5); and

(E) by redesignating such subsection as subsection (b);

(4) by inserting before subsection (b) (as so redesignated by paragraph (3)(E) of this subsection) the following new subsection:

''(a) DUTY TO SERVE UNDERSERVED MARKETS.—

''(1) DUTY.—In accordance with the purpose of the enterprises under section 301(3) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716) and section 301(b)(3) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) to undertake activities relating to mortgages on housing for very low-, low-, and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities, each enterprise shall have the duty to increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing for underserved markets.

''(2) UNDERSERVED MARKETS.—To meet its duty under paragraph (1), each enterprise shall comply with the following requirements with respect to the following underserved markets:

''(A) MANUFACTURED HOUSING.—The enterprise shall lead the industry in developing loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages on manufactured homes for very low-, low-, and moderate-income families.

''(B) AFFORDABLE HOUSING PRESERVATION.—The enterprise shall lead the industry in developing loan products and flexible underwriting guidelines to facilitate a secondary market to preserve housing affordable to very low-, low-, and moderate-income families, including housing projects subsidized under—

''(i) the project-based and tenant-based rental assistance programs under section 8 of the United States Housing Act of 1937;

''(ii) the program under section 236 of the National Housing Act;

''(iii) the below-market interest rate mortgage program under section 221(d)(4) of the National Housing Act;

''(iv) the supportive housing for the elderly program under section 202 of the Housing Act of 1959;

''(v) the supportive housing program for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

''(vi) the programs under title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.), but only permanent supportive housing projects subsidized under such programs; and

''(vii) the rural rental housing program under section 515 of the Housing Act of 1949.

''(C) RURAL AND OTHER UNDERSERVED MARKETS.—The enterprise shall lead the industry in developing loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages on housing for very low-, low-, and moderate-income families in rural areas, and for mortgages for housing for any other underserved market for very low-, low-, and moderate-income families that the Secretary identifies as lacking adequate credit through conventional lending sources. Such underserved markets may be identified by borrower type, market segment, or geographic area.''; and

(5) by adding at the end the following new subsection:

''(c) EVALUATION AND REPORTING OF COMPLIANCE.—

''(1) IN GENERAL.—Not later than 6 months after the effective date under section 185 of the Federal Housing Finance Reform Act of 2007, the Director shall establish a manner for evaluating whether, and the extent to which, the enterprises have complied with the duty under subsection (a) to serve underserved markets and for rating the extent of such compliance. Using such method, the Director shall, for each year, evaluate such compliance and rate the performance of each enterprise as to extent of compliance. The Director shall include such evaluation and rating for each enterprise for a year in the report for that year submitted pursuant to section 1319B(a).

''(2) SEPARATE EVALUATIONS.—In determining whether an enterprise has complied with the duty referred to in paragraph (1), the Director shall separately evaluate whether the enterprise has complied with such duty with respect to each of the underserved markets identified in subsection (a), taking into consideration—

''(A) the development of loan products and more flexible underwriting guidelines;

''(B) the extent of outreach to qualified loan sellers in each of such underserved markets; and

''(C) the volume of loans purchased in each of such underserved markets.

''(3) MANUFACTURED HOUSING MARKET.—In determining whether an enterprise has complied with the duty under subparagraph (A) of subsection (a)(2), the Director may consider loans secured by both real and personal property.''.

(b) ENFORCEMENT.—Subsection (a) of section 1336 of the Housing and Community Development Act of 1992 (12 U.S.C. 4566(a)) is amended—

(1) in paragraph (1), by inserting ''and with the duty under section 1335(a) of each enterprise with respect to underserved markets,'' before ''as provided in this section''; and

(2) by adding at the end of such subsection, as amended by the preceding provisions of this title, the following new paragraph:

''(4) ENFORCEMENT OF DUTY TO PROVIDE MORTGAGE CREDIT TO UNDERSERVED MARKETS.—The duty under section 1335(a) of each enterprise to serve underserved markets (as determined in accordance with section 1335(c)) shall be enforceable under this section to the same extent and under the same provisions that the housing goals established under this subpart are enforceable. Such duty shall not be enforceable under any other provision of this title (including subpart C of this part) other than this section or under any provision of the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act.''.

SEC. 139. MONITORING AND ENFORCING COMPLIANCE WITH HOUSING GOALS.

(a) ADDITIONAL CREDIT FOR CERTAIN MORTGAGES.—Section 1336(a) of the Housing and Community Development Act of 1992 (12 U.S.C. 4566(a)) is amended—

(1) in paragraph (2), by inserting '', except as provided in paragraph (4),'' after ''which''; and

(2) by adding at the end the following new paragraph:

''(5) ADDITIONAL CREDIT.—The Director shall assign more than 125 percent credit toward achievement, under this section, of the housing goals for mortgage purchase activities of the enterprises that comply with the requirements of such goals and support—

''(A) housing that meets energy efficiency or other environmental standards that are established by a Federal, State, or local governmental authority with respect to the geographic area where the housing is located or are otherwise widely recognized; or

''(B) housing that includes a licensed childcare center.

The availability of additional credit under this paragraph shall not be used to increase any housing goal, subgoal, or target established under this subpart.''.

(b) MONITORING AND ENFORCEMENT.—Section 1336 of the Housing and Community Development Act of 1992 (12 U.S.C. 4566) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by inserting ''PRELIMINARY'' before ''DETERMINATION'';

(B) by striking paragraph (1) and inserting the following new paragraph:

''(1) NOTICE.—If the Director preliminarily determines that an enterprise has failed, or that there is a substantial probability that an enterprise will fail, to meet any housing goal established under this subpart, the Director shall provide written notice to the enterprise of such a preliminary determination, the reasons for such determination, and the information on which the Director based the determination.'';

(C) in paragraph (2)—

(i) in subparagraph (A), by inserting ''finally'' before ''determining'';

(ii) by striking subparagraphs (B) and (C) and inserting the following new subparagraph:

''(B) EXTENSION OR SHORTENING OF PERIOD.—The Director may—

''(i) extend the period under subparagraph (A) for good cause for not more than 30 additional days; and

''(ii) shorten the period under subparagraph (A) for good cause.''; and

(iii) by redesignating subparagraph (D) as subparagraph (C); and

(D) in paragraph (3)—

(i) in subparagraph (A), by striking ''determine'' and inserting ''issue a final determination of'';

(ii) in subparagraph (B), by inserting ''final'' before ''determinations''; and

(iii) in subparagraph (C)—

(I) by striking ''Committee on Banking, Finance and Urban Affairs'' and inserting ''Committee on Financial Services''; and

(II) by inserting ''final'' before ''determination'' each place such term appears; and

(2) in subsection (c)—

(A) by striking the subsection designation and heading and all that follows through the end of paragraph (1) and inserting the following:

''(c) CEASE AND DESIST ORDERS, CIVIL MONEY PENALTIES, AND REMEDIES INCLUDING HOUSING PLANS.—

''(1) REQUIREMENT.—If the Director finds, pursuant to subsection (b), that there is a substantial probability that an enterprise will fail, or has actually failed, to meet any housing goal under this subpart and that the achievement of the housing goal was or is feasible, the Director may require that the enterprise submit a housing plan under this subsection. If the Director makes such a finding and the enterprise refuses to submit such a plan, submits an unacceptable plan, fails to comply with the plan or the Director finds that the enterprise has failed to meet any housing goal under this subpart, in addition to requiring an enterprise to submit a housing plan, the Director may issue a cease and desist order in accordance with section 1341, impose civil money penalties in accordance with section 1345, or order other remedies as set forth in paragraph (7) of this subsection.'';

(B) in paragraph (2)—

(i) by striking ''CONTENTS.—Each housing plan'' and inserting ''HOUSING PLAN.—If the Director requires a housing plan under this section, such a plan''; and

(ii) in subparagraph (B), by inserting ''and changes in its operations'' after ''improvements'';

(C) in paragraph (3)—

(i) by inserting ''comply with any remedial action or'' before ''submit a housing plan''; and

(ii) by striking ''under subsection (b)(3) that a housing plan is required'';

(D) in paragraph (4), by striking the first two sentences and inserting the following: ''The Director shall review each submission by an enterprise, including a housing plan submitted under this subsection, and not later than 30 days after submission, approve or disapprove the plan or other action. The Director may extend the period for approval or disapproval for a single additional 30-day period if the Director determines such extension necessary.''; and

(E) by adding at the end the following new paragraph:

''(7) ADDITIONAL REMEDIES FOR FAILURE TO MEET GOALS.—In addition to ordering a housing plan under this section, issuing cease and desist orders under section 1341, and ordering civil money penalties under section 1345, the Director may seek other actions when an enterprise fails to meet a goal, and exercise appropriate enforcement authority available to the Director under this Act to prohibit the enterprise from initially offering any product (as such term is defined in section 1321(f)) or engaging in any new activities, services, undertakings, and offerings and to order the enterprise to suspend products and activities, services, undertakings, and offerings pending its achievement of the goal.''.

SEC. 140. AFFORDABLE HOUSING FUND.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 is amended by striking sections 1337 and 1338 (12 U.S.C. 4562 note) and inserting the following new section:

''SEC. 1337. AFFORDABLE HOUSING FUND.

''(a) ESTABLISHMENT AND PURPOSE.—The Director, in consultation with the Secretary of Housing and Urban Development, shall establish and manage an affordable housing fund in accordance with this section, which shall be funded with amounts allocated by the enterprises under subsection (b). The purpose of the affordable housing fund shall be to provide formula grants to grantees for use—

''(1) to increase homeownership for extremely low-and very low-income families;

''(2) to increase investment in housing in low-income areas, and areas designated as qualified census tracts or an area of chronic economic distress pursuant to section 143(j) of the Internal Revenue Code of 1986 (26 U.S.C. 143(j));

''(3) to increase and preserve the supply of rental and owner-occupied housing for extremely low- and very low-income families;

''(4) to increase investment in public infrastructure development in connection with housing assisted under this section; and

''(5) to leverage investments from other sources in affordable housing and in public infrastructure development in connection with housing assisted under this section.

''(b) ALLOCATION OF AMOUNTS BY ENTERPRISES.—

''(1) IN GENERAL.—In accordance with regulations issued by the Director under subsection (m) and subject to paragraph (2) of this subsection and subsection (i)(5), each enterprise shall allocate to the affordable housing fund established under subsection (a), in each of the years 2007 through 2011, an amount equal to 1.2 basis points for each dollar of the average total mortgage portfolio of the enterprise during the preceding year.

''(2) SUSPENSION OF CONTRIBUTIONS.—The Director shall temporarily suspend the allocation under paragraph (1) by an enterprise to the affordable housing fund upon a finding by the Director that such allocations—

''(A) are contributing, or would contribute, to the financial instability of the enterprise;

''(B) are causing, or would cause, the enterprise to be classified as undercapitalized; or

''(C) are preventing, or would prevent, the enterprise from successfully completing a capital restoration plan under section 1369C.

''(3) 5-YEAR SUNSET AND REPORT.—

''(A) SUNSET.—The enterprises shall not be required to make allocations to the affordable housing fund in 2012 or in any year thereafter.

''(B) REPORT ON PROGRAM CONTINUANCE.—Not later than June 30, 2011, the Director shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report making recommendations on whether the program under this section, including the requirement for the enterprises to make allocations to the affordable housing fund, should be extended and on any modifications for the program.

''(4) PROHIBITION OF PASS-THROUGH OF COST OF ALLOCATIONS.—The Director shall, by regulation, prohibit each enterprise from redirecting such costs, through increased charges or fees, or decreased premiums, or in any other manner, to the originators of mortgages purchased or securitized by the enterprise.

''(c) AFFORDABLE HOUSING NEEDS FORMULAS.—

''(1) ALLOCATION FOR 2007.—

''(A) ALLOCATION PERCENTAGES FOR LOUISIANA AND MISSISSIPPI.—For purposes of subsection (d)(1)(A), the allocation percentages for 2007 for the grantees under this section for such year shall be as follows:

''(i) The allocation percentage for the Louisiana Housing Finance Agency shall be 75 percent.

''(ii) The allocation percentage for the Mississippi Development Authority shall be 25 percent.

''(B) USE IN DISASTER AREAS.—Affordable housing grant amounts for 2007 shall be used only as provided in subsection (g) only for such eligible activities in areas that were subject to a declaration by the President of a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) in connection with Hurricane Katrina or Rita of 2005.

''(2) ALLOCATION FORMULA FOR OTHER YEARS.—The Secretary of Housing and Urban Development shall, by regulation, establish a formula to allocate, among the States (as such term is defined in section 1303) and federally recognized Indian tribes, the amounts provided by the enterprises in each year referred to subsection (b)(1), other than 2007, to the affordable housing fund established under this section. The formula shall be based on the following factors, with respect to each State and tribe:

''(A) The ratio of the population of the State or federally recognized Indian tribe to the aggregate population of all the States and tribes.

''(B) The percentage of families in the State or federally recognized Indian tribe that pay more than 50 percent of their annual income for housing costs.

''(C) The percentage of persons in the State or federally recognized Indian tribe that are members of extremely low- or very low-income families.

''(D) The cost of developing or carrying out rehabilitation of housing in the State or for the federally recognized Indian tribe.

''(E) The percentage of families in the State or federally recognized Indian tribe that live in substandard housing.

''(F) The percentage of housing stock in the State or for the federally recognized Indian tribe that is extremely old housing.

''(G) Any other factors that the Secretary determines to be appropriate.

''(3) FAILURE TO ESTABLISH.—If, in any year referred to in subsection (b)(1), other than 2007, the regulations establishing the formula required under paragraph (2) of this subsection have not been issued by the date that the Director determines the amounts described in subsection (d)(1) to be available for affordable housing fund grants in such year, for purposes of such year any amounts for a State (as such term is defined in section 1303 of this Act) that would otherwise be determined under subsection (d) by applying the formula established pursuant to paragraph (2) of this subsection shall be determined instead by applying, for such State, the percentage that is equal to the percentage of the total amounts made available for such year for allocation under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.) that are allocated in such year, pursuant to such subtitle, to such State (including any insular area or unit of general local government, as such terms are defined in section 104 of such Act (42 U.S.C. 12704), that is treated as a State under section 1303 of this Act) and to participating jurisdictions and other eligible entities within such State.

''(d) ALLOCATION OF FORMULA AMOUNT; GRANTS.—

''(1) FORMULA AMOUNT.—For each year referred to in subsection (b)(1), the Director shall determine the formula amount under this section for each grantee, which shall be the amount determined for such grantee—

''(A) for 2007, by applying the allocation percentages under subparagraph (A) of subsection (c)(1) to the sum of the total amounts allocated by the enterprises to the affordable housing fund for such year, less

any amounts used pursuant to subsection (i)(1); and

''(B) for any other year referred to in subsection (b)(1) (other than 2007), by applying the formula established pursuant to paragraph (2) of subsection (c) to the sum of the total amounts allocated by the enterprises to the affordable housing fund for such year and any recaptured amounts available pursuant to subsection (i)(4), less any amounts used pursuant to subsection (i)(1).

''(2) NOTICE.—In each year referred to in subsection (b)(1), not later than 60 days after the date that the Director determines the amounts described in paragraph (1) to be available for affordable housing fund grants to grantees in such year, the Director shall cause to be published in the Federal Register a notice that such amounts shall be so available.

''(3) GRANT AMOUNT.—

''(A) IN GENERAL.—For each year referred to in subsection (b)(1), the Director shall make a grant from amounts in the affordable housing fund to each grantee in an amount that is, except as provided in subparagraph (B), equal to the formula amount under this section for the grantee. A grantee may designate a State housing finance agency, housing and community development entity, tribally designated housing entity (as such term is defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1997 (25 U.S.C. 4103)) or other qualified instrumentality of the grantee to receive such grant amounts.

''(B) REDUCTION FOR FAILURE TO OBTAIN RETURN OF MISUSED FUNDS.—If in any year a grantee fails to obtain reimbursement or return of the full amount required under subsection (j)(1)(B) to be reimbursed or returned to the grantee during such year—

''(i) except as provided in clause (ii)—

''(I) the amount of the grant for the grantee for the succeeding year, as determined pursuant to subparagraph (A), shall be reduced by the amount by which such amounts required to be reimbursed or returned exceed the amount actually reimbursed or returned; and

''(II) the amount of the grant for the succeeding year for each other grantee whose grant is not reduced pursuant to subclause (I) shall be increased by the amount determined by applying the formula established pursuant to subsection (c)(2) to the total amount of all reductions for all grantees for such year pursuant to subclause (I); or

''(ii) in any case in which such failure to obtain reimbursement or return occurs during a year immediately preceding a year in which grants under this subsection will not be made, the grantee shall pay to the Director for reallocation among the other grantees an amount equal to the amount of the reduction for the grantee that would otherwise apply under clause (i)(I).

''(e) GRANTEE ALLOCATION PLANS.—

''(1) IN GENERAL.—For each year that a grantee receives affordable housing fund grant amounts, the grantee shall establish an allocation plan in accordance with this subsection, which shall be a plan for the distribution of such grant amounts of the grantee for such year that—

''(A) is based on priority housing needs, as determined by the grantee in accordance with the regulations established under subsection (m)(2)(C);

''(B) complies with subsection (f); and

''(C) includes performance goals, benchmarks, and timetables for the grantee for the production, preservation, and rehabilitation of affordable rental and homeownership housing with such grant amounts that comply with the requirements established by the Director pursuant to subsection (m)(2)(F).

''(2) ESTABLISHMENT.—In establishing an allocation plan, a grantee shall notify the public of the establishment of the plan, provide an opportunity for public comments regarding the plan, consider any public comments received, and make the completed plan available to the public.

''(3) CONTENTS.—An allocation plan of a grantee shall set forth the requirements for eligible recipients under subsection (h) to apply to the grantee to receive assistance from affordable housing fund grant amounts, including a requirement that each such application include—

''(A) a description of the eligible activities to be conducted using such assistance; and

''(B) a certification by the eligible recipient applying for such assistance that any housing units assisted with such assistance will comply with the requirements under this section.

''(f) SELECTION OF ACTIVITIES FUNDED USING AFFORDABLE HOUSING FUND GRANT AMOUNTS.—Affordable housing fund grant amounts of a grantee may be used, or committed for use, only for activities that—

''(1) are eligible under subsection (g) for such use;

''(2) comply with the applicable allocation plan under subsection (e) of the grantee; and

''(3) are selected for funding by the grantee in accordance with the process and criteria for such selection established pursuant to subsection (m)(2)(C).

''(g) ELIGIBLE ACTIVITIES.—Affordable housing fund grant amounts of a grantee shall be eligible for use, or for commitment for use, only for assistance for—

''(1) the production, preservation, and rehabilitation of rental housing, including housing under the programs identified in section 1335(a)(2)(B), except that such grant amounts may be used for the benefit only of extremely low- and very low-income families;

''(2) the production, preservation, and rehabilitation of housing for homeownership, including such forms as downpayment assistance, closing cost assistance, and assistance for interest-rate buy-downs, that—

''(A) is available for purchase only for use as a principal residence by families that qualify both as—

''(i) extremely low- and very-low income families at the times described in subparagraphs (A) through (C) of section 215(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)(2)); and

''(ii) first-time homebuyers, as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704), except that any reference in such section to assistance under title II of such Act shall for purposes of this section be considered to refer to assistance from affordable housing fund grant amounts;

''(B) has an initial purchase price that meets the requirements of section 215(b)(1) of the Cranston-Gonzalez National Affordable Housing Act;

''(C) is subject to the same resale restrictions established under section 215(b)(3) of the Cranston-Gonzalez National Affordable Housing Act and applicable to the participating jurisdiction that is the State in which such housing is located; and

''(D) is made available for purchase only by, or in the case of assistance under this paragraph, is made available only to, homebuyers who have, before purchase—

''(i) completed a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Director; except that the Director may, at the request of a State, waive the requirements of this subparagraph with respect to a geographic area or areas within the State if: (I) the travel time or distance involved in providing counseling with respect to such area or areas, as otherwise required under this subparagraph, on an in-person basis is excessive or the cost of such travel is prohibitive; and (II) the State provides alternative forms of counseling for such area or areas, which may include interactive telephone counseling, online counseling, interactive video counseling, and interactive home study counseling and a program of financial literacy and education to promote an understanding of consumer, economic, and personal finance issues and concepts, including saving for retirement, managing credit, long-term care, and estate planning and education on predatory lending, identity theft, and financial abuse schemes relating to homeownership that is approved by the Director, except that entities providing such counseling shall not discriminate against any particular form of housing; and

''(ii) demonstrated, in accordance with regulations as the Director shall issue setting forth requirements for sufficient evidence, that they are lawfully present in the United States; and

''(3) public infrastructure development activities in connection with housing activities funded under paragraph (1) or (2).

''(h) ELIGIBLE RECIPIENTS.—Affordable housing fund grant amounts of a grantee may be provided only to a recipient that is an organization, agency, or other entity (including a for-profit entity, a nonprofit entity, and a faith-based organization) that—

''(1) has demonstrated experience and capacity to conduct an eligible activity under (g), as evidenced by its ability to—

''(A) own, construct or rehabilitate, manage, and operate an affordable multifamily rental housing development;

''(B) design, construct or rehabilitate, and market affordable housing for homeownership;

''(C) provide forms of assistance, such as downpayments, closing costs, or interest-rate buy-downs, for purchasers; or

''(D) construct related public infrastructure development activities in connection with such housing activities;

''(2) demonstrates the ability and financial capacity to undertake, comply, and manage the eligible activity;

''(3) demonstrates its familiarly with the requirements of any other Federal, State or local housing program that will be used in conjunction with such grant amounts to ensure compliance with all applicable requirements and regulations of such programs; and

''(4) makes such assurances to the grantee as the Director shall, by regulation, require to ensure that the recipient will comply with the requirements of this section during the entire period that begins upon selection of the recipient to receive such grant amounts and ending upon the conclusion of all activities under subsection (g) that are engaged in by the recipient and funded with such grant amounts.

''(i) LIMITATIONS ON USE.—

''(1) REQUIRED AMOUNT FOR REFCORP.—Of the aggregate amount allocated pursuant to subsection (b) in each year to the affordable housing fund, 25 percent shall be used as provided in section 21B(f)(2)(E) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(E)).

''(2) REQUIRED AMOUNT FOR HOMEOWNERSHIP ACTIVITIES.—Of the aggregate amount of affordable housing fund grant amounts provided in each year to a grantee, not less than 10 percent shall be used for activities under paragraph (2) of subsection (g).

''(3) MAXIMUM AMOUNT FOR PUBLIC INFRASTRUCTURE DEVELOPMENT ACTIVITIES IN CONNECTION WITH AFFORDABLE HOUSING ACTIVITIES.—Of the aggregate amount of affordable

housing fund grant amounts provided in each year to a grantee, not more than 12.5 percent may be used for activities under paragraph (3) of subsection (g).

''(4) DEADLINE FOR COMMITMENT OR USE.—Any affordable housing fund grant amounts of a grantee shall be used or committed for use within two years of the date of that such grant amounts are made available to the grantee. The Director shall recapture into the affordable housing fund any such amounts not so used or committed for use and allocate such amounts under subsection (d)(1) in the first year after such recapture.

''(5) USE OF RETURNS.—The Director shall, by regulation provide that any return on a loan or other investment of any affordable housing fund grant amounts of a grantee shall be treated, for purposes of availability to and use by the grantee, as affordable housing fund grant amounts.

''(6) PROHIBITED USES.—The Director shall—

''(A) by regulation, set forth prohibited uses of affordable housing fund grant amounts, which shall include use for—

''(i) political activities;

''(ii) advocacy;

''(iii) lobbying, whether directly or through other parties;

''(iv) counseling services;

''(v) travel expenses; and

''(vi) preparing or providing advice on tax returns;

''(B) by regulation, provide that, except as provided in subparagraph (C), affordable housing fund grant amounts of a grantee may not be used for administrative, outreach, or other costs of—

''(i) the grantee; or

''(ii) any recipient of such grant amounts; and

''(C) by regulation, limit the amount of any affordable housing fund grant amounts of the grantee for a year that may be used for administrative costs of the grantee of carrying out the program required under this section to a percentage of such grant amounts of the grantee for such year, which may not exceed 10 percent.

''(7) PROHIBITION OF CONSIDERATION OF USE FOR MEETING HOUSING GOALS OR DUTY TO SERVE.—In determining compliance with the housing goals under this subpart and the duty to serve underserved markets under section 1335, the Director may not consider any affordable housing fund grant amounts used under this section for eligible activities under subsection (g). The Director shall give credit toward the achievement of such housing goals and such duty to serve underserved markets to purchases by the enterprises of mortgages for housing that receives funding from affordable housing fund grant amounts, but only to the extent that such purchases by the enterprises are funded other than with such grant amounts.

''(8) ACCEPTABLE IDENTIFICATION REQUIREMENT FOR OCCUPANCY OR ASSISTANCE.—

''(A) IN GENERAL.—Any assistance provided with any affordable housing grant amounts may not be made available to, or on behalf of, any individual or household unless the individual provides, or, in the case of a household, all adult members of the household provide, personal identification in one of the following forms:

''(i) SOCIAL SECURITY CARD WITH PHOTO IDENTIFICATION CARD OR REAL ID ACT IDENTIFICATION.—

''(I) A social security card accompanied by a photo identification card issued by the Federal Government or a State Government; or

''(II) A driver's license or identification card issued by a State in the case of a State that is in compliance with title II of the REAL ID Act of 2005 (title II of division B of Public Law 109-13; 49 U.S.C. 30301 note).

''(ii) PASSPORT.—A passport issued by the United States or a foreign government.

''(iii) USCIS PHOTO IDENTIFICATION CARD.—A photo identification card issued by the Secretary of Homeland Security (acting through the Director of the United States Citizenship and Immigration Services).

''(B) REGULATIONS.—The Director shall, by regulation, require that each grantee and recipient take such actions as the Director considers necessary to ensure compliance with the requirements of subparagraph (A).

''(j) ACCOUNTABILITY OF RECIPIENTS AND GRANTEES.—

''(1) RECIPIENTS.—

''(A) TRACKING OF FUNDS.—The Director shall—

''(i) require each grantee to develop and maintain a system to ensure that each recipient of assistance from affordable housing fund grant amounts of the grantee uses such amounts in accordance with this section, the regulations issued under this section, and any requirements or conditions under which such amounts were provided; and

''(ii) establish minimum requirements for agreements, between the grantee and recipients, regarding assistance from the affordable housing fund grant amounts of the grantee, which shall include—

''(I) appropriate continuing financial and project reporting, record retention, and audit requirements for the duration of the grant to the recipient to ensure compliance with the limitations and requirements of this section and the regulations under this section; and

''(II) any other requirements that the Director determines are necessary to ensure appropriate grant administration and compliance.

''(B) MISUSE OF FUNDS.—

''(i) REIMBURSEMENT REQUIREMENT.—If any recipient of assistance from affordable housing fund grant amounts of a grantee is determined, in accordance with clause (ii), to have used any such amounts in a manner that is materially in violation of this section, the regulations issued under this section, or any requirements or conditions under which such amounts were provided, the grantee shall require that, within 12 months after the determination of such misuse, the recipient shall reimburse the grantee for such misused amounts and return to the grantee any amounts from the affordable housing fund grant amounts of the grantee that remain unused or uncommitted for use. The remedies under this clause are in addition to any other remedies that may be available under law.

''(ii) DETERMINATION.—A determination is made in accordance with this clause if the determination is—

''(I) made by the Director; or

''(II)(aa) made by the grantee;

''(bb) the grantee provides notification of the determination to the Director for review, in the discretion of the Director, of the determination; and

''(cc) the Director does not subsequently reverse the determination.

''(2) GRANTEES.—

''(A) REPORT.—

''(i) IN GENERAL.—The Director shall require each grantee receiving affordable housing fund grant amounts for a year to submit a report, for such year, to the Director that—

''(I) describes the activities funded under this section during such year with the affordable housing fund grant amounts of the grantee; and

''(II) the manner in which the grantee complied during such year with the allocation plan established pursuant to subsection (e) for the grantee.

''(ii) PUBLIC AVAILABILITY.—The Director shall make such reports pursuant to this subparagraph publicly available.

''(B) MISUSE OF FUNDS.—If the Director determines, after reasonable notice and opportunity for hearing, that a grantee has failed to comply substantially with any provision of this section and until the Director is satisfied that there is no longer any such failure to comply, the Director shall—

''(i) reduce the amount of assistance under this section to the grantee by an amount equal to the amount affordable housing fund grant amounts which were not used in accordance with this section;

''(ii) require the grantee to repay the Director an amount equal to the amount of the amount affordable housing fund grant amounts which were not used in accordance with this section;

''(iii) limit the availability of assistance under this section to the grantee to activities or recipients not affected by such failure to comply; or

''(iv) terminate any assistance under this section to the grantee.

''(k) CAPITAL REQUIREMENTS.—The utilization or commitment of amounts from the affordable housing fund shall not be subject to the risk-based capital requirements established pursuant to section 1361(a).

''(l) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) AFFORDABLE HOUSING FUND GRANT AMOUNTS.—The term 'affordable housing fund grant amounts' means amounts from the affordable housing fund established under subsection (a) that are provided to a grantee pursuant to subsection (d)(3).

''(2) GRANTEE.—The term 'grantee' means—

''(A) with respect to 2007, the Louisiana Housing Finance Agency and the Mississippi Development Authority; and

''(B) with respect to the years referred to in subsection (b)(1), other than 2007, each State (as such term is defined in section 1303) and each federally recognized Indian tribe.

''(3) RECIPIENT.—The term 'recipient' means an entity meeting the requirements under subsection (h) that receives assistance from a grantee from affordable housing fund grant amounts of the grantee.

''(4) TOTAL MORTGAGE PORTFOLIO.—The term 'total mortgage portfolio' means, with respect to a year, the sum, for all mortgages outstanding during that year in any form, including whole loans, mortgage-backed securities, participation certificates, or other structured securities backed by mortgages, of the dollar amount of the unpaid outstanding principal balances under such mortgages. Such term includes all such mortgages or securitized obligations, whether retained in portfolio, or sold in any form. The Director is authorized to promulgate rules further defining such term as necessary to implement this section and to address market developments.

''(5) VERY-LOW INCOME FAMILY.—The term 'very low-income family' has the meaning given such term in section 1303, except that such term includes any family that resides in a rural area that has an income that does not exceed the poverty line (as such term is defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)), including any revision required by such section) applicable to a family of the size involved.

''(m) REGULATIONS.—

''(1) IN GENERAL.—The Director, in consultation with the Secretary of Housing and Urban Development, shall issue regulations to carry out this section.

''(2) REQUIRED CONTENTS.—The regulations issued under this subsection shall include—

''(A) a requirement that the Director ensure that the program of each grantee for use of affordable housing fund grant amounts of the grantee is audited not less than annually to ensure compliance with this section;

''(B) authority for the Director to audit, provide for an audit, or otherwise verify a grantee's activities, to ensure compliance with this section;

''(C) requirements for a process for application to, and selection by, each grantee for activities meeting the grantee's priority housing needs to be funded with affordable housing fund grant amounts of the grantee, which shall provide for priority in funding to be based upon—

''(i) greatest impact;

''(ii) geographic diversity;

''(iii) ability to obligate amounts and undertake activities so funded in a timely manner;

''(iv) in the case of rental housing projects under subsection (g)(1), the extent to which rents for units in the project funded are affordable, especially for extremely low-income families;

''(v) in the case of rental housing projects under subsection (g)(1), the extent of the duration for which such rents will remain affordable;

''(vi) the extent to which the application makes use of other funding sources; and

''(vii) the merits of an applicant's proposed eligible activity;

''(D) requirements to ensure that amounts provided to a grantee from the affordable housing fund that are used for rental housing under subsection (g)(1) are used only for the benefit of extremely low- and very-low income families;

''(E) limitations on public infrastructure development activities that are eligible pursuant to subsection (g)(3) for funding with affordable housing fund grant amounts and requirements for the connection between such activities and housing activities funded under paragraph (1) or (2) of subsection (g); and

''(F) requirements and standards for establishment, by grantees (including the grantees for 2007 pursuant to subsection (l)(2)(A)), of performance goals, benchmarks, and timetables for the production, preservation, and rehabilitation of affordable rental and homeownership housing with affordable housing fund grant amounts.

''(n) ENFORCEMENT OF REQUIREMENTS ON ENTERPRISE.—Compliance by the enterprises with the requirements under this section shall be enforceable under subpart C. Any reference in such subpart to this part or to an order, rule, or regulation under this part specifically includes this section and any order, rule, or regulation under this section.

''(o) AFFORDABLE HOUSING TRUST FUND.—If, after the enactment of this Act, in any year, there is enacted any provision of Federal law establishing an affordable housing trust fund other than under this title for use only for grants to provide affordable rental housing and affordable homeownership opportunities, and the subsequent year is a year referred to in subsection (b)(1), the Director shall in such subsequent year and any remaining years referred to in subsection (b)(1) transfer to such affordable housing trust fund the aggregate amount allocated pursuant to subsection (b) in such year to the affordable housing fund under this section, less any amounts used pursuant to subsection (i)(1). For such subsequent and remaining years, the provisions of subsections (c) and (d) shall not apply. Notwithstanding any other provision of law, assistance provided using amounts transferred to such affordable housing trust fund pursuant to this subsection may not be used for any of the activities specified in clauses (i) through (vi) of subsection (i)(6). Nothing in this subsection shall be construed to alter the terms and conditions of the affordable housing fund under this section or to extend the life of such fund.

''(p) FUNDING ACCOUNTABILITY AND TRANSPARENCY.—Any grant under this section to a grantee from the affordable housing fund established under subsection (a), any assistance provided to a recipient by a grantee from affordable housing fund grant amounts, and any grant, award, or other assistance from an affordable housing trust fund referred to in subsection (o) shall be considered a Federal award for purposes of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note). Upon the request of the Director of the Office of Management and Budget, the Director of the Federal Housing Finance Agency shall obtain and provide such information regarding any such grants, assistance, and awards as the Director of the Office of Management and Budget considers necessary to comply with the requirements of such Act, as applicable pursuant to the preceding sentence.''.

(b) TIMELY ESTABLISHMENT OF AFFORDABLE HOUSING NEEDS FORMULA.—

(1) IN GENERAL.—The Secretary of Housing and Urban Development shall, not later than the effective date under section 185 of this Division, issue the regulations establishing the affordable housing needs formulas in accordance with the provisions of section 1337(c)(2) of the Housing and Community Development Act of 1992, as such section is amended by subsection (a) of this section.

(2) EFFECTIVE DATE.—This subsection shall take effect on the date of the enactment of this Act.

(c) REFCORP PAYMENTS.—Section 21B(f)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)) is amended—

(1) in subparagraph (E), by striking ''and (D)'' and inserting ''(D), and (E)'';

(2) by redesignating subparagraph (E) as subparagraph (F); and

(3) by inserting after subparagraph (D) the following new subparagraph:

''(E) PAYMENTS BY FANNIE MAE AND FREDDIE MAC.—To the extent that the amounts available pursuant to subparagraphs (A), (B), (C), and (D) are insufficient to cover the amount of interest payments, each enterprise (as such term is defined in section 1303 of the Housing and Community Development Act of 1992 (42 U.S.C. 4502)) shall transfer to the Funding Corporation in each calendar year the amounts allocated for use under this subparagraph pursuant to section 1337(i)(1) of such Act.''.

(d) GAO REPORT.—The Comptroller General shall conduct a study to determine the effects that the affordable housing fund established under section 1337 of the Housing and Community Development Act of 1992, as added by the amendment made by subsection (a) of this section, will have on the availability and affordability of credit for homebuyers, including the effects on such credit of the requirement under such section 1337(b) that the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation make allocations of amounts to such fund based on the average total mortgage portfolios, and the extent to which the costs of such allocation requirement will be borne by such entities or will be passed on to homebuyers. Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress setting forth the results and conclusions of such study. This subsection shall take effect on the date of the enactment of this Act.

SEC. 141. CONSISTENCY WITH MISSION.

Subpart B of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4561 et seq.) is amended by adding after section 1337, as added by section 139 of this Division, the following new section:

''SEC. 1338. CONSISTENCY WITH MISSION.

''This subpart may not be construed to authorize an enterprise to engage in any program or activity that contravenes or is inconsistent with the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act.''.

SEC. 142. ENFORCEMENT.

(a) CEASE-AND-DESIST PROCEEDINGS.—Section 1341 of the Housing and Community Development Act of 1992 (12 U.S.C. 4581) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) GROUNDS FOR ISSUANCE.—The Director may issue and serve a notice of charges under this section upon an enterprise if the Director determines—

''(1) the enterprise has failed to meet any housing goal established under subpart B, following a written notice and determination of such failure in accordance with section 1336;

''(2) the enterprise has failed to submit a report under section 1314, following a notice of such failure, an opportunity for comment by the enterprise, and a final determination by the Director;

''(3) the enterprise has failed to submit the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act, or subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act;

''(4) the enterprise has violated any provision of this part or any order, rule or regulation under this part;

''(5) the enterprise has failed to submit a housing plan that complies with section 1336(c) within the applicable period; or

''(6) the enterprise has failed to comply with a housing plan under section 1336(c).'';

(2) in subsection (b)(2), by striking ''requiring the enterprise to'' and all that follows through the end of the paragraph and inserting the following: ''requiring the enterprise to—

''(A) comply with the goal or goals;

''(B) submit a report under section 1314;

''(C) comply with any provision this part or any order, rule or regulation under such part;

''(D) submit a housing plan in compliance with section 1336(c);

''(E) comply with a housing plan submitted under section 1336(c); or

''(F) provide the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act or subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act, as applicable.'';

(3) in subsection (c), by inserting ''date of the'' before ''service of the order''; and

(4) by striking subsection (d).

(b) AUTHORITY OF DIRECTOR TO ENFORCE NOTICES AND ORDERS.—Section 1344 of the Housing and Community Development Act of 1992 (12 U.S.C. 4584) is amended by striking subsection (a) and inserting the following new subsection:

''(a) ENFORCEMENT.—The Director may, in the discretion of the Director, apply to the United States District Court for the District of Columbia, or the United States district court within the jurisdiction of which the headquarters of the enterprise is located, for the enforcement of any effective and outstanding notice or order issued under section 1341 or 1345, or request that the Attorney General of the United States bring such an action. Such court shall have jurisdiction and power to order and require compliance with such notice or order.''.

(c) CIVIL MONEY PENALTIES.—Section 1345 of the Housing and Community Development Act of 1992 (12 U.S.C. 4585) is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) AUTHORITY.—The Director may impose a civil money penalty, in accordance with the provisions of this section, on any enterprise that has failed to—

''(1) meet any housing goal established under subpart B, following a written notice and determination of such failure in accordance with section 1336(b);

''(2) submit a report under section 1314, following a notice of such failure, an opportunity for comment by the enterprise, and a final determination by the Director;

''(3) submit the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act, or subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act;

''(4) comply with any provision of this part or any order, rule or regulation under this part;

''(5) submit a housing plan pursuant to section 1336(c) within the required period; or

''(6) comply with a housing plan for the enterprise under section 1336(c).

''(b) AMOUNT OF PENALTY.—The amount of the penalty, as determined by the Director, may not exceed—

''(1) for any failure described in paragraph (1), (5), or (6) of subsection (a), $50,000 for each day that the failure occurs; and

''(2) for any failure described in paragraph (2), (3), or (4) of subsection (a), $20,000 for each day that the failure occurs.'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting ''and'' after the semicolon at the end;

(ii) in subparagraph (B), by striking ''; and'' and inserting a period; and

(iii) by striking subparagraph (C); and

(B) in paragraph (2), by inserting after the period at the end the following: ''In determining the penalty under subsection (a)(1), the Director shall give consideration to the length of time the enterprise should reasonably take to achieve the goal.'';

(3) in the first sentence of subsection (d)—

(A) by striking ''request the Attorney General of the United States to'' and inserting '', in the discretion of the Director,''; and

(B) by inserting '', or request that the Attorney General of the United States bring such an action'' before the period at the end;

(4) by striking subsection (f); and

(5) by redesignating subsection (g) as subsection (f).

(d) ENFORCEMENT OF SUBPOENAS.—Section 1348(c) of the Housing and Community Development Act of 1992 (12 U.S.C. 4588(c)) is amended—

(1) by striking ''request the Attorney General of the United States to'' and inserting '', in the discretion of the Director,''; and

(2) by inserting ''or request that the Attorney General of the United States bring such an action,'' after ''District of Columbia,''.

(e) CONFORMING AMENDMENT.—The heading for subpart C of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 is amended to read as follows:

''Subpart C—Enforcement''.

SEC. 143. CONFORMING AMENDMENTS.

Part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4541 et seq.) is amended—

(1) by striking ''Secretary'' each place such term appears in such part and inserting ''Director'';

(2) in the section heading for section 1323 (12 U.S.C. 4543), by inserting ''**OF ENTERPRISES**'' before the period at the end;

(3) by striking section 1327 (12 U.S.C. 4547);

(4) by striking section 1328 (12 U.S.C. 4548);

(5) by redesignating section 1329 (as amended by section 135) as section 1327;

(6) in sections 1345(c)(1)(A), 1346(a), and 1346(b) (12 U.S.C. 4585(c)(1)(A), 4586(a), and 4586(b)), by striking ''Secretary's'' each place such term appears and inserting ''Director's''; and

(7) by striking section 1349 (12 U.S.C. 4589).

Subtitle C—Prompt Corrective Action

SEC. 151. CAPITAL CLASSIFICATIONS.

(a) IN GENERAL.—Section 1364 of the Housing and Community Development Act of 1992 (12 U.S.C. 4614) is amended—

(1) in the heading for subsection (a), by striking ''IN GENERAL'' and inserting ''ENTERPRISES''.

(2) in subsection (c)—

(A) by striking ''subsection (b)'' and inserting ''subsection (c)'';

(B) by striking ''enterprises'' and inserting ''regulated entities''; and

(C) by striking the last sentence;

(3) by redesignating subsections (c) (as so amended by paragraph (2) of this subsection) and (d) as subsections (d) and (f), respectively;

(4) by striking subsection (b) and inserting the following new subsections:

''(b) FEDERAL HOME LOAN BANKS.—

''(1) ESTABLISHMENT AND CRITERIA.—For purposes of this subtitle, the Director shall, by regulation—

''(A) establish the capital classifications specified under paragraph (2) for the Federal home loan banks;

''(B) establish criteria for each such capital classification based on the amount and types of capital held by a bank and the risk-based, minimum, and critical capital levels for the banks and taking due consideration of the capital classifications established under subsection (a) for the enterprises, with such modifications as the Director determines to be appropriate to reflect the difference in operations between the banks and the enterprises; and

''(C) shall classify the Federal home loan banks according to such capital classifications.

''(2) CLASSIFICATIONS.—The capital classifications specified under this paragraph are—

''(A) adequately capitalized;

''(B) undercapitalized;

''(C) significantly undercapitalized; and

''(D) critically undercapitalized.

''(c) DISCRETIONARY CLASSIFICATION.—

''(1) GROUNDS FOR RECLASSIFICATION.—The Director may reclassify a regulated entity under paragraph (2) if—

''(A) at any time, the Director determines in writing that the regulated entity is engaging in conduct that could result in a rapid depletion of core or total capital or, in the case of an enterprise, that the value of the property subject to mortgages held or securitized by the enterprise has decreased significantly;

''(B) after notice and an opportunity for hearing, the Director determines that the regulated entity is in an unsafe or unsound condition; or

''(C) pursuant to section 1371(b), the Director deems the regulated entity to be engaging in an unsafe or unsound practice.

''(2) RECLASSIFICATION.—In addition to any other action authorized under this title, including the reclassification of a regulated entity for any reason not specified in this subsection, if the Director takes any action described in paragraph (1) the Director may classify a regulated entity—

''(A) as undercapitalized, if the regulated entity is otherwise classified as adequately capitalized;

''(B) as significantly undercapitalized, if the regulated entity is otherwise classified as undercapitalized; and

''(C) as critically undercapitalized, if the regulated entity is otherwise classified as significantly undercapitalized.''; and

(5) by inserting after subsection (d) (as so redesignated by paragraph (3) of this subsection), the following new subsection:

''(e) RESTRICTION ON CAPITAL DISTRIBUTIONS.—

''(1) IN GENERAL.—A regulated entity shall make no capital distribution if, after making the distribution, the regulated entity would be undercapitalized.

''(2) EXCEPTION.—Notwithstanding paragraph (1), the Director may permit a regulated entity, to the extent appropriate or applicable, to repurchase, redeem, retire, or otherwise acquire shares or ownership interests if the repurchase, redemption, retirement, or other acquisition—

''(A) is made in connection with the issuance of additional shares or obligations of the regulated entity in at least an equivalent amount; and

''(B) will reduce the financial obligations of the regulated entity or otherwise improve the financial condition of the entity.''.

(b) REGULATIONS.—Not later than the expiration of the 180-day period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall issue regulations to carry out section 1364(b) of the Housing and Community Development Act of 1992 (as added by paragraph (4) of this subsection), relating to capital classifications for the Federal home loan banks.

SEC. 152. SUPERVISORY ACTIONS APPLICABLE TO UNDERCAPITALIZED REGULATED ENTITIES.

Section 1365 of the Housing and Community Development Act of 1992 (12 U.S.C. 4615) is amended—

(1) in the section heading, by striking ''**ENTERPRISES**'' and inserting ''**REGULATED ENTITIES**'';

(2) in subsection (a)—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively;

(B) by inserting before paragraph (2), as so redesignated by subparagraph (A) of this paragraph, the following paragraph:

''(1) REQUIRED MONITORING.—The Director shall—

''(A) closely monitor the condition of any regulated entity that is classified as undercapitalized;

''(B) closely monitor compliance with the capital restoration plan, restrictions, and requirements imposed under this section; and

''(C) periodically review the plan, restrictions, and requirements applicable to the undercapitalized regulated entity to determine whether the plan, restrictions, and requirements are achieving the purpose of this section.''; and

(C) by inserting at the end the following new paragraphs:

''(4) RESTRICTION OF ASSET GROWTH.—A regulated entity that is classified as undercapitalized shall not permit its average total assets (as such term is defined in section 1316(b) during any calendar quarter to exceed its average total assets during the preceding calendar quarter unless—

''(A) the Director has accepted the capital restoration plan of the regulated entity;

''(B) any increase in total assets is consistent with the plan; and

''(C) the ratio of total capital to assets for the regulated entity increases during the calendar quarter at a rate sufficient to enable the entity to become adequately capitalized within a reasonable time.

''(5) PRIOR APPROVAL OF ACQUISITIONS, NEW PRODUCTS, AND NEW ACTIVITIES.—A regulated entity that is classified as undercapitalized

shall not, directly or indirectly, acquire any interest in any entity or initially offer any new product (as such term is defined in section 1321(f)) or engage in any new activity, service, undertaking, or offering unless—

''(A) the Director has accepted the capital restoration plan of the regulated entity, the entity is implementing the plan, and the Director determines that the proposed action is consistent with and will further the achievement of the plan; or

''(B) the Director determines that the proposed action will further the purpose of this section.'';

(3) in the subsection heading for subsection (b), by striking ''FROM UNDERCAPITALIZED TO SIGNIFICANTLY UNDERCAPITALIZED''; and

(4) by striking subsection (c) and inserting the following new subsection:

''(c) OTHER DISCRETIONARY SAFEGUARDS.—The Director may take, with respect to a regulated entity that is classified as undercapitalized, any of the actions authorized to be taken under section 1366 with respect to a regulated entity that is classified as significantly undercapitalized, if the Director determines that such actions are necessary to carry out the purpose of this subtitle.''.

SEC. 153. SUPERVISORY ACTIONS APPLICABLE TO SIGNIFICANTLY UNDERCAPITALIZED REGULATED ENTITIES.

Section 1366 of the Housing and Community Development Act of 1992 (12 U.S.C. 4616) is amended—

(1) in the section heading, by striking ''**ENTERPRISES**'' and inserting ''**REGULATED ENTITIES**'';

(2) in subsection (a)(2)(A), by striking ''enterprise'' the last place such term appears;

(3) in subsection (b)—

(A) in the subsection heading, by striking ''DISCRETIONARY SUPERVISORY ACTIONS'' and inserting ''SPECIFIC ACTIONS''.

(B) in the matter preceding paragraph (1), by striking ''may, at any time, take any'' and inserting ''shall carry out this section by taking, at any time, one or more'';

(C) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively;

(D) by inserting after paragraph (4) the following new paragraph:

''(5) IMPROVEMENT OF MANAGEMENT.—Take one or more of the following actions:

''(A) NEW ELECTION OF BOARD.—Order a new election for the board of directors of the regulated entity.

''(B) DISMISSAL OF DIRECTORS OR EXECUTIVE OFFICERS.—Require the regulated entity to dismiss from office any director or executive officer who had held office for more than 180 days immediately before the entity became undercapitalized. Dismissal under this subparagraph shall not be construed to be a removal pursuant to the Director's enforcement powers provided in section 1377.

''(C) EMPLOY QUALIFIED EXECUTIVE OFFICERS.—Require the regulated entity to employ qualified executive officers (who, if the Director so specifies, shall be subject to approval by the Director).''; and

(E) by inserting at the end the following new paragraph:

''(8) OTHER ACTION.—Require the regulated entity to take any other action that the Director determines will better carry out the purpose of this section than any of the actions specified in this paragraph.'';

(4) by redesignating subsection (c) as subsection (d); and

(5) by inserting after subsection (b) the following new subsection:

''(c) RESTRICTION ON COMPENSATION OF EXECUTIVE OFFICERS.—A regulated entity that is classified as significantly undercapitalized may not, without prior written approval by the Director—

''(1) pay any bonus to any executive officer; or

''(2) provide compensation to any executive officer at a rate exceeding that officer's average rate of compensation (excluding bonuses, stock options, and profit sharing) during the 12 calendar months preceding the calendar month in which the regulated entity became undercapitalized.''.

SEC. 154. AUTHORITY OVER CRITICALLY UNDERCAPITALIZED REGULATED ENTITIES.

(a) IN GENERAL.—Section 1367 of the Housing and Community Development Act of 1992 (12 U.S.C. 4617) is amended to read as follows:

''SEC. 1367. AUTHORITY OVER CRITICALLY UNDERCAPITALIZED REGULATED ENTITIES.

''(a) APPOINTMENT OF AGENCY AS CONSERVATOR OR RECEIVER.—

''(1) IN GENERAL.—Notwithstanding any other provision of Federal or State law, if any of the grounds under paragraph (3) exist, at the discretion of the Director, the Director may establish a conservatorship or receivership, as appropriate, for the purpose of reorganizing, rehabilitating, or winding up the affairs of a regulated entity.

''(2) APPOINTMENT.—In any conservatorship or receivership established under this section, the Director shall appoint the Agency as conservator or receiver.

''(3) GROUNDS FOR APPOINTMENT.—The grounds for appointing a conservator or receiver for a regulated entity are as follows:

''(A) ASSETS INSUFFICIENT FOR OBLIGATIONS.—The assets of the regulated entity are less than the obligations of the regulated entity to its creditors and others.

''(B) SUBSTANTIAL DISSIPATION.—Substantial dissipation of assets or earnings due to—

''(i) any violation of any provision of Federal or State law; or

''(ii) any unsafe or unsound practice.

''(C) UNSAFE OR UNSOUND CONDITION.—An unsafe or unsound condition to transact business.

''(D) CEASE-AND-DESIST ORDERS.—Any willful violation of a cease-and-desist order that has become final.

''(E) CONCEALMENT.—Any concealment of the books, papers, records, or assets of the regulated entity, or any refusal to submit the books, papers, records, or affairs of the regulated entity, for inspection to any examiner or to any lawful agent of the Director.

''(F) INABILITY TO MEET OBLIGATIONS.—The regulated entity is likely to be unable to pay its obligations or meet the demands of its creditors in the normal course of business.

''(G) LOSSES.—The regulated entity has incurred or is likely to incur losses that will deplete all or substantially all of its capital, and there is no reasonable prospect for the regulated entity to become adequately capitalized (as defined in section 1364(a)(1)).

''(H) VIOLATIONS OF LAW.—Any violation of any law or regulation, or any unsafe or unsound practice or condition that is likely to—

''(i) cause insolvency or substantial dissipation of assets or earnings; or

''(ii) weaken the condition of the regulated entity.

''(I) CONSENT.—The regulated entity, by resolution of its board of directors or its shareholders or members, consents to the appointment.

''(J) UNDERCAPITALIZATION.—The regulated entity is undercapitalized or significantly undercapitalized (as defined in section 1364(a)(3) or in regulations issued pursuant to section 1364(b), as applicable), and—

''(i) has no reasonable prospect of becoming adequately capitalized;

''(ii) fails to become adequately capitalized, as required by—

''(I) section 1365(a)(1) with respect to an undercapitalized regulated entity; or

''(II) section 1366(a)(1) with respect to a significantly undercapitalized regulated entity;

''(iii) fails to submit a capital restoration plan acceptable to the Agency within the time prescribed under section 1369C; or

''(iv) materially fails to implement a capital restoration plan submitted and accepted under section 1369C.

''(K) CRITICAL UNDERCAPITALIZATION.—The regulated entity is critically undercapitalized, as defined in section 1364(a)(4) or in regulations issued pursuant to section 1364(b), as applicable.

''(L) MONEY LAUNDERING.—The Attorney General notifies the Director in writing that the regulated entity has been found guilty of a criminal offense under section 1956 or 1957 of title 18, United States Code, or section 5322 or 5324 of title 31, United States Code.

''(4) MANDATORY RECEIVERSHIP.—

''(A) IN GENERAL.—The Director shall appoint the Agency as receiver for a regulated entity if the Director determines, in writing, that—

''(i) the assets of the regulated entity are, and during the preceding 30 calendar days have been, less than the obligations of the regulated entity to its creditors and others; or

''(ii) the regulated entity is not, and during the preceding 30 calendar days has not been, generally paying the debts of the regulated entity (other than debts that are the subject of a bona fide dispute) as such debts become due.

''(B) PERIODIC DETERMINATION REQUIRED FOR CRITICALLY UNDER CAPITALIZED REGULATED ENTITY.—If a regulated entity is critically undercapitalized, the Director shall make a determination, in writing, as to whether the regulated entity meets the criteria specified in clause (i) or (ii) of subparagraph (A)—

''(i) not later than 30 calendar days after the regulated entity initially becomes critically undercapitalized; and

''(ii) at least once during each succeeding 30-calendar day period.

''(C) DETERMINATION NOT REQUIRED IF RECEIVERSHIP ALREADY IN PLACE.—Subparagraph (B) shall not apply with respect to a regulated entity in any period during which the Agency serves as receiver for the regulated entity.

''(D) RECEIVERSHIP TERMINATES CONSERVATORSHIP.—The appointment under this section of the Agency as receiver of a regulated entity shall immediately terminate any conservatorship established under this title for the regulated entity.

''(5) JUDICIAL REVIEW.—

''(A) IN GENERAL.—If the Agency is appointed conservator or receiver under this section, the regulated entity may, within 30 days of such appointment, bring an action in the United States District Court for the judicial district in which the principal place of business of such regulated entity is located, or in the United States District Court for the District of Columbia, for an order requiring the Agency to remove itself as conservator or receiver.

''(B) REVIEW.—Upon the filing of an action under subparagraph (A), the court shall, upon the merits, dismiss such action or direct the Agency to remove itself as such conservator or receiver.

''(6) DIRECTORS NOT LIABLE FOR ACQUIESCING IN APPOINTMENT OF CONSERVATOR OR RECEIVER.—The members of the board of directors of a regulated entity shall not be liable to the shareholders or creditors of the regulated entity for acquiescing in or consenting in good faith to the appointment of the Agency as conservator or receiver for that regulated entity.

''(7) AGENCY NOT SUBJECT TO ANY OTHER FEDERAL AGENCY.—When acting as conservator or receiver, the Agency shall not be subject to the direction or supervision of any other agency of the United States or any

State in the exercise of the rights, powers, and privileges of the Agency.

''(b) POWERS AND DUTIES OF THE AGENCY AS CONSERVATOR OR RECEIVER.—

''(1) RULEMAKING AUTHORITY OF THE AGENCY.—The Agency may prescribe such regulations as the Agency determines to be appropriate regarding the conduct of conservatorships or receiverships.

''(2) GENERAL POWERS.—

''(A) SUCCESSOR TO REGULATED ENTITY.—The Agency shall, as conservator or receiver, and by operation of law, immediately succeed to—

''(i) all rights, titles, powers, and privileges of the regulated entity, and of any stockholder, officer, or director of such regulated entity with respect to the regulated entity and the assets of the regulated entity; and

''(ii) title to the books, records, and assets of any other legal custodian of such regulated entity.

''(B) OPERATE THE REGULATED ENTITY.—The Agency may, as conservator or receiver—

''(i) take over the assets of and operate the regulated entity with all the powers of the shareholders, the directors, and the officers of the regulated entity and conduct all business of the regulated entity;

''(ii) collect all obligations and money due the regulated entity;

''(iii) perform all functions of the regulated entity in the name of the regulated entity which are consistent with the appointment as conservator or receiver; and

''(iv) preserve and conserve the assets and property of such regulated entity.

''(C) FUNCTIONS OF OFFICERS, DIRECTORS, AND SHAREHOLDERS OF A REGULATED ENTITY.—The Agency may, by regulation or order, provide for the exercise of any function by any stockholder, director, or officer of any regulated entity for which the Agency has been named conservator or receiver.

''(D) POWERS AS CONSERVATOR.—The Agency may, as conservator, take such action as may be—

''(i) necessary to put the regulated entity in a sound and solvent condition; and

''(ii) appropriate to carry on the business of the regulated entity and preserve and conserve the assets and property of the regulated entity, including, if two or more Federal home loan banks have been placed in conservatorship contemporaneously, merging two or more such banks into a single Federal home loan bank.

''(E) ADDITIONAL POWERS AS RECEIVER.—The Agency may, as receiver, place the regulated entity in liquidation and proceed to realize upon the assets of the regulated entity, having due regard to the conditions of the housing finance market.

''(F) ORGANIZATION OF NEW REGULATED ENTITIES.—The Agency may, as receiver, organize a successor regulated entity that will operate pursuant to subsection (i).

''(G) TRANSFER OF ASSETS AND LIABILITIES.—The Agency may, as conservator or receiver, transfer any asset or liability of the regulated entity in default without any approval, assignment, or consent with respect to such transfer. Any Federal home loan bank may, with the approval of the Agency, acquire the assets of any Bank in conservatorship or receivership, and assume the liabilities of such Bank.

''(H) PAYMENT OF VALID OBLIGATIONS.—The Agency, as conservator or receiver, shall, to the extent of proceeds realized from the performance of contracts or sale of the assets of a regulated entity, pay all valid obligations of the regulated entity in accordance with the prescriptions and limitations of this section.

''(I) SUBPOENA AUTHORITY.—

''(i) IN GENERAL.—

''(I) IN GENERAL.—The Agency may, as conservator or receiver, and for purposes of carrying out any power, authority, or duty with respect to a regulated entity (including determining any claim against the regulated entity and determining and realizing upon any asset of any person in the course of collecting money due the regulated entity), exercise any power established under section 1348.

''(II) APPLICABILITY OF LAW.—The provisions of section 1348 shall apply with respect to the exercise of any power exercised under this subparagraph in the same manner as such provisions apply under that section.

''(ii) AUTHORITY OF DIRECTOR.—A subpoena or subpoena duces tecum may be issued under clause (i) only by, or with the written approval of, the Director, or the designee of the Director.

''(iii) RULE OF CONSTRUCTION.—This subsection shall not be construed to limit any rights that the Agency, in any capacity, might otherwise have under section 1317 or 1379D.

''(J) CONTRACTING FOR SERVICES.—The Agency may, as conservator or receiver, provide by contract for the carrying out of any of its functions, activities, actions, or duties as conservator or receiver.

''(K) INCIDENTAL POWERS.—The Agency may, as conservator or receiver—

''(i) exercise all powers and authorities specifically granted to conservators or receivers, respectively, under this section, and such incidental powers as shall be necessary to carry out such powers; and

''(ii) take any action authorized by this section, which the Agency determines is in the best interests of the regulated entity or the Agency.

''(3) AUTHORITY OF RECEIVER TO DETERMINE CLAIMS.—

''(A) IN GENERAL.—The Agency may, as receiver, determine claims in accordance with the requirements of this subsection and any regulations prescribed under paragraph (4).

''(B) NOTICE REQUIREMENTS.—The receiver, in any case involving the liquidation or winding up of the affairs of a closed regulated entity, shall—

''(i) promptly publish a notice to the creditors of the regulated entity to present their claims, together with proof, to the receiver by a date specified in the notice which shall be not less than 90 days after the publication of such notice; and

''(ii) republish such notice approximately 1 month and 2 months, respectively, after the publication under clause (i).

''(C) MAILING REQUIRED.—The receiver shall mail a notice similar to the notice published under subparagraph (B)(i) at the time of such publication to any creditor shown on the books of the regulated entity—

''(i) at the last address of the creditor appearing in such books; or

''(ii) upon discovery of the name and address of a claimant not appearing on the books of the regulated entity within 30 days after the discovery of such name and address.

''(4) RULEMAKING AUTHORITY RELATING TO DETERMINATION OF CLAIMS.—Subject to subsection (c), the Director may prescribe regulations regarding the allowance or disallowance of claims by the receiver and providing for administrative determination of claims and review of such determination.

''(5) PROCEDURES FOR DETERMINATION OF CLAIMS.—

''(A) DETERMINATION PERIOD.—

''(i) IN GENERAL.—Before the end of the 180-day period beginning on the date on which any claim against a regulated entity is filed with the Agency as receiver, the Agency shall determine whether to allow or disallow the claim and shall notify the claimant of any determination with respect to such claim.

''(ii) EXTENSION OF TIME.—The period described in clause (i) may be extended by a written agreement between the claimant and the Agency.

''(iii) MAILING OF NOTICE SUFFICIENT.—The notification requirements of clause (i) shall be deemed to be satisfied if the notice of any determination with respect to any claim is mailed to the last address of the claimant which appears—

''(I) on the books of the regulated entity;

''(II) in the claim filed by the claimant; or

''(III) in documents submitted in proof of the claim.

''(iv) CONTENTS OF NOTICE OF DISALLOWANCE.—If any claim filed under clause (i) is disallowed, the notice to the claimant shall contain—

''(I) a statement of each reason for the disallowance; and

''(II) the procedures available for obtaining agency review of the determination to disallow the claim or judicial determination of the claim.

''(B) ALLOWANCE OF PROVEN CLAIM.—The receiver shall allow any claim received on or before the date specified in the notice published under paragraph (3)(B)(i), or the date specified in the notice required under paragraph (3)(C), which is proved to the satisfaction of the receiver.

''(C) DISALLOWANCE OF CLAIMS FILED AFTER END OF FILING PERIOD.—Claims filed after the date specified in the notice published under paragraph (3)(B)(i), or the date specified under paragraph (3)(C), shall be disallowed and such disallowance shall be final.

''(D) AUTHORITY TO DISALLOW CLAIMS.—

''(i) IN GENERAL.—The receiver may disallow any portion of any claim by a creditor or claim of security, preference, or priority which is not proved to the satisfaction of the receiver.

''(ii) PAYMENTS TO LESS THAN FULLY SECURED CREDITORS.—In the case of a claim of a creditor against a regulated entity which is secured by any property or other asset of such regulated entity, the receiver—

''(I) may treat the portion of such claim which exceeds an amount equal to the fair market value of such property or other asset as an unsecured claim against the regulated entity; and

''(II) may not make any payment with respect to such unsecured portion of the claim other than in connection with the disposition of all claims of unsecured creditors of the regulated entity.

''(iii) EXCEPTIONS.—No provision of this paragraph shall apply with respect to any extension of credit from any Federal Reserve Bank, Federal home loan bank, or the Treasury of the United States.

''(E) NO JUDICIAL REVIEW OF DETERMINATION PURSUANT TO SUBPARAGRAPH (D).—No court may review the determination of the Agency under subparagraph (D) to disallow a claim. This subparagraph shall not affect the authority of a claimant to obtain de novo judicial review of a claim pursuant to paragraph (6).

''(F) LEGAL EFFECT OF FILING.—

''(i) STATUTE OF LIMITATION TOLLED.—For purposes of any applicable statute of limitations, the filing of a claim with the receiver shall constitute a commencement of an action.

''(ii) NO PREJUDICE TO OTHER ACTIONS.—Subject to paragraph (10), the filing of a claim with the receiver shall not prejudice any right of the claimant to continue any action which was filed before the date of the appointment of the receiver, subject to the determination of claims by the receiver.

''(6) PROVISION FOR JUDICIAL DETERMINATION OF CLAIMS.—

''(A) IN GENERAL.—The claimant may file suit on a claim (or continue an action commenced before the appointment of the receiver) in the district or territorial court of the United States for the district within which the principal place of business of the regulated entity is located or the United States District Court for the District of Columbia (and such court shall have jurisdiction to hear such claim), before the end of the 60-day period beginning on the earlier of—

''(i) the end of the period described in paragraph (5)(A)(i) with respect to any claim against a regulated entity for which the Agency is receiver; or

''(ii) the date of any notice of disallowance of such claim pursuant to paragraph (5)(A)(i).

''(B) STATUTE OF LIMITATIONS.—A claim shall be deemed to be disallowed (other than any portion of such claim which was allowed by the receiver), and such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim, if the claimant fails, before the end of the 60-day period described under subparagraph (A), to file suit on such claim (or continue an action commenced before the appointment of the receiver).

''(7) REVIEW OF CLAIMS.—

''(A) OTHER REVIEW PROCEDURES.—

''(i) IN GENERAL.—The Agency shall establish such alternative dispute resolution processes as may be appropriate for the resolution of claims filed under paragraph (5)(A)(i).

''(ii) CRITERIA.—In establishing alternative dispute resolution processes, the Agency shall strive for procedures which are expeditious, fair, independent, and low cost.

''(iii) VOLUNTARY BINDING OR NONBINDING PROCEDURES.—The Agency may establish both binding and nonbinding processes, which may be conducted by any government or private party. All parties, including the claimant and the Agency, must agree to the use of the process in a particular case.

''(B) CONSIDERATION OF INCENTIVES.—The Agency shall seek to develop incentives for claimants to participate in the alternative dispute resolution process.

''(8) EXPEDITED DETERMINATION OF CLAIMS.—

''(A) ESTABLISHMENT REQUIRED.—The Agency shall establish a procedure for expedited relief outside of the routine claims process established under paragraph (5) for claimants who—

''(i) allege the existence of legally valid and enforceable or perfected security interests in assets of any regulated entity for which the Agency has been appointed receiver; and

''(ii) allege that irreparable injury will occur if the routine claims procedure is followed.

''(B) DETERMINATION PERIOD.—Before the end of the 90-day period beginning on the date any claim is filed in accordance with the procedures established under subparagraph (A), the Director shall—

''(i) determine—

''(I) whether to allow or disallow such claim; or

''(II) whether such claim should be determined pursuant to the procedures established under paragraph (5); and

''(ii) notify the claimant of the determination, and if the claim is disallowed, provide a statement of each reason for the disallowance and the procedure for obtaining agency review or judicial determination.

''(C) PERIOD FOR FILING OR RENEWING SUIT.—Any claimant who files a request for expedited relief shall be permitted to file a suit, or to continue a suit filed before the appointment of the receiver, seeking a determination of the rights of the claimant with respect to such security interest after the earlier of—

''(i) the end of the 90-day period beginning on the date of the filing of a request for expedited relief; or

''(ii) the date the Agency denies the claim.

''(D) STATUTE OF LIMITATIONS.—If an action described under subparagraph (C) is not filed, or the motion to renew a previously filed suit is not made, before the end of the 30-day period beginning on the date on which such action or motion may be filed under subparagraph (B), the claim shall be deemed to be disallowed as of the end of such period (other than any portion of such claim which was allowed by the receiver), such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim.

''(E) LEGAL EFFECT OF FILING.—

''(i) STATUTE OF LIMITATION TOLLED.—For purposes of any applicable statute of limitations, the filing of a claim with the receiver shall constitute a commencement of an action.

''(ii) NO PREJUDICE TO OTHER ACTIONS.—Subject to paragraph (10), the filing of a claim with the receiver shall not prejudice any right of the claimant to continue any action that was filed before the appointment of the receiver, subject to the determination of claims by the receiver.

''(9) PAYMENT OF CLAIMS.—

''(A) IN GENERAL.—The receiver may, in the discretion of the receiver, and to the extent funds are available from the assets of the regulated entity, pay creditor claims, in such manner and amounts as are authorized under this section, which are—

''(i) allowed by the receiver;

''(ii) approved by the Agency pursuant to a final determination pursuant to paragraph (7) or (8); or

''(iii) determined by the final judgment of any court of competent jurisdiction.

''(B) AGREEMENTS AGAINST THE INTEREST OF THE AGENCY.—No agreement that tends to diminish or defeat the interest of the Agency in any asset acquired by the Agency as receiver under this section shall be valid against the Agency unless such agreement is in writing, and executed by an authorized official of the regulated entity, except that such requirements for qualified financial contracts shall be applied in a manner consistent with reasonable business trading practices in the financial contracts market.

''(C) PAYMENT OF DIVIDENDS ON CLAIMS.—The receiver may, in the sole discretion of the receiver, pay from the assets of the regulated entity dividends on proved claims at any time, and no liability shall attach to the Agency, by reason of any such payment, for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment.

''(D) RULEMAKING AUTHORITY OF THE DIRECTOR.—The Director may prescribe such rules, including definitions of terms, as the Director deems appropriate to establish a single uniform interest rate for, or to make payments of post-insolvency interest to creditors holding proven claims against the receivership estates of regulated entities following satisfaction by the receiver of the principal amount of all creditor claims.

''(10) SUSPENSION OF LEGAL ACTIONS.—

''(A) IN GENERAL.—After the appointment of a conservator or receiver for a regulated entity, the conservator or receiver may, in any judicial action or proceeding to which such regulated entity is or becomes a party, request a stay for a period not to exceed—

''(i) 45 days, in the case of any conservator; and

''(ii) 90 days, in the case of any receiver.

''(B) GRANT OF STAY BY ALL COURTS REQUIRED.—Upon receipt of a request by any conservator or receiver under subparagraph (A) for a stay of any judicial action or proceeding in any court with jurisdiction of such action or proceeding, the court shall grant such stay as to all parties.

''(11) ADDITIONAL RIGHTS AND DUTIES.—

''(A) PRIOR FINAL ADJUDICATION.—The Agency shall abide by any final unappealable judgment of any court of competent jurisdiction which was rendered before the appointment of the Agency as conservator or receiver.

''(B) RIGHTS AND REMEDIES OF CONSERVATOR OR RECEIVER.—In the event of any appealable judgment, the Agency as conservator or receiver shall—

''(i) have all the rights and remedies available to the regulated entity (before the appointment of such conservator or receiver) and the Agency, including removal to Federal court and all appellate rights; and

''(ii) not be required to post any bond in order to pursue such remedies.

''(C) NO ATTACHMENT OR EXECUTION.—No attachment or execution may issue by any court upon assets in the possession of the receiver.

''(D) LIMITATION ON JUDICIAL REVIEW.—Except as otherwise provided in this subsection, no court shall have jurisdiction over—

''(i) any claim or action for payment from, or any action seeking a determination of rights with respect to, the assets of any regulated entity for which the Agency has been appointed receiver; or

''(ii) any claim relating to any act or omission of such regulated entity or the Agency as receiver.

''(E) DISPOSITION OF ASSETS.—In exercising any right, power, privilege, or authority as conservator or receiver in connection with any sale or disposition of assets of a regulated entity for which the Agency has been appointed conservator or receiver, the Agency shall conduct its operations in a manner which maintains stability in the housing finance markets and, to the extent consistent with that goal—

''(i) maximizes the net present value return from the sale or disposition of such assets;

''(ii) minimizes the amount of any loss realized in the resolution of cases; and

''(iii) ensures adequate competition and fair and consistent treatment of offerors.

''(12) STATUTE OF LIMITATIONS FOR ACTIONS BROUGHT BY CONSERVATOR OR RECEIVER.—

''(A) IN GENERAL.—Notwithstanding any provision of any contract, the applicable statute of limitations with regard to any action brought by the Agency as conservator or receiver shall be—

''(i) in the case of any contract claim, the longer of—

''(I) the 6-year period beginning on the date the claim accrues; or

''(II) the period applicable under State law; and

''(ii) in the case of any tort claim, the longer of—

''(I) the 3-year period beginning on the date the claim accrues; or

''(II) the period applicable under State law.

''(B) DETERMINATION OF THE DATE ON WHICH A CLAIM ACCRUES.—For purposes of subparagraph (A), the date on which the statute of limitations begins to run on any claim described in such subparagraph shall be the later of—

''(i) the date of the appointment of the Agency as conservator or receiver; or

''(ii) the date on which the cause of action accrues.

''(13) REVIVAL OF EXPIRED STATE CAUSES OF ACTION.—

''(A) IN GENERAL.—In the case of any tort claim described under subparagraph (B) for

which the statute of limitations applicable under State law with respect to such claim has expired not more than 5 years before the appointment of the Agency as conservator or receiver, the Agency may bring an action as conservator or receiver on such claim without regard to the expiration of the statute of limitation applicable under State law.

''(B) CLAIMS DESCRIBED.—A tort claim referred to under subparagraph (A) is a claim arising from fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the regulated entity.

''(14) ACCOUNTING AND RECORDKEEPING REQUIREMENTS.—

''(A) IN GENERAL.—The Agency as conservator or receiver shall, consistent with the accounting and reporting practices and procedures established by the Agency, maintain a full accounting of each conservatorship and receivership or other disposition of a regulated entity in default.

''(B) ANNUAL ACCOUNTING OR REPORT.—With respect to each conservatorship or receivership, the Agency shall make an annual accounting or report available to the Board, the Comptroller General of the United States, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives.

''(C) AVAILABILITY OF REPORTS.—Any report prepared under subparagraph (B) shall be made available by the Agency upon request to any shareholder of a regulated entity or any member of the public.

''(D) RECORDKEEPING REQUIREMENT.—After the end of the 6-year period beginning on the date that the conservatorship or receivership is terminated by the Director, the Agency may destroy any records of such regulated entity which the Agency, in the discretion of the Agency, determines to be unnecessary unless directed not to do so by a court of competent jurisdiction or governmental agency, or prohibited by law.

''(15) FRAUDULENT TRANSFERS.—

''(A) IN GENERAL.—The Agency, as conservator or receiver, may avoid a transfer of any interest of a regulated entity-affiliated party, or any person who the conservator or receiver determines is a debtor of the regulated entity, in property, or any obligation incurred by such party or person, that was made within 5 years of the date on which the Agency was appointed conservator or receiver, if such party or person voluntarily or involuntarily made such transfer or incurred such liability with the intent to hinder, delay, or defraud the regulated entity, the Agency, the conservator, or receiver.

''(B) RIGHT OF RECOVERY.—To the extent a transfer is avoided under subparagraph (A), the conservator or receiver may recover, for the benefit of the regulated entity, the property transferred, or, if a court so orders, the value of such property (at the time of such transfer) from—

''(i) the initial transferee of such transfer or the regulated entity-affiliated party or person for whose benefit such transfer was made; or

''(ii) any immediate or mediate transferee of any such initial transferee.

''(C) RIGHTS OF TRANSFEREE OR OBLIGEE.—The conservator or receiver may not recover under subparagraph (B) from—

''(i) any transferee that takes for value, including satisfaction or securing of a present or antecedent debt, in good faith; or

''(ii) any immediate or mediate good faith transferee of such transferee.

''(D) RIGHTS UNDER THIS PARAGRAPH.—The rights under this paragraph of the conservator or receiver described under subparagraph (A) shall be superior to any rights of a trustee or any other party (other than any party which is a Federal agency) under title 11, United States Code.

''(16) ATTACHMENT OF ASSETS AND OTHER INJUNCTIVE RELIEF.—Subject to paragraph (17), any court of competent jurisdiction may, at the request of the conservator or receiver, issue an order in accordance with Rule 65 of the Federal Rules of Civil Procedure, including an order placing the assets of any person designated by the Agency or such conservator under the control of the court, and appointing a trustee to hold such assets.

''(17) STANDARDS OF PROOF.—Rule 65 of the Federal Rules of Civil Procedure shall apply with respect to any proceeding under paragraph (16) without regard to the requirement of such rule that the applicant show that the injury, loss, or damage is irreparable and immediate.

''(18) TREATMENT OF CLAIMS ARISING FROM BREACH OF CONTRACTS EXECUTED BY THE RECEIVER OR CONSERVATOR.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, any final and unappealable judgment for monetary damages entered against a receiver or conservator for the breach of an agreement executed or approved in writing by such receiver or conservator after the date of its appointment, shall be paid as an administrative expense of the receiver or conservator.

''(B) NO LIMITATION OF POWER.—Nothing in this paragraph shall be construed to limit the power of a receiver or conservator to exercise any rights under contract or law, including to terminate, breach, cancel, or otherwise discontinue such agreement.

''(19) GENERAL EXCEPTIONS.—

''(A) LIMITATIONS.—The rights of a conservator or receiver appointed under this section shall be subject to the limitations on the powers of a receiver under sections 402 through 407 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4402 through 4407).

''(B) MORTGAGES HELD IN TRUST.—

''(i) IN GENERAL.—Any mortgage, pool of mortgages, or interest in a pool of mortgages, held in trust, custodial, or agency capacity by a regulated entity for the benefit of persons other than the regulated entity shall not be available to satisfy the claims of creditors generally.

''(ii) HOLDING OF MORTGAGES.—Any mortgage, pool of mortgages, or interest in a pool of mortgages, described under clause (i) shall be held by the conservator or receiver appointed under this section for the beneficial owners of such mortgage, pool of mortgages, or interest in a pool of mortgages in accordance with the terms of the agreement creating such trust, custodial, or other agency arrangement.

''(iii) LIABILITY OF RECEIVER.—The liability of a receiver appointed under this section for damages shall, in the case of any contingent or unliquidated claim relating to the mortgages held in trust, be estimated in accordance set forth in the regulations of the Director.

''(c) PRIORITY OF EXPENSES AND UNSECURED CLAIMS.—

''(1) IN GENERAL.—Unsecured claims against a regulated entity, or a receiver, that are proven to the satisfaction of the receiver shall have priority in the following order:

''(A) Administrative expenses of the receiver.

''(B) Any other general or senior liability of the regulated entity and claims of other Federal home loan banks arising from their payment obligations (including joint and several payment obligations).

''(C) Any obligation subordinated to general creditors.

''(D) Any obligation to shareholders or members arising as a result of their status as shareholder or members.

''(2) CREDITORS SIMILARLY SITUATED.—All creditors that are similarly situated under paragraph (1) shall be treated in a similar manner, except that the Agency may make such other payments to creditors necessary to maximize the present value return from the sale or disposition or such regulated entity's assets or to minimize the amount of any loss realized in the resolution of cases so long as all creditors similarly situated receive not less than the amount provided under subsection (e)(2).

''(3) DEFINITION.—The term 'administrative expenses of the receiver' shall include the actual, necessary costs and expenses incurred by the receiver in preserving the assets of the regulated entity or liquidating or otherwise resolving the affairs of the regulated entity. Such expenses shall include obligations that are incurred by the receiver after appointment as receiver that the Director determines are necessary and appropriate to facilitate the smooth and orderly liquidation or other resolution of the regulated entity.

''(d) PROVISIONS RELATING TO CONTRACTS ENTERED INTO BEFORE APPOINTMENT OF CONSERVATOR OR RECEIVER.—

''(1) AUTHORITY TO REPUDIATE CONTRACTS.—In addition to any other rights a conservator or receiver may have, the conservator or receiver for any regulated entity may disaffirm or repudiate any contract or lease—

''(A) to which such regulated entity is a party;

''(B) the performance of which the conservator or receiver, in its sole discretion, determines to be burdensome; and

''(C) the disaffirmance or repudiation of which the conservator or receiver determines, in its sole discretion, will promote the orderly administration of the affairs of the regulated entity.

''(2) TIMING OF REPUDIATION.—The conservator or receiver shall determine whether or not to exercise the rights of repudiation under this subsection within a reasonable period following such appointment.

''(3) CLAIMS FOR DAMAGES FOR REPUDIATION.—

''(A) IN GENERAL.—Except as otherwise provided under subparagraph (C) and paragraphs (4), (5), and (6), the liability of the conservator or receiver for the disaffirmance or repudiation of any contract pursuant to paragraph (1) shall be—

''(i) limited to actual direct compensatory damages; and

''(ii) determined as of—

''(I) the date of the appointment of the conservator or receiver; or

''(II) in the case of any contract or agreement referred to in paragraph (8), the date of the disaffirmance or repudiation of such contract or agreement.

''(B) NO LIABILITY FOR OTHER DAMAGES.—For purposes of subparagraph (A), the term 'actual direct compensatory damages' shall not include—

''(i) punitive or exemplary damages;

''(ii) damages for lost profits or opportunity; or

''(iii) damages for pain and suffering.

''(C) MEASURE OF DAMAGES FOR REPUDIATION OF FINANCIAL CONTRACTS.—In the case of any qualified financial contract or agreement to which paragraph (8) applies, compensatory damages shall be—

''(i) deemed to include normal and reasonable costs of cover or other reasonable measures of damages utilized in the industries for such contract and agreement claims; and

''(ii) paid in accordance with this subsection and subsection (e), except as otherwise specifically provided in this section.

''(4) LEASES UNDER WHICH THE REGULATED ENTITY IS THE LESSEE.—

''(A) IN GENERAL.—If the conservator or receiver disaffirms or repudiates a lease under which the regulated entity was the lessee, the conservator or receiver shall not be liable for any damages (other than damages determined under subparagraph (B)) for the disaffirmance or repudiation of such lease.

''(B) PAYMENTS OF RENT.—Notwithstanding subparagraph (A), the lessor under a lease to which that subparagraph applies shall—

''(i) be entitled to the contractual rent accruing before the later of the date—

''(I) the notice of disaffirmance or repudiation is mailed; or

''(II) the disaffirmance or repudiation becomes effective, unless the lessor is in default or breach of the terms of the lease;

''(ii) have no claim for damages under any acceleration clause or other penalty provision in the lease; and

''(iii) have a claim for any unpaid rent, subject to all appropriate offsets and defenses, due as of the date of the appointment, which shall be paid in accordance with this subsection and subsection (e).

''(5) LEASES UNDER WHICH THE REGULATED ENTITY IS THE LESSOR.—

''(A) IN GENERAL.—If the conservator or receiver repudiates an unexpired written lease of real property of the regulated entity under which the regulated entity is the lessor and the lessee is not, as of the date of such repudiation, in default, the lessee under such lease may either—

''(i) treat the lease as terminated by such repudiation; or

''(ii) remain in possession of the leasehold interest for the balance of the term of the lease, unless the lessee defaults under the terms of the lease after the date of such repudiation.

''(B) PROVISIONS APPLICABLE TO LESSEE REMAINING IN POSSESSION.—If any lessee under a lease described under subparagraph (A) remains in possession of a leasehold interest under clause (ii) of such subparagraph—

''(i) the lessee—

''(I) shall continue to pay the contractual rent pursuant to the terms of the lease after the date of the repudiation of such lease; and

''(II) may offset against any rent payment which accrues after the date of the repudiation of the lease, and any damages which accrue after such date due to the nonperformance of any obligation of the regulated entity under the lease after such date; and

''(ii) the conservator or receiver shall not be liable to the lessee for any damages arising after such date as a result of the repudiation other than the amount of any offset allowed under clause (i)(II).

''(6) CONTRACTS FOR THE SALE OF REAL PROPERTY.—

''(A) IN GENERAL.—If the conservator or receiver repudiates any contract for the sale of real property and the purchaser of such real property under such contract is in possession, and is not, as of the date of such repudiation, in default, such purchaser may either—

''(i) treat the contract as terminated by such repudiation; or

''(ii) remain in possession of such real property.

''(B) PROVISIONS APPLICABLE TO PURCHASER REMAINING IN POSSESSION.—If any purchaser of real property under any contract described under subparagraph (A) remains in possession of such property under clause (ii) of such subparagraph—

''(i) the purchaser—

''(I) shall continue to make all payments due under the contract after the date of the repudiation of the contract; and

''(II) may offset against any such payments any damages which accrue after such date due to the nonperformance (after such date) of any obligation of the regulated entity under the contract; and

''(ii) the conservator or receiver shall—

''(I) not be liable to the purchaser for any damages arising after such date as a result of the repudiation other than the amount of any offset allowed under clause (i)(II);

''(II) deliver title to the purchaser in accordance with the provisions of the contract; and

''(III) have no obligation under the contract other than the performance required under subclause (II).

''(C) ASSIGNMENT AND SALE ALLOWED.—

''(i) IN GENERAL.—No provision of this paragraph shall be construed as limiting the right of the conservator or receiver to assign the contract described under subparagraph (A), and sell the property subject to the contract and the provisions of this paragraph.

''(ii) NO LIABILITY AFTER ASSIGNMENT AND SALE.—If an assignment and sale described under clause (i) is consummated, the conservator or receiver shall have no further liability under the contract described under subparagraph (A), or with respect to the real property which was the subject of such contract.

''(7) PROVISIONS APPLICABLE TO SERVICE CONTRACTS.—

''(A) SERVICES PERFORMED BEFORE APPOINTMENT.—In the case of any contract for services between any person and any regulated entity for which the Agency has been appointed conservator or receiver, any claim of such person for services performed before the appointment of the conservator or the receiver shall be—

''(i) a claim to be paid in accordance with subsections (b) and (e); and

''(ii) deemed to have arisen as of the date the conservator or receiver was appointed.

''(B) SERVICES PERFORMED AFTER APPOINTMENT AND PRIOR TO REPUDIATION.—If, in the case of any contract for services described under subparagraph (A), the conservator or receiver accepts performance by the other person before the conservator or receiver makes any determination to exercise the right of repudiation of such contract under this section—

''(i) the other party shall be paid under the terms of the contract for the services performed; and

''(ii) the amount of such payment shall be treated as an administrative expense of the conservatorship or receivership.

''(C) ACCEPTANCE OF PERFORMANCE NO BAR TO SUBSEQUENT REPUDIATION.—The acceptance by any conservator or receiver of services referred to under subparagraph (B) in connection with a contract described in such subparagraph shall not affect the right of the conservator or receiver to repudiate such contract under this section at any time after such performance.

''(8) CERTAIN QUALIFIED FINANCIAL CONTRACTS.—

''(A) RIGHTS OF PARTIES TO CONTRACTS.—Subject to paragraphs (9) and (10) and notwithstanding any other provision of this Division, any other Federal law, or the law of any State, no person shall be stayed or prohibited from exercising—

''(i) any right such person has to cause the termination, liquidation, or acceleration of any qualified financial contract with a regulated entity that arises upon the appointment of the Agency as receiver for such regulated entity at any time after such appointment;

''(ii) any right under any security agreement or arrangement or other credit enhancement relating to one or more qualified financial contracts described in clause (i); or

''(iii) any right to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more contracts and agreements described in clause (i), including any master agreement for such contracts or agreements.

''(B) APPLICABILITY OF OTHER PROVISIONS.—Paragraph (10) of subsection (b) shall apply in the case of any judicial action or proceeding brought against any receiver referred to under subparagraph (A), or the regulated entity for which such receiver was appointed, by any party to a contract or agreement described under subparagraph (A)(i) with such regulated entity.

''(C) CERTAIN TRANSFERS NOT AVOIDABLE.—

''(i) IN GENERAL.—Notwithstanding paragraph (11) or any other Federal or State laws relating to the avoidance of preferential or fraudulent transfers, the Agency, whether acting as such or as conservator or receiver of a regulated entity, may not avoid any transfer of money or other property in connection with any qualified financial contract with a regulated entity.

''(ii) EXCEPTION FOR CERTAIN TRANSFERS.—Clause (i) shall not apply to any transfer of money or other property in connection with any qualified financial contract with a regulated entity if the Agency determines that the transferee had actual intent to hinder, delay, or defraud such regulated entity, the creditors of such regulated entity, or any conservator or receiver appointed for such regulated entity.

''(D) CERTAIN CONTRACTS AND AGREEMENTS DEFINED.—In this subsection:

''(i) QUALIFIED FINANCIAL CONTRACT.—The term 'qualified financial contract' means any securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, and any similar agreement that the Agency determines by regulation, resolution, or order to be a qualified financial contract for purposes of this paragraph.

''(ii) SECURITIES CONTRACT.—The term 'securities contract'—

''(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, or any interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option, and including any repurchase or reverse repurchase transaction on any such security, certificate of deposit, mortgage loan, interest, group or index, or option;

''(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan unless the Agency determines by regulation, resolution, or order to include any such agreement within the meaning of such term;

''(III) means any option entered into on a national securities exchange relating to foreign currencies;

''(IV) means the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option;

''(V) means any margin loan;

''(VI) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) means any combination of the agreements or transactions referred to in this clause;

''(VIII) means any option to enter into any agreement or transaction referred to in this clause;

''(IX) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII); and

''(X) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause.

''(iii) COMMODITY CONTRACT.—The term 'commodity contract' means—

''(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;

''(II) with respect to a foreign futures commission merchant, a foreign future;

''(III) with respect to a leverage transaction merchant, a leverage transaction;

''(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;

''(V) with respect to a commodity options dealer, a commodity option;

''(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) any combination of the agreements or transactions referred to in this clause;

''(VIII) any option to enter into any agreement or transaction referred to in this clause;

''(IX) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII); or

''(X) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause.

''(iv) FORWARD CONTRACT.—The term 'forward contract' means—

''(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date more than 2 days after the date the contract is entered into, including, a repurchase transaction, reverse repurchase transaction, consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;

''(II) any combination of agreements or transactions referred to in subclauses (I) and (III);

''(III) any option to enter into any agreement or transaction referred to in subclause (I) or (II);

''(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or

''(V) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

''(v) REPURCHASE AGREEMENT.—The term 'repurchase agreement' (which definition also applies to a reverse repurchase agreement)—

''(I) means an agreement, including related terms, which provides for the transfer of one or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests as described above, at a date certain not later than 1 year after such transfers or on demand, against the transfer of funds, or any other similar agreement;

''(II) does not include any repurchase obligation under a participation in a commercial mortgage loan unless the Agency determines by regulation, resolution, or order to include any such participation within the meaning of such term;

''(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);

''(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);

''(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be a repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and

''(VI) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

For purposes of this clause, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development (as determined by regulation or order adopted by the appropriate Federal banking authority).

''(vi) SWAP AGREEMENT.—The term 'swap agreement' means—

''(I) any agreement, including the terms and conditions incorporated by reference in any such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a debt index or debt swap, option, future, or forward agreement; a total return, credit spread or credit swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement; or a weather swap, weather derivative, or weather option;

''(II) any agreement or transaction that is similar to any other agreement or transaction referred to in this clause and that is of a type that has been, is presently, or in the future becomes, the subject of recurrent dealings in the swap markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, or option on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, quantitative measures associated with an occurrence, extent of an occurrence, or contingency associated with a financial, commercial, or economic consequence, or economic or financial indices or measures of economic or financial risk or value;

''(III) any combination of agreements or transactions referred to in this clause;

''(IV) any option to enter into any agreement or transaction referred to in this clause;

''(V) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV); and

''(VI) any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subclause (I), (II), (III), (IV), or (V), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

Such term is applicable for purposes of this subsection only and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any

swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, the Gramm-Leach-Bliley Act, and the Legal Certainty for Bank Products Act of 2000.

''(vii) TREATMENT OF MASTER AGREEMENT AS ONE AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.

''(viii) TRANSFER.—The term 'transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the regulated entity's equity of redemption.

''(E) CERTAIN PROTECTIONS IN EVENT OF APPOINTMENT OF CONSERVATOR.—Notwithstanding any other provision of this Act (other than paragraph (13) of this subsection), any other Federal law, or the law of any State, no person shall be stayed or prohibited from exercising—

''(i) any right such person has to cause the termination, liquidation, or acceleration of any qualified financial contract with a regulated entity in a conservatorship based upon a default under such financial contract which is enforceable under applicable noninsolvency law;

''(ii) any right under any security agreement or arrangement or other credit enhancement relating to one or more such qualified financial contracts; or

''(iii) any right to offset or net out any termination values, payment amounts, or other transfer obligations arising under or in connection with such qualified financial contracts.

''(F) CLARIFICATION.—No provision of law shall be construed as limiting the right or power of the Agency, or authorizing any court or agency to limit or delay, in any manner, the right or power of the Agency to transfer any qualified financial contract in accordance with paragraphs (9) and (10) of this subsection or to disaffirm or repudiate any such contract in accordance with subsection (d)(1) of this section.

''(G) WALKAWAY CLAUSES NOT EFFECTIVE.—

''(i) IN GENERAL.—Notwithstanding the provisions of subparagraphs (A) and (E), and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of a regulated entity in default.

''(ii) WALKAWAY CLAUSE DEFINED.—For purposes of this subparagraph, the term 'walkaway clause' means a provision in a qualified financial contract that, after calculation of a value of a party's position or an amount due to or from 1 of the parties in accordance with its terms upon termination, liquidation, or acceleration of the qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of such party's status as a nondefaulting party.

''(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS.—In making any transfer of assets or liabilities of a regulated entity in default which includes any qualified financial contract, the conservator or receiver for such regulated entity shall either—

''(A) transfer to 1 person—

''(i) all qualified financial contracts between any person (or any affiliate of such person) and the regulated entity in default;

''(ii) all claims of such person (or any affiliate of such person) against such regulated entity under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such regulated entity);

''(iii) all claims of such regulated entity against such person (or any affiliate of such person) under any such contract; and

''(iv) all property securing or any other credit enhancement for any contract described in clause (i) or any claim described in clause (ii) or (iii) under any such contract; or

''(B) transfer none of the financial contracts, claims, or property referred to under subparagraph (A) (with respect to such person and any affiliate of such person).

''(10) NOTIFICATION OF TRANSFER.—

''(A) IN GENERAL.—If—

''(i) the conservator or receiver for a regulated entity in default makes any transfer of the assets and liabilities of such regulated entity, and

''(ii) the transfer includes any qualified financial contract,

the conservator or receiver shall notify any person who is a party to any such contract of such transfer by 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver in the case of a receivership, or the business day following such transfer in the case of a conservatorship.

''(B) CERTAIN RIGHTS NOT ENFORCEABLE.—

''(i) RECEIVERSHIP.—A person who is a party to a qualified financial contract with a regulated entity may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(A) of this subsection or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a receiver for the regulated entity (or the insolvency or financial condition of the regulated entity for which the receiver has been appointed)—

''(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver; or

''(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).

''(ii) CONSERVATORSHIP.—A person who is a party to a qualified financial contract with a regulated entity may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(E) of this subsection or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the regulated entity (or the insolvency or financial condition of the regulated entity for which the conservator has been appointed).

''(iii) NOTICE.—For purposes of this paragraph, the Agency as receiver or conservator of a regulated entity shall be deemed to have notified a person who is a party to a qualified financial contract with such regulated entity if the Agency has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A).

''(C) BUSINESS DAY DEFINED.—For purposes of this paragraph, the term 'business day' means any day other than any Saturday, Sunday, or any day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed.

''(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.—In exercising the rights of disaffirmance or repudiation of a conservator or receiver with respect to any qualified financial contract to which a regulated entity is a party, the conservator or receiver for such institution shall either—

''(A) disaffirm or repudiate all qualified financial contracts between—

''(i) any person or any affiliate of such person; and

''(ii) the regulated entity in default; or

''(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).

''(12) CERTAIN SECURITY INTERESTS NOT AVOIDABLE.—No provision of this subsection shall be construed as permitting the avoidance of any legally enforceable or perfected security interest in any of the assets of any regulated entity, except where such an interest is taken in contemplation of the insolvency of the regulated entity, or with the intent to hinder, delay, or defraud the regulated entity or the creditors of such regulated entity.

''(13) AUTHORITY TO ENFORCE CONTRACTS.—

''(A) IN GENERAL.—Notwithstanding any provision of a contract providing for termination, default, acceleration, or exercise of rights upon, or solely by reason of, insolvency or the appointment of a conservator or receiver, the conservator or receiver may enforce any contract or regulated entity bond entered into by the regulated entity.

''(B) CERTAIN RIGHTS NOT AFFECTED.—No provision of this paragraph may be construed as impairing or affecting any right of the conservator or receiver to enforce or recover under a director's or officer's liability insurance contract or surety bond under other applicable law.

''(C) CONSENT REQUIREMENT.—

''(i) IN GENERAL.—Except as otherwise provided under this section, no person may exercise any right or power to terminate, accelerate, or declare a default under any contract to which a regulated entity is a party, or to obtain possession of or exercise control over any property of the regulated entity, or affect any contractual rights of the regulated entity, without the consent of the conservator or receiver, as appropriate, for a period of—

''(I) 45 days after the date of appointment of a conservator; or

''(II) 90 days after the date of appointment of a receiver.

''(ii) EXCEPTIONS.—This paragraph shall—

''(I) not apply to a director's or officer's liability insurance contract;

''(II) not apply to the rights of parties to any qualified financial contracts under subsection (d)(8); and

''(III) not be construed as permitting the conservator or receiver to fail to comply with otherwise enforceable provisions of such contracts.

''(14) SAVINGS CLAUSE.—The meanings of terms used in this subsection are applicable for purposes of this subsection only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any similar terms under any other statute, regulation, or rule, including the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of

2000, the securities laws (as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934), and the Commodity Exchange Act.

''(15) EXCEPTION FOR FEDERAL RESERVE AND FEDERAL HOME LOAN BANKS.—No provision of this subsection shall apply with respect to—

''(A) any extension of credit from any Federal home loan bank or Federal Reserve Bank to any regulated entity; or

''(B) any security interest in the assets of the regulated entity securing any such extension of credit.

''(e) VALUATION OF CLAIMS IN DEFAULT.—

''(1) IN GENERAL.—Notwithstanding any other provision of Federal law or the law of any State, and regardless of the method which the Agency determines to utilize with respect to a regulated entity in default or in danger of default, including transactions authorized under subsection (i), this subsection shall govern the rights of the creditors of such regulated entity.

''(2) MAXIMUM LIABILITY.—The maximum liability of the Agency, acting as receiver or in any other capacity, to any person having a claim against the receiver or the regulated entity for which such receiver is appointed shall equal the lesser of—

''(A) the amount such claimant would have received if the Agency had liquidated the assets and liabilities of such regulated entity without exercising the authority of the Agency under subsection (i) of this section; or

''(B) the amount of proceeds realized from the performance of contracts or sale of the assets of the regulated entity.

''(f) LIMITATION ON COURT ACTION.—Except as provided in this section or at the request of the Director, no court may take any action to restrain or affect the exercise of powers or functions of the Agency as a conservator or a receiver.

''(g) LIABILITY OF DIRECTORS AND OFFICERS.—

''(1) IN GENERAL.—A director or officer of a regulated entity may be held personally liable for monetary damages in any civil action by, on behalf of, or at the request or direction of the Agency, which action is prosecuted wholly or partially for the benefit of the Agency—

''(A) acting as conservator or receiver of such regulated entity, or

''(B) acting based upon a suit, claim, or cause of action purchased from, assigned by, or otherwise conveyed by such receiver or conservator,

for gross negligence, including any similar conduct or conduct that demonstrates a greater disregard of a duty of care (than gross negligence) including intentional tortious conduct, as such terms are defined and determined under applicable State law.

''(2) NO LIMITATION.—Nothing in this paragraph shall impair or affect any right of the Agency under other applicable law.

''(h) DAMAGES.—In any proceeding related to any claim against a director, officer, employee, agent, attorney, accountant, appraiser, or any other party employed by or providing services to a regulated entity, recoverable damages determined to result from the improvident or otherwise improper use or investment of any assets of the regulated entity shall include principal losses and appropriate interest.

''(i) LIMITED-LIFE REGULATED ENTITIES.—

''(1) ORGANIZATION.—

''(A) PURPOSE.—If a regulated entity is in default, or if the Agency anticipates that a regulated entity will default, the Agency may organize a limited-life regulated entity with those powers and attributes of the regulated entity in default or in danger of default that the Director determines necessary, subject to the provisions of this subsection. The Director shall grant a temporary charter to the limited-life regulated entity, and the limited-life regulated entity shall operate subject to that charter.

''(B) AUTHORITIES.—Upon the creation of a limited-life regulated entity under subparagraph (A), the limited-life regulated entity may—

''(i) assume such liabilities of the regulated entity that is in default or in danger of default as the Agency may, in its discretion, determine to be appropriate, provided that the liabilities assumed shall not exceed the amount of assets of the limited-life regulated entity;

''(ii) purchase such assets of the regulated entity that is in default, or in danger of default, as the Agency may, in its discretion, determine to be appropriate; and

''(iii) perform any other temporary function which the Agency may, in its discretion, prescribe in accordance with this section.

''(2) CHARTER.—

''(A) CONDITIONS.—The Agency may grant a temporary charter if the Agency determines that the continued operation of the regulated entity in default or in danger of default is in the best interest of the national economy and the housing markets.

''(B) TREATMENT AS BEING IN DEFAULT FOR CERTAIN PURPOSES.—A limited-life regulated entity shall be treated as a regulated entity in default at such times and for such purposes as the Agency may, in its discretion, determine.

''(C) MANAGEMENT.—A limited-life regulated entity, upon the granting of its charter, shall be under the management of a board of directors consisting of not fewer than 5 nor more than 10 members appointed by the Agency.

''(D) BYLAWS.—The board of directors of a limited-life regulated entity shall adopt such bylaws as may be approved by the Agency.

''(3) CAPITAL STOCK.—No capital stock need be paid into a limited-life regulated entity by the Agency.

''(4) INVESTMENTS.—Funds of a limited-life regulated entity shall be kept on hand in cash, invested in obligations of the United States or obligations guaranteed as to principal and interest by the United States, or deposited with the Agency, or any Federal Reserve bank.

''(5) EXEMPT STATUS.—Notwithstanding any other provision of Federal or State law, the limited-life regulated entity, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

''(6) WINDING UP.—

''(A) IN GENERAL.—Subject to subparagraph (B), unless Congress authorizes the sale of the capital stock of the limited-life regulated entity, not later than 2 years after the date of its organization, the Agency shall wind up the affairs of the limited-life regulated entity.

''(B) EXTENSION.—The Director may, in the discretion of the Director, extend the status of the limited-life regulated entity for 3 additional 1-year periods.

''(7) TRANSFER OF ASSETS AND LIABILITIES.—

''(A) IN GENERAL.—

''(i) TRANSFER OF ASSETS AND LIABILITIES.—The Agency, as receiver, may transfer any assets and liabilities of a regulated entity in default, or in danger of default, to the limited-life regulated entity in accordance with paragraph (1).

''(ii) SUBSEQUENT TRANSFERS.—At any time after a charter is transferred to a limited-life regulated entity, the Agency, as receiver, may transfer any assets and liabilities of such regulated entity in default, or in danger in default, as the Agency may, in its discretion, determine to be appropriate in accordance with paragraph (1).

''(iii) EFFECTIVE WITHOUT APPROVAL.—The transfer of any assets or liabilities of a regulated entity in default, or in danger of default, transferred to a limited-life regulated entity shall be effective without any further approval under Federal or State law, assignment, or consent with respect thereto.

''(8) PROCEEDS.—To the extent that available proceeds from the limited-life regulated entity exceed amounts required to pay obligations, such proceeds may be paid to the regulated entity in default, or in danger of default.

''(9) POWERS.—

''(A) IN GENERAL.—Each limited-life regulated entity created under this subsection shall have all corporate powers of, and be subject to the same provisions of law as, the regulated entity in default or in danger of default to which it relates, except that—

''(i) the Agency may—

''(I) remove the directors of a limited-life regulated entity; and

''(II) fix the compensation of members of the board of directors and senior management, as determined by the Agency in its discretion, of a limited-life regulated entity;

''(ii) the Agency may indemnify the representatives for purposes of paragraph (1)(B), and the directors, officers, employees, and agents of a limited-life regulated entity on such terms as the Agency determines to be appropriate; and

''(iii) the board of directors of a limited-life regulated entity—

''(I) shall elect a chairperson who may also serve in the position of chief executive officer, except that such person shall not serve either as chairperson or as chief executive officer without the prior approval of the Agency; and

''(II) may appoint a chief executive officer who is not also the chairperson, except that such person shall not serve as chief executive officer without the prior approval of the Agency.

''(B) STAY OF JUDICIAL ACTION.—Any judicial action to which a limited-life regulated entity becomes a party by virtue of its acquisition of any assets or assumption of any liabilities of a regulated entity in default shall be stayed from further proceedings for a period of up to 45 days at the request of the limited-life regulated entity. Such period may be modified upon the consent of all parties.

''(10) OBTAINING OF CREDIT AND INCURRING OF DEBT.—

''(A) IN GENERAL.—The limited-life regulated entity may obtain unsecured credit and incur unsecured debt in the ordinary course of business.

''(B) INABILITY TO OBTAIN CREDIT.—If the limited-life regulated entity is unable to obtain unsecured credit the Director may authorize the obtaining of credit or the incurring of debt—

''(i) with priority over any or all administrative expenses;

''(ii) secured by a lien on property that is not otherwise subject to a lien; or

''(iii) secured by a junior lien on property that is subject to a lien.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—The Director, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt secured by a senior or equal lien on property that is subject to a lien (other than mortgages that collateralize the mortgage-backed securities issued or guaranteed by the regulated entity) only if—

''(I) the limited-life regulated entity is unable to obtain such credit otherwise; and

''(II) there is adequate protection of the interest of the holder of the lien on the property which such senior or equal lien is proposed to be granted.

''(ii) BURDEN OF PROOF.—In any hearing under this subsection, the Director has the burden of proof on the issue of adequate protection.

''(D) EFFECT ON DEBTS AND LIENS.—The reversal or modification on appeal of an authorization under this paragraph to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

''(11) ISSUANCE OF PREFERRED DEBT.—A limited-life regulated entity may, subject to the approval of the Director and subject to such terms and conditions as the Director may prescribe, issue notes, bonds, or other debt obligations of a class to which all other debt obligations of the limited-life regulated entity shall be subordinate in right and payment.

''(12) NO FEDERAL STATUS.—

''(A) AGENCY STATUS.—A limited-life regulated entity is not an agency, establishment, or instrumentality of the United States.

''(B) EMPLOYEE STATUS.—Representatives for purposes of paragraph (1)(B), interim directors, directors, officers, employees, or agents of a limited-life regulated entity are not, solely by virtue of service in any such capacity, officers or employees of the United States. Any employee of the Agency or of any Federal instrumentality who serves at the request of the Agency as a representative for purposes of paragraph (1)(B), interim director, director, officer, employee, or agent of a limited-life regulated entity shall not—

''(i) solely by virtue of service in any such capacity lose any existing status as an officer or employee of the United States for purposes of title 5, United States Code, or any other provision of law; or

''(ii) receive any salary or benefits for service in any such capacity with respect to a limited-life regulated entity in addition to such salary or benefits as are obtained through employment with the Agency or such Federal instrumentality.

''(13) ADDITIONAL POWERS.—In addition to any other powers granted under this subsection, a limited-life regulated entity may—

''(A) extend a maturity date or change in an interest rate or other term of outstanding securities;

''(B) issue securities of the limited-life regulated entity, for cash, for property, for existing securities, or in exchange for claims or interests, or for any other appropriate purposes; and

''(C) take any other action not inconsistent with this section.

''(j) OTHER EXEMPTIONS.—When acting as a receiver, the following provisions shall apply with respect to the Agency:

''(1) EXEMPTION FROM TAXATION.—The Agency, including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation imposed by any State, country, municipality, or local taxing authority, except that any real property of the Agency shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed, except that, notwithstanding the failure of any person to challenge an assessment under State law of the value of such property, and the tax thereon, shall be determined as of the period for which such tax is imposed.

''(2) EXEMPTION FROM ATTACHMENT AND LIENS.—No property of the Agency shall be subject to levy, attachment, garnishment, foreclosure, or sale without the consent of the Agency, nor shall any involuntary lien attach to the property of the Agency.

''(3) EXEMPTION FROM PENALTIES AND FINES.—The Agency shall not be liable for any amounts in the nature of penalties or fines, including those arising from the failure of any person to pay any real property, personal property, probate, or recording tax or any recording or filing fees when due.

''(k) PROHIBITION OF CHARTER REVOCATION.—In no case may a receiver appointed pursuant to this section revoke, annul, or terminate the charter of a regulated entity.''.

(b) CONFORMING AMENDMENTS.—

(1) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Subtitle B of title XIII of the Housing and Community Development Act of 1992 is amended by striking sections 1369 (12 U.S.C. 4619), 1369A (12 U.S.C. 4620), and 1369B (12 U.S.C. 4621).

(2) FEDERAL HOME LOAN BANKS.—Section 25 of the Federal Home Loan Bank Act (12 U.S.C. 1445) is amended to read as follows:

''SEC. 25. SUCCESSION OF FEDERAL HOME LOAN BANKS.

''Each Federal Home Loan Bank shall have succession until it is voluntarily merged with another Bank under this Act, or until it is merged, reorganized, rehabilitated, liquidated, or otherwise wound up by the Director in accordance with the provisions of section 1367 of the Housing and Community Development Act of 1992, or by further Act of Congress.''.

SEC. 155. CONFORMING AMENDMENTS.

Title XIII of the Housing and Community Development Act of 1992, as amended by the preceding provisions of this Division, is further amended—

(1) in sections 1365 (12 U.S.C. 4615) through 1369D (12 U.S.C. 4623), but not including section 1367 (12 U.S.C. 4617) as amended by section 154 of this Division—

(A) by striking ''An enterprise'' each place such term appears and inserting ''A regulated entity'';

(B) by striking ''an enterprise'' each place such term appears and inserting ''a regulated entity''; and

(C) by striking ''the enterprise'' each place such term appears and inserting ''the regulated entity'';

(2) in section 1366 (12 U.S.C. 4616)—

(A) in subsection (b)(7), by striking ''section 1369 (excluding subsection (a)(1) and (2))'' and inserting ''section 1367''; and

(B) in subsection (d), by striking ''the enterprises'' and inserting ''the regulated entities'';

(3) in section 1368(d) (12 U.S.C. 4618(d)), by striking ''Committee on Banking, Finance and Urban Affairs'' and inserting ''Committee on Financial Services'';

(4) in section 1369C (12 U.S.C. 4622)—

(A) in subsection (a)(4), by striking ''activities (including existing and new programs)'' and inserting ''activities, services, undertakings, and offerings (including existing and new products (as such term is defined in section 1321(f))''; and

(B) in subsection (c), by striking ''any enterprise'' and inserting ''any regulated entity''; and

(5) in subsections (a) and (d) of section 1369D, by striking ''section 1366 or 1367 or action under section 1369)'' each place such phrase appears and inserting ''section 1367)''.

Subtitle D—Enforcement Actions

SEC. 161. CEASE-AND-DESIST PROCEEDINGS.

Section 1371 of the Housing and Community Development Act of 1992 (12 U.S.C. 4631) is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) ISSUANCE FOR UNSAFE OR UNSOUND PRACTICES AND VIOLATIONS OF RULES OR LAWS.—If, in the opinion of the Director, a regulated entity or any regulated entity-affiliated party is engaging or has engaged, or the Director has reasonable cause to believe that the regulated entity or any regulated entity-affiliated party is about to engage, in an unsafe or unsound practice in conducting the business of the regulated entity or is violating or has violated, or the Director has reasonable cause to believe that the regulated entity or any regulated entity-affiliated party is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Director in connection with the granting of any application or other request by the regulated entity or any written agreement entered into with the Director, the Director may issue and serve upon the regulated entity or such party a notice of charges in respect thereof. The Director may not, pursuant to this section, enforce compliance with any housing goal established under subpart B of part 2 of subtitle A of this title, with section 1336 or 1337 of this title, with subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(m), (n)), with subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(e), (f)), or with paragraph (5) of section 10(j) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)).

''(b) ISSUANCE FOR UNSATISFACTORY RATING.—If a regulated entity receives, in its most recent report of examination, a less-than-satisfactory rating for asset quality, management, earnings, or liquidity, the Director may (if the deficiency is not corrected) deem the regulated entity to be engaging in an unsafe or unsound practice for purposes of this subsection.'';

(2) in subsection (c)(2), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party''; and

(3) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party'';

(B) in paragraph (1)—

(i) by striking ''an executive officer or a director'' and inserting ''a regulated entity affiliated party''; and

(ii) by inserting ''(including reimbursement of compensation under section 1318)'' after ''reimbursement'';

(C) in paragraph (6), by striking ''and'' at the end;

(D) by redesignating paragraph (7) as paragraph (8); and

(E) by inserting after paragraph (6) the following new paragraph:

''(7) to effect an attachment on a regulated entity or regulated entity-affiliated party subject to an order under this section or section 1372; and''.

SEC. 162. TEMPORARY CEASE-AND-DESIST PROCEEDINGS.

Section 1372 of the Housing and Community Development Act of 1992 (12 U.S.C. 4632) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) GROUNDS FOR ISSUANCE.—Whenever the Director determines that the violation or threatened violation or the unsafe or unsound practice or practices specified in the

notice of charges served upon the regulated entity or any regulated entity-affiliated party pursuant to section 1371(a), or the continuation thereof, is likely to cause insolvency or significant dissipation of assets or earnings of the regulated entity, or is likely to weaken the condition of the regulated entity prior to the completion of the proceedings conducted pursuant to sections 1371 and 1373, the Director may issue a temporary order requiring the regulated entity or such party to cease and desist from any such violation or practice and to take affirmative action to prevent or remedy such insolvency, dissipation, condition, or prejudice pending completion of such proceedings. Such order may include any requirement authorized under section 1371(d).'';

(2) in subsection (b), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party'';

(3) in subsection (d)—

(A) by striking ''An enterprise, executive officer, or director'' and inserting ''A regulated entity or regulated entity-affiliated party''; and

(B) by striking ''the enterprise, executive officer, or director'' and inserting ''the regulated entity or regulated entity-affiliated party''; and

(4) by striking subsection (e) and in inserting the following new subsection:

''(e) ENFORCEMENT.—In the case of violation or threatened violation of, or failure to obey, a temporary cease-and-desist order issued pursuant to this section, the Director may apply to the United States District Court for the District of Columbia or the United States district court within the jurisdiction of which the headquarters of the regulated entity is located, for an injunction to enforce such order, and, if the court determines that there has been such violation or threatened violation or failure to obey, it shall be the duty of the court to issue such injunction.''.

SEC. 163. PREJUDGMENT ATTACHMENT.

The Housing and Community Development Act of 1992 is amended by inserting after section 1375 (12 U.S.C. 4635) the following new section:

''SEC. 1375A. PREJUDGMENT ATTACHMENT.

''(a) IN GENERAL.—In any action brought pursuant to this title, or in actions brought in aid of, or to enforce an order in, any administrative or other civil action for money damages, restitution, or civil money penalties brought pursuant to this title, the court may, upon application of the Director or Attorney General, as applicable, issue a restraining order that—

''(1) prohibits any person subject to the proceeding from withdrawing, transferring, removing, dissipating, or disposing of any funds, assets or other property; and

''(2) appoints a person on a temporary basis to administer the restraining order.

''(b) STANDARD.—

''(1) SHOWING.—Rule 65 of the Federal Rules of Civil Procedure shall apply with respect to any proceeding under subsection (a) without regard to the requirement of such rule that the applicant show that the injury, loss, or damage is irreparable and immediate.

''(2) STATE PROCEEDING.—If, in the case of any proceeding in a State court, the court determines that rules of civil procedure available under the laws of such State provide substantially similar protections to a party's right to due process as Rule 65 (as modified with respect to such proceeding by paragraph (1)), the relief sought under subsection (a) may be requested under the laws of such State.''.

SEC. 164. ENFORCEMENT AND JURISDICTION.

Section 1375 of the Housing and Community Development Act of 1992 (12 U.S.C. 4635) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) ENFORCEMENT.—The Director may, in the discretion of the Director, apply to the United States District Court for the District of Columbia, or the United States district court within the jurisdiction of which the headquarters of the regulated entity is located, for the enforcement of any effective and outstanding notice or order issued under this subtitle or subtitle B, or request that the Attorney General of the United States bring such an action. Such court shall have jurisdiction and power to order and require compliance with such notice or order.''; and

(2) in subsection (b), by striking ''or 1376'' and inserting ''1376, or 1377''.

SEC. 165. CIVIL MONEY PENALTIES.

Section 1376 of the Housing and Community Development Act of 1992 (12 U.S.C. 4636) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking '', or any executive officer or director'' and inserting ''or any regulated-entity affiliated party''; and

(B) in paragraph (1)—

(i) by striking ''the Federal National Mortgage Association Charter Act, the Federal Home Loan Mortgage Corporation Act'' and inserting ''any provision of any of the authorizing statutes'';

(ii) by striking ''or Act'' and inserting ''or statute'';

(iii) by striking ''or subsection'' and inserting '', subsection''; and

(iv) by inserting '', or paragraph (5) or (12) of section 10(j) of the Federal Home Loan Bank Act'' before the semicolon at the end;

(2) by striking subsection (b) and inserting the following new subsection:

''(b) AMOUNT OF PENALTY.—

''(1) FIRST TIER.—Any regulated entity which, or any regulated entity-affiliated party who—

''(A) violates any provision of this title, any provision of any of the authorizing statutes, or any order, condition, rule, or regulation under any such title or statute, except that the Director may not, pursuant to this section, enforce compliance with any housing goal established under subpart B of part 2 of subtitle A of this title, with section 1336 or 1337 of this title, with subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(m), (n)), with subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(e), (f)), or with paragraph (5) or (12) of section 10(j) of the Federal Home Loan Bank Act;

''(B) violates any final or temporary order or notice issued pursuant to this title;

''(C) violates any condition imposed in writing by the Director in connection with the grant of any application or other request by such regulated entity; or

''(D) violates any written agreement between the regulated entity and the Director, shall forfeit and pay a civil money penalty of not more than $10,000 for each day during which such violation continues.

''(2) SECOND TIER.—Notwithstanding paragraph (1)—

''(A) if a regulated entity, or a regulated entity-affiliated party—

''(i) commits any violation described in any subparagraph of paragraph (1);

''(ii) recklessly engages in an unsafe or unsound practice in conducting the affairs of such regulated entity; or

''(iii) breaches any fiduciary duty; and

''(B) the violation, practice, or breach—

''(i) is part of a pattern of misconduct;

''(ii) causes or is likely to cause more than a minimal loss to such regulated entity; or

''(iii) results in pecuniary gain or other benefit to such party,

the regulated entity or regulated entity-affiliated party shall forfeit and pay a civil penalty of not more than $50,000 for each day during which such violation, practice, or breach continues.

''(3) THIRD TIER.—Notwithstanding paragraphs (1) and (2), any regulated entity which, or any regulated entity-affiliated party who—

''(A) knowingly—

''(i) commits any violation or engages in any conduct described in any subparagraph of paragraph (1);

''(ii) engages in any unsafe or unsound practice in conducting the affairs of such regulated entity; or

''(iii) breaches any fiduciary duty; and

''(B) knowingly or recklessly causes a substantial loss to such regulated entity or a substantial pecuniary gain or other benefit to such party by reason of such violation, practice, or breach,

shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under paragraph (4) for each day during which such violation, practice, or breach continues.

''(4) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN PARAGRAPH (3).—The maximum daily amount of any civil penalty which may be assessed pursuant to paragraph (3) for any violation, practice, or breach described in such paragraph is—

''(A) in the case of any person other than a regulated entity, an amount not to exceed $2,000,000; and

''(B) in the case of any regulated entity, $2,000,000.'';

(3) in subsection (c)(1)(B), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party'';

(4) in subsection (d), by striking the first sentence and inserting the following: ''If a regulated entity or regulated entity-affiliated party fails to comply with an order of the Director imposing a civil money penalty under this section, after the order is no longer subject to review as provided under subsection (c)(1) and section 1374, the Director may, in the discretion of the Director, bring an action in the United States District Court for the District of Columbia, or the United States district court within the jurisdiction of which the headquarters of the regulated entity is located, to obtain a monetary judgment against the regulated entity or regulated entity affiliated party and such other relief as may be available, or request that the Attorney General of the United States bring such an action.''; and

(5) in subsection (g), by striking ''subsection (b)(3)'' and inserting ''this section, unless authorized by the Director by rule, regulation, or order''.

SEC. 166. REMOVAL AND PROHIBITION AUTHORITY.

(a) IN GENERAL.—Subtitle C of title XIII of the Housing and Community Development Act of 1992 is amended—

(1) by redesignating sections 1377, 1378, 1379, 1379A, and 1379B (12 U.S.C. 4637–41) as sections 1379, 1379A, 1379B, 1379C, and 1379D, respectively; and

(2) by inserting after section 1376 (12 U.S.C. 4636) the following new section:

''SEC. 1377. REMOVAL AND PROHIBITION AUTHORITY.

''(a) AUTHORITY TO ISSUE ORDER.—Whenever the Director determines that—

''(1) any regulated entity-affiliated party has, directly or indirectly—

''(A) violated—

''(i) any law or regulation;

''(ii) any cease-and-desist order which has become final;

''(iii) any condition imposed in writing by the Director in connection with the grant of any application or other request by such regulated entity; or

''(iv) any written agreement between such regulated entity and the Director;

''(B) engaged or participated in any unsafe or unsound practice in connection with any regulated entity; or

''(C) committed or engaged in any act, omission, or practice which constitutes a breach of such party's fiduciary duty;

''(2) by reason of the violation, practice, or breach described in any subparagraph of paragraph (1)—

''(A) such regulated entity has suffered or will probably suffer financial loss or other damage; or

''(B) such party has received financial gain or other benefit by reason of such violation, practice, or breach; and

''(3) such violation, practice, or breach—

''(A) involves personal dishonesty on the part of such party; or

''(B) demonstrates willful or continuing disregard by such party for the safety or soundness of such regulated entity, the Director may serve upon such party a written notice of the Director's intention to remove such party from office or to prohibit any further participation by such party, in any manner, in the conduct of the affairs of any regulated entity.

''(b) SUSPENSION ORDER.—

''(1) SUSPENSION OR PROHIBITION AUTHORITY.—If the Director serves written notice under subsection (a) to any regulated entity-affiliated party of the Director's intention to issue an order under such subsection, the Director may—

''(A) suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of the regulated entity, if the Director—

''(i) determines that such action is necessary for the protection of the regulated entity; and

''(ii) serves such party with written notice of the suspension order; and

''(B) prohibit the regulated entity from releasing to or on behalf of the regulated entity-affiliated party any compensation or other payment of money or other thing of current or potential value in connection with any resignation, removal, retirement, or other termination of employment or office of the party.

''(2) EFFECTIVE PERIOD.—Any suspension order issued under this subsection—

''(A) shall become effective upon service; and

''(B) unless a court issues a stay of such order under subsection (g) of this section, shall remain in effect and enforceable until—

''(i) the date the Director dismisses the charges contained in the notice served under subsection (a) with respect to such party; or

''(ii) the effective date of an order issued by the Director to such party under subsection (a).

''(3) COPY OF ORDER.—If the Director issues a suspension order under this subsection to any regulated entity-affiliated party, the Director shall serve a copy of such order on any regulated entity with which such party is affiliated at the time such order is issued.

''(c) NOTICE, HEARING, AND ORDER.—A notice of intention to remove a regulated entity-affiliated party from office or to prohibit such party from participating in the conduct of the affairs of a regulated entity shall contain a statement of the facts constituting grounds for such action, and shall fix a time and place at which a hearing will be held on such action. Such hearing shall be fixed for a date not earlier than 30 days nor later than 60 days after the date of service of such notice, unless an earlier or a later date is set by the Director at the request of (1) such party, and for good cause shown, or (2) the Attorney General of the United States. Unless such party shall appear at the hearing in person or by a duly authorized representative, such party shall be deemed to have consented to the issuance of an order of such removal or prohibition. In the event of such consent, or if upon the record made at any such hearing the Director shall find that any of the grounds specified in such notice have been established, the Director may issue such orders of suspension or removal from office, or prohibition from participation in the conduct of the affairs of the regulated entity, as it may deem appropriate, together with an order prohibiting compensation described in subsection (b)(1)(B). Any such order shall become effective at the expiration of 30 days after service upon such regulated entity and such party (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Director or a reviewing court.

''(d) PROHIBITION OF CERTAIN SPECIFIC ACTIVITIES.—Any person subject to an order issued under this section shall not—

''(1) participate in any manner in the conduct of the affairs of any regulated entity;

''(2) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any regulated entity;

''(3) violate any voting agreement previously approved by the Director; or

''(4) vote for a director, or serve or act as a regulated entity-affiliated party.

''(e) INDUSTRY-WIDE PROHIBITION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), any person who, pursuant to an order issued under this section, has been removed or suspended from office in a regulated entity or prohibited from participating in the conduct of the affairs of a regulated entity may not, while such order is in effect, continue or commence to hold any office in, or participate in any manner in the conduct of the affairs of, any regulated entity.

''(2) EXCEPTION IF DIRECTOR PROVIDES WRITTEN CONSENT.—If, on or after the date an order is issued under this section which removes or suspends from office any regulated entity-affiliated party or prohibits such party from participating in the conduct of the affairs of a regulated entity, such party receives the written consent of the Director, the order shall, to the extent of such consent, cease to apply to such party with respect to the regulated entity described in the written consent. If the Director grants such a written consent, it shall publicly disclose such consent.

''(3) VIOLATION OF PARAGRAPH (1) TREATED AS VIOLATION OF ORDER.—Any violation of paragraph (1) by any person who is subject to an order described in such subsection shall be treated as a violation of the order.

''(f) APPLICABILITY.—This section shall only apply to a person who is an individual, unless the Director specifically finds that it should apply to a corporation, firm, or other business enterprise.

''(g) STAY OF SUSPENSION AND PROHIBITION OF REGULATED ENTITY-AFFILIATED PARTY.—Within 10 days after any regulated entity-affiliated party has been suspended from office and/or prohibited from participation in the conduct of the affairs of a regulated entity under this section, such party may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district in which the headquarters of the regulated entity is located, for a stay of such suspension and/or prohibition and any prohibition under subsection (b)(1)(B) pending the completion of the administrative proceedings pursuant to the notice served upon such party under this section, and such court shall have jurisdiction to stay such suspension and/or prohibition.

''(h) SUSPENSION OR REMOVAL OF REGULATED ENTITY-AFFILIATED PARTY CHARGED WITH FELONY.—

''(1) SUSPENSION OR PROHIBITION.—

''(A) IN GENERAL.—Whenever any regulated entity-affiliated party is charged in any information, indictment, or complaint, with the commission of or participation in a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, the Director may, if continued service or participation by such party may pose a threat to the regulated entity or impair public confidence in the regulated entity, by written notice served upon such party—

''(i) suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of any regulated entity; and

''(ii) prohibit the regulated entity from releasing to or on behalf of the regulated entity-affiliated party any compensation or other payment of money or other thing of current or potential value in connection with the period of any such suspension or with any resignation, removal, retirement, or other termination of employment or office of the party.

''(B) PROVISIONS APPLICABLE TO NOTICE.—

''(i) COPY.—A copy of any notice under paragraph (1)(A) shall also be served upon the regulated entity.

''(ii) EFFECTIVE PERIOD.—A suspension or prohibition under subparagraph (A) shall remain in effect until the information, indictment, or complaint referred to in such subparagraph is finally disposed of or until terminated by the Director.

''(2) REMOVAL OR PROHIBITION.—

''(A) IN GENERAL.—If a judgment of conviction or an agreement to enter a pretrial diversion or other similar program is entered against a regulated entity-affiliated party in connection with a crime described in paragraph (1)(A), at such time as such judgment is not subject to further appellate review, the Director may, if continued service or participation by such party may pose a threat to the regulated entity or impair public confidence in the regulated entity, issue and serve upon such party an order that—

''(i) removes such party from office or prohibits such party from further participation in any manner in the conduct of the affairs of the regulated entity without the prior written consent of the Director; and

''(ii) prohibits the regulated entity from releasing to or on behalf of the regulated entity-affiliated party any compensation or other payment of money or other thing of current or potential value in connection with the termination of employment or office of the party.

''(B) PROVISIONS APPLICABLE TO ORDER.—

''(i) COPY.—A copy of any order under paragraph (2)(A) shall also be served upon the regulated entity, whereupon the regulated entity-affiliated party who is subject to the order (if a director or an officer) shall cease to be a director or officer of such regulated entity.

''(ii) EFFECT OF ACQUITTAL.—A finding of not guilty or other disposition of the charge shall not preclude the Director from instituting proceedings after such finding or disposition to remove such party from office or to prohibit further participation in regulated

entity affairs, and to prohibit compensation or other payment of money or other thing of current or potential value in connection with any resignation, removal, retirement, or other termination of employment or office of the party, pursuant to subsections (a), (d), or (e) of this section.

''(iii) EFFECTIVE PERIOD.—Any notice of suspension or order of removal issued under this subsection shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (4) unless terminated by the Director.

''(3) AUTHORITY OF REMAINING BOARD MEMBERS.—If at any time, because of the suspension of one or more directors pursuant to this section, there shall be on the board of directors of a regulated entity less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board not so suspended, until such time as there shall be a quorum of the board of directors. In the event all of the directors of a regulated entity are suspended pursuant to this section, the Director shall appoint persons to serve temporarily as directors in their place and stead pending the termination of such suspensions, or until such time as those who have been suspended cease to be directors of the regulated entity and their respective successors take office.

''(4) HEARING REGARDING CONTINUED PARTICIPATION.—Within 30 days from service of any notice of suspension or order of removal issued pursuant to paragraph (1) or (2) of this subsection, the regulated entity-affiliated party concerned may request in writing an opportunity to appear before the Director to show that the continued service to or participation in the conduct of the affairs of the regulated entity by such party does not, or is not likely to, pose a threat to the interests of the regulated entity or threaten to impair public confidence in the regulated entity. Upon receipt of any such request, the Director shall fix a time (not more than 30 days after receipt of such request, unless extended at the request of such party) and place at which such party may appear, personally or through counsel, before one or more members of the Director or designated employees of the Director to submit written materials (or, at the discretion of the Director, oral testimony) and oral argument. Within 60 days of such hearing, the Director shall notify such party whether the suspension or prohibition from participation in any manner in the conduct of the affairs of the regulated entity will be continued, terminated, or otherwise modified, or whether the order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the regulated entity, and prohibiting compensation in connection with termination will be rescinded or otherwise modified. Such notification shall contain a statement of the basis for the Director's decision, if adverse to such party. The Director is authorized to prescribe such rules as may be necessary to effectuate the purposes of this subsection.

''(i) HEARINGS AND JUDICIAL REVIEW.—

''(1) VENUE AND PROCEDURE.—Any hearing provided for in this section shall be held in the District of Columbia or in the Federal judicial district in which the headquarters of the regulated entity is located, unless the party afforded the hearing consents to another place, and shall be conducted in accordance with the provisions of chapter 5 of title 5, United States Code. After such hearing, and within 90 days after the Director has notified the parties that the case has been submitted to it for final decision, it shall render its decision (which shall include findings of fact upon which its decision is predicated) and shall issue and serve upon each party to the proceeding an order or orders consistent with the provisions of this section. Judicial review of any such order shall be exclusively as provided in this subsection. Unless a petition for review is timely filed in a court of appeals of the United States, as provided in paragraph (2), and thereafter until the record in the proceeding has been filed as so provided, the Director may at any time, upon such notice and in such manner as it shall deem proper, modify, terminate, or set aside any such order. Upon such filing of the record, the Director may modify, terminate, or set aside any such order with permission of the court.

''(2) REVIEW OF ORDER.—Any party to any proceeding under paragraph (1) may obtain a review of any order served pursuant to paragraph (1) (other than an order issued with the consent of the regulated entity or the regulated entity-affiliated party concerned, or an order issued under subsection (h) of this section) by the filing in the United States Court of Appeals for the District of Columbia Circuit or court of appeals of the United States for the circuit in which the headquarters of the regulated entity is located, within 30 days after the date of service of such order, a written petition praying that the order of the Director be modified, terminated, or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Director, and thereupon the Director shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record shall (except as provided in the last sentence of paragraph (1)) be exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the Director. Review of such proceedings shall be had as provided in chapter 7 of title 5, United States Code. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28, United States Code.

''(3) PROCEEDINGS NOT TREATED AS STAY.—The commencement of proceedings for judicial review under paragraph (2) shall not, unless specifically ordered by the court, operate as a stay of any order issued by the Director.''.

(b) CONFORMING AMENDMENTS.—

(1) 1992 ACT.—Section 1317(f) of the Housing and Community Development Act of 1992 (12 U.S.C. 4517(f)) is amended by striking ''section 1379B'' and inserting ''section 1379D''.

(2) FANNIE MAE CHARTER ACT.—The second sentence of subsection (b) of section 308 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended by striking ''The'' and inserting ''Except to the extent that action under section 1377 of the Housing and Community Development Act of 1992 temporarily results in a lesser number, the''.

(3) FREDDIE MAC ACT.—The second sentence of subparagraph (A) of section 303(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)(A)) is amended by striking ''The'' and inserting ''Except to the extent that action under section 1377 of the Housing and Community Development Act of 1992 temporarily results in a lesser number, the''.

SEC. 167. CRIMINAL PENALTY.

Subtitle C of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4631 et seq.) is amended by inserting after section 1377 (as added by the preceding provisions of this Division) the following new section:

''SEC. 1378. CRIMINAL PENALTY.

''Whoever, being subject to an order in effect under section 1377, without the prior written approval of the Director, knowingly participates, directly or indirectly, in any manner (including by engaging in an activity specifically prohibited in such an order) in the conduct of the affairs of any regulated entity shall, notwithstanding section 3571 of title 18, be fined not more than $1,000,000, imprisoned for not more than 5 years, or both.''.

SEC. 168. SUBPOENA AUTHORITY.

Section 1379D(c) of the Housing and Community Development Act of 1992 (12 U.S.C. 4641(c)), as so redesignated by section 166(a)(1) of this Division, is further amended—

(1) by striking ''request the Attorney General of the United States to'' and inserting '', in the discretion of the Director,'';

(2) by inserting ''or request that the Attorney General of the United States bring such an action,'' after ''District of Columbia,''; and

(3) by striking ''or may, under the direction and control of the Attorney General, bring such an action''.

SEC. 169. CONFORMING AMENDMENTS.

Subtitle C of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4631 et seq.), as amended by the preceding provisions of this Division, is amended—

(1) in section 1372(c)(1) (12 U.S.C. 4632(c)), by striking ''that enterprise'' and inserting ''that regulated entity'';

(2) in section 1379 (12 U.S.C. 4637), as so redesignated by section 166(a)(1) of this Division—

(A) by inserting '', or of a regulated entity-affiliated party,'' before ''shall not affect''; and

(B) by striking ''such director or executive officer'' each place such term appears and inserting ''such director, executive officer, or regulated entity-affiliated party'';

(3) in section 1379A (12 U.S.C. 4638), as so redesignated by section 166(a)(1) of this Division, by inserting ''or against a regulated entity-affiliated party,'' before ''or impair'';

(4) by striking ''An enterprise'' each place such term appears in such subtitle and inserting ''A regulated entity'';

(5) by striking ''an enterprise'' each place such term appears in such subtitle and inserting ''a regulated entity'';

(6) by striking ''the enterprise'' each place such term appears in such subtitle and inserting ''the regulated entity''; and

(7) by striking ''any enterprise'' each place such term appears in such subtitle and inserting ''any regulated entity''.

Subtitle E—General Provisions

SEC. 181. BOARDS OF ENTERPRISES.

(a) FANNIE MAE.—

(1) IN GENERAL.—Section 308(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended—

(A) in the first sentence, by striking ''eighteen persons, five of whom shall be appointed annually by the President of the United States, and the remainder of whom'' and inserting ''13 persons, or such other number that the Director determines appropriate, who'';

(B) in the second sentence, by striking ''appointed by the President'';

(C) in the third sentence—

(i) by striking ''appointed or''; and

(ii) by striking '', except that any such appointed member may be removed from office by the President for good cause'';

(D) in the fourth sentence, by striking ''elective''; and

(E) by striking the fifth sentence.

(2) TRANSITIONAL PROVISION.—The amendments made by paragraph (1) shall not apply

to any appointed position of the board of directors of the Federal National Mortgage Association until the expiration of the annual term for such position during which the effective date under Section 185 occurs.

(b) FREDDIE MAC.—

(1) IN GENERAL.—Section 303(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)) is amended—

(A) in subparagraph (A)—

(i) in the first sentence, by striking ''18 persons, 5 of whom shall be appointed annually by the President of the United States and the remainder of whom'' and inserting ''13 persons, or such other number as the Director determines appropriate, who''; and

(ii) in the second sentence, by striking ''appointed by the President of the United States'';

(B) in subparagraph (B)—

(i) by striking ''such or''; and

(ii) by striking '', except that any appointed member may be removed from office by the President for good cause''; and

(C) in subparagraph (C)—

(i) by striking the first sentence; and

(ii) by striking ''elective''.

(2) TRANSITIONAL PROVISION.—The amendments made by paragraph (1) shall not apply to any appointed position of the board of directors of the Federal Home Loan Mortgage Corporation until the expiration of the annual term for such position during which the effective date under Section 185 occurs.

SEC. 182. REPORT ON PORTFOLIO OPERATIONS, SAFETY AND SOUNDNESS, AND MISSION OF ENTERPRISES.

Not later than the expiration of the 12-month period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall submit a report to the Congress which shall include—

(1) a description of the portfolio holdings of the enterprises (as such term is defined in section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502) in mortgages (including whole loans and mortgage-backed securities), non-mortgages, and other assets;

(2) a description of the risk implications for the enterprises of such holdings and the consequent risk management undertaken by the enterprises (including the use of derivatives for hedging purposes), compared with off-balance sheet liabilities of the enterprises (including mortgage-backed securities guaranteed by the enterprises);

(3) an analysis of portfolio holdings for safety and soundness purposes;

(4) an assessment of whether portfolio holdings fulfill the mission purposes of the enterprises under the Federal National Mortgage Association Charter Act and the Federal Home Loan Mortgage Corporation Act; and

(5) an analysis of the potential systemic risk implications for the enterprises, the housing and capital markets, and the financial system of portfolio holdings, and whether such holdings should be limited or reduced over time.

SEC. 183. CONFORMING AND TECHNICAL AMENDMENTS.

(a) 1992 ACT.—Title XIII of the Housing and Community Development Act of 1992 is amended by striking section 1383 (12 U.S.C. 1451 note).

(b) TITLE 18, UNITED STATES CODE.—Section 1905 of title 18, United States Code, is amended by striking ''Office of Federal Housing Enterprise Oversight'' and inserting ''Federal Housing Finance Agency''.

(c) FLOOD DISASTER PROTECTION ACT OF 1973.—Section 102(f)(3)(A) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)(3)(A)) is amended by striking ''Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' and inserting ''Director of the Federal Housing Finance Agency''.

(d) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT.—Section 5 of the Department of Housing and Urban Development Act (42 U.S.C. 3534) is amended by striking subsection (d).

(e) TITLE 5, UNITED STATES CODE.—

(1) DIRECTOR'S PAY RATE.—Section 5313 of title 5, United States Code, is amended by striking the item relating to the Director of the Office of Federal Housing Enterprise Oversight, Department of Housing and Urban Development and inserting the following new item:

''Director of the Federal Housing Finance Agency.''.

(2) EXCLUSION FROM SENIOR EXECUTIVE SERVICE.—Section 3132(a)(1)(D) of title 5, United States Code, is amended—

(A) by striking ''the Federal Housing Finance Board,''; and

(B) by striking ''the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' and inserting ''the Federal Housing Finance Agency''.

(f) INSPECTOR GENERAL ACT OF 1978.—Section 8G(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(g) FEDERAL DEPOSIT INSURANCE ACT.—Section 11(t)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C.1821(t)(2)(A)) is amended by adding at the end the following new clause:

''(vii) The Federal Housing Finance Agency.''.

(h) 1997 EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT.—Section 10001 of the 1997 Emergency Supplemental Appropriations Act for Recovery From Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those In Bosnia (42 U.S.C. 3548) is amended—

(1) by striking ''the Government National Mortgage Association, and the Office of Federal Housing Enterprise Oversight'' and inserting ''and the Government National Mortgage Association''; and

(2) by striking '', the Government National Mortgage Association, or the Office of Federal Housing Enterprise Oversight'' and inserting ''or the Government National Mortgage Association''.

(i) NATIONAL HOMEOWNERSHIP TRUST ACT.—Section 302(b)(4) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12851(b)(4)) is amended by striking ''the chairperson of the Federal Housing Finance Board'' and inserting ''the Director of the Federal Housing Finance Agency''.

SEC. 184. STUDY OF ALTERNATIVE SECONDARY MARKET SYSTEMS.

(a) IN GENERAL.—The Director of the Federal Housing Finance Agency, in consultation with the Board of Governors of the Federal Reserve System, the Secretary of the Treasury, and the Secretary of Housing and Urban Development, shall conduct a comprehensive study of the effects on financial and housing finance markets of alternatives to the current secondary market system for housing finance, taking into consideration changes in the structure of financial and housing finance markets and institutions since the creation of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(b) CONTENTS.—The study under this section shall—

(1) include, among the alternatives to the current secondary market system analyzed—

(A) repeal of the chartering Acts for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation;

(B) establishing bank-like mechanisms for granting new charters for limited purposed mortgage securitization entities;

(C) permitting the Director of the Federal Housing Finance Agency to grant new charters for limited purpose mortgage securitization entities, which shall include analyzing the terms on which such charters should be granted, including whether such charters should be sold, or whether such charters and the charters for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation should be taxed or otherwise assessed a monetary price; and

(D) such other alternatives as the Director considers appropriate;

(2) examine all of the issues involved in making the transition to a completely private secondary mortgage market system;

(3) examine the technological advancements the private sector has made in providing liquidity in the secondary mortgage market and how such advancements have affected liquidity in the secondary mortgage market; and

(4) examine how taxpayers would be impacted by each alternative system, including the complete privatization of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(c) REPORT.—The Director of the Federal Housing Finance Agency shall submit a report to the Congress on the study not later than the expiration of the 24-month period beginning on the effective date under section 185.

SEC. 185. EFFECTIVE DATE.

Except as specifically provided otherwise in this title, this title shall take effect on and the amendments made by this title shall take effect on, and shall apply beginning on, the expiration of the 6-month period beginning on the date of the enactment of this Act.

TITLE II—FEDERAL HOME LOAN BANKS

SEC. 201. DEFINITIONS.

Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended—

(1) by striking paragraphs (1), (10), and (11);

(2) by redesignating paragraphs (2) through (9) as paragraphs (1) through (8), respectively;

(3) by redesignating paragraphs (12) and (13) as paragraphs (9) and (10), respectively; and

(4) by adding at the end the following:

''(11) DIRECTOR.—The term 'Director' means the Director of the Federal Housing Finance Agency.

''(12) AGENCY.—The term 'Agency' means the Federal Housing Finance Agency.''.

SEC. 202. DIRECTORS.

(a) ELECTION.—Section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) NUMBER; ELECTION; QUALIFICATIONS; CONFLICTS OF INTEREST.—

''(1) IN GENERAL.—The management of each Federal Home Loan Bank shall be vested in a board of 13 directors, or such other number as the Director determines appropriate, each of whom shall be a citizen of the United States. All directors of a Bank who are not independent directors pursuant to paragraph (3) shall be elected by the members.

''(2) MEMBER DIRECTORS.—A majority of the directors of each Bank shall be officers or directors of a member of such Bank that is located in the district in which such Bank is located.

''(3) INDEPENDENT DIRECTORS.—At least two-fifths of the directors of each Bank shall be independent directors, who shall be appointed by the Director of the Federal Housing Finance Agency from a list of individuals

recommended by the Federal Housing Enterprise Board. The Federal Housing Enterprise Board may recommend individuals who are identified by the Board's own independent process or included on a list of individuals recommended by the board of directors of the Bank involved, which shall be submitted to the Federal Housing Enterprise Board by such board of directors. The number of individuals on any such list submitted by a Bank's board of directors shall be equal to at least two times the number of independent directorships to be filled. All independent directors appointed shall meet the following criteria:

''(A) IN GENERAL.—Each independent director shall be a bona fide resident of the district in which such Bank is located.

''(B) PUBLIC INTEREST DIRECTORS.—At least 2 of the independent directors under this paragraph of each Bank shall be representatives chosen from organizations with more than a 2-year history of representing consumer or community interests on banking services, credit needs, housing, community development, economic development, or financial consumer protections.

''(C) OTHER DIRECTORS.—

''(i) QUALIFICATIONS.—Each independent director that is not a public interest director under subparagraph (B) shall have demonstrated knowledge of, or experience in, financial management, auditing and accounting, risk management practices, derivatives, project development, or organizational management, or such other knowledge or expertise as the Director may provide by regulation.

''(ii) CONSULTATION WITH BANKS.—In appointing other directors to serve on the board of a Federal home loan bank, the Director of the Federal Housing Finance Agency may consult with each Federal home loan bank about the knowledge, skills, and expertise needed to assist the board in better fulfilling its responsibilities.

''(D) CONFLICTS OF INTEREST.—Notwithstanding subsection (f)(2), an independent director under this paragraph of a Bank may not, during such director's term of office, serve as an officer of any Federal Home Loan Bank or as a director or officer of any member of a Bank.

''(E) COMMUNITY DEMOGRAPHICS.—In appointing independent directors of a Bank pursuant to this paragraph, the Director shall take into consideration the demographic makeup of the community most served by the Affordable Housing Program of the Bank pursuant to section 10(j).'';

(2) in the first sentence of subsection (b), by striking ''elective directorship'' and inserting ''member directorship established pursuant to subsection (a)(2)'';

(3) in subsection (c)—

(A) by striking ''elective'' each place such term appears and inserting ''member'', except—

(i) in the second sentence, the second place such term appears; and

(ii) each place such term appears in the fifth sentence;

(B) in the first sentence, by inserting after ''less than one'' the following: ''or two, as determined by the board of directors of the appropriate Federal home loan bank,''; and

(C) in the second sentence—

(i) by inserting ''(A) except as provided in clause (B) of this sentence,'' before ''if at any time''; and

(ii) by inserting before the period at the end the following: '', and (B) clause (A) of this sentence shall not apply to the directorships of any Federal home loan bank resulting from the merger of any two or more such banks''; and

(4) by striking ''elective'' each place such term appears (except in subsections (c), (e), and (f)).

(b) TERMS.—

(1) IN GENERAL.—Section 7(d) of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) is amended—

(A) in the first sentence, by striking ''3 years'' and inserting ''4 years''; and

(B) in the second sentence—

(i) by striking ''Federal Home Loan Bank System Modernization Act of 1999'' and inserting ''Federal Housing Finance Reform Act of 2007''; and

(ii) by striking ''1/3'' and inserting ''1/4''.

(2) SAVINGS PROVISION.—The amendments made by paragraph (1) shall not apply to the term of office of any director of a Federal home loan bank who is serving as of the effective date of this title under section 211, including any director elected to fill a vacancy in any such office.

(c) CONTINUED SERVICE OF INDEPENDENT DIRECTORS AFTER EXPIRATION OF TERM.—Section 7(f)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1427(f)(2)) is amended—

(1) in the second sentence, by striking ''or the term of such office expires, whichever occurs first'';

(2) by adding at the end the following new sentence: ''An independent Bank director may continue to serve as a director after the expiration of the term of such director until a successor is appointed.'';

(3) in the paragraph heading, by striking ''APPOINTED'' and inserting ''INDEPENDENT''; and

(4) by striking ''appointive'' each place such term appears and inserting ''independent''.

(d) CONFORMING AMENDMENTS.—Section 7(f)(3) of the Federal Home Loan Bank Act (12 U.S.C. 1427(f)(3)) is amended—

(1) in the paragraph heading, by striking ''ELECTED'' and inserting ''MEMBER''; and

(2) by striking ''elective'' each place such term appears in the first and third sentences and inserting ''member''.

(e) COMPENSATION.—Subsection (i) of section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) is amended to read as follows:

''(i) DIRECTORS' COMPENSATION.—

''(1) IN GENERAL.—Each Federal home loan bank may pay the directors on the board of directors for the bank reasonable and appropriate compensation for the time required of such directors, and reasonable and appropriate expenses incurred by such directors, in connection with service on the board of directors, in accordance with resolutions adopted by the board of directors and subject to the approval of the Director.

''(2) ANNUAL REPORT BY THE BOARD.—The Director shall include, in the annual report submitted to the Congress pursuant to section 1319B of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, information regarding the compensation and expenses paid by the Federal home loan banks to the directors on the boards of directors of the banks.''.

(f) TRANSITION RULE.—Any member of the board of directors of a Federal Home Loan Bank serving as of the effective date under section 211 may continue to serve as a member of such board of directors for the remainder of the term of such office as provided in section 7 of the Federal Home Loan Bank Act, as in effect before such effective date.

SEC. 203. FEDERAL HOUSING FINANCE AGENCY OVERSIGHT OF FEDERAL HOME LOAN BANKS.

The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.), other than in provisions of that Act added or amended otherwise by this Division, is amended—

(1) by striking sections 2A and 2B (12 U.S.C. 1422a, 1422b);

(2) in section 6 (12 U.S.C. 1426(b)(1))—

(A) in subsection (b)(1), in the matter preceding subparagraph (A), by striking ''Finance Board approval'' and inserting ''approval by the Director''; and

(B) in each of subsections (c)(4)(B) and (d)(2), by striking ''Finance Board regulations'' each place that term appears and inserting ''regulations of the Director'';

(3) in section 8 (12 U.S.C. 1428), in the section heading, by striking ''BY THE BOARD'';

(4) in section 10(b) (12 U.S.C. 1430(b)), by striking ''by formal resolution'';

(5) in section 10 (12 U.S.C. 1430), by adding at the end the following new subsection:

''(k) MONITORING AND ENFORCING COMPLIANCE WITH AFFORDABLE HOUSING AND COMMUNITY INVESTMENT PROGRAM REQUIREMENTS.—The requirements under subsection (i) and (j) that the Banks establish Community Investment and Affordable Housing Programs, respectively, and contribute to the Affordable Housing Program, shall be enforceable by the Director with respect to the Banks in the same manner and to the same extent as the housing goals under subpart B of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4561 et seq.) are enforceable under section 1336 of such Act with respect to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.'';

(6) in section 11 (12 U.S.C. 1431)—

(A) in subsection (b)—

(i) in the first sentence—

(I) by striking ''The Board'' and inserting ''The Office of Finance, as agent for the Banks,''; and

(II) by striking ''the Board'' and inserting ''such Office''; and

(ii) in the second and fourth sentences, by striking ''the Board'' each place such term appears and inserting ''the Office of Finance'';

(B) in subsection (c)—

(i) by striking ''the Board'' the first place such term appears and inserting ''the Office of Finance, as agent for the Banks,''; and

(ii) by striking ''the Board'' the second place such term appears and inserting ''such Office''; and

(C) in subsection (f)—

(i) by striking the two commas after ''permit'' and inserting ''or''; and

(ii) by striking the comma after ''require'';

(7) in section 15 (12 U.S.C. 1435), by inserting ''or the Director'' after ''the Board'';

(8) in section 18 (12 U.S.C. 1438), by striking subsection (b);

(9) in section 21 (12 U.S.C. 1441)—

(A) in subsection (b)—

(i) in paragraph (5), by striking ''Chairperson of the Federal Housing Finance Board'' and inserting ''Director''; and

(ii) in the heading for paragraph (8), by striking ''FEDERAL HOUSING FINANCE BOARD'' and inserting ''DIRECTOR''; and

(B) in subsection (i), in the heading for paragraph (2), by striking ''FEDERAL HOUSING FINANCE BOARD'' and inserting ''DIRECTOR'';

(10) in section 23 (12 U.S.C. 1443), by striking ''Board of Directors of the Federal Housing Finance Board'' and inserting ''Director'';

(11) by striking ''the Board'' each place such term appears in such Act (except in section 15 (12 U.S.C. 1435), section 21(f)(2) (12 U.S.C. 1441(f)(2)), subsections (a), (k)(2)(B)(i), and (n)(6)(C)(ii) of section 21A (12 U.S.C. 1441a), subsections (f)(2)(C), and (k)(7)(B)(ii) of section 21B (12 U.S.C. 1441b), and the first two places such term appears in section 22 (12 U.S.C. 1442)) and inserting ''the Director'';

(12) by striking ''The Board'' each place such term appears in such Act (except in sections 7(e) (12 U.S.C. 1427(e)), and 11(b) (12 U.S.C. 1431(b)) and inserting ''The Director'';

(13) by striking ''the Board's'' each place such term appears in such Act and inserting ''the Director's'';

(14) by striking ''The Board's'' each place such term appears in such Act and inserting ''The Director's'';

(15) by striking ''the Finance Board'' each place such term appears in such Act and inserting ''the Director'';

(16) by striking ''Federal Housing Finance Board'' each place such term appears and inserting ''Director'';

(17) in section 11(i) (12 U.S.C. 1431(i), by striking ''the Chairperson of''; and

(18) in section 21(e)(9) (12 U.S.C. 1441(e)(9)), by striking ''Chairperson of the''.

SEC. 204. JOINT ACTIVITIES OF BANKS.

Section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1431) is amended by adding at the end the following new subsection:

''(l) JOINT ACTIVITIES.—Subject to the regulation of the Director, any two or more Federal Home Loan Banks may establish a joint office for the purpose of performing functions for, or providing services to, the Banks on a common or collective basis, or may require that the Office of Finance perform such functions or services, but only if the Banks are otherwise authorized to perform such functions or services individually.''.

SEC. 205. SHARING OF INFORMATION BETWEEN FEDERAL HOME LOAN BANKS.

(a) IN GENERAL.—The Federal Home Loan Bank Act is amended by inserting after section 20 (12 U.S.C. 1440) the following new section:

''SEC. 20A. SHARING OF INFORMATION BETWEEN FEDERAL HOME LOAN BANKS.

''(a) REGULATORY AUTHORITY.—The Director shall prescribe such regulations as may be necessary to ensure that each Federal Home Loan Bank has access to information that the Bank needs to determine the nature and extent of its joint and several liability.

''(b) NO WAIVER OF PRIVILEGE.—The Director shall not be deemed to have waived any privilege applicable to any information concerning a Federal Home Loan Bank by transferring, or permitting the transfer of, that information to any other Federal Home Loan Bank for the purpose of enabling the recipient to evaluate the nature and extent of its joint and several liability.''.

(b) REGULATIONS.—The regulations required under the amendment made by subsection (a) shall be issued in final form not later than 6 months after the effective date under section 211 of this Division.

SEC. 206. REORGANIZATION OF BANKS AND VOLUNTARY MERGER.

Section 26 of the Federal Home Loan Bank Act (12 U.S.C. 1446) is amended—

(1) by inserting ''(a) REORGANIZATION.—'' before ''Whenever''; and

(2) by striking ''liquidated or'' each place such phrase appears;

(3) by striking ''liquidation or''; and

(4) by adding at the end the following new subsection:

''(b) VOLUNTARY MERGERS.—Any two or more Banks may, with the approval of the Director, and the approval of the boards of directors of the Banks involved, merge. The Director shall promulgate regulations establishing the conditions and procedures for the consideration and approval of any such voluntary merger, including the procedures for Bank member approval.''.

SEC. 207. SECURITIES AND EXCHANGE COMMISSION DISCLOSURE.

(a) IN GENERAL.—The Federal Home Loan Banks shall be exempt from compliance with—

(1) sections 13(e), 14(a), 14(c), and 17A of the Securities Exchange Act of 1934 and related Commission regulations; and

(2) section 15 of that Act and related Securities and Exchange Commission regulations with respect to transactions in capital stock of the Banks.

(b) MEMBER EXEMPTION.—The members of the Federal Home Loan Banks shall be exempt from compliance with sections 13(d), 13(f), 13(g), 14(d), and 16 of the Securities Exchange Act of 1934 and related Securities and Exchange Commission regulations with respect to their ownership of, or transactions in, capital stock of the Federal Home Loan Banks.

(c) EXEMPTED AND GOVERNMENT SECURITIES.—

(1) CAPITAL STOCK.—The capital stock issued by each of the Federal Home Loan Banks under section 6 of the Federal Home Loan Bank Act are—

(A) exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933; and

(B) ''exempted securities'' within the meaning of section 3(a)(12)(A) of the Securities Exchange Act of 1934.

(2) OTHER OBLIGATIONS.—The debentures, bonds, and other obligations issued under section 11 of the Federal Home Loan Bank Act are—

(A) exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933;

(B) ''government securities'' within the meaning of section 3(a)(42) of the Securities Exchange Act of 1934;

(C) excluded from the definition of ''government securities broker'' within section 3(a)(43) of the Securities Exchange Act of 1934;

(D) excluded from the definition of ''government securities dealer'' within section 3(a)(44) of the Securities Exchange Act of 1934; and

(E) ''government securities'' within the meaning of section 2(a)(16) of the Investment Company Act of 1940.

(d) EXEMPTION FROM REPORTING REQUIREMENTS.—The Federal Home Loan Banks shall be exempt from periodic reporting requirements pertaining to—

(1) the disclosure of related party transactions that occur in the ordinary course of business of the Banks with their members; and

(2) the disclosure of unregistered sales of equity securities.

(e) TENDER OFFERS.—The Securities and Exchange Commission's rules relating to tender offers shall not apply in connection with transactions in capital stock of the Federal Home Loan Banks.

(f) REGULATIONS.—In issuing any final regulations to implement provisions of this section, the Securities and Exchange Commission shall consider the distinctive characteristics of the Federal Home Loan Banks when evaluating the accounting treatment with respect to the payment to Resolution Funding Corporation, the role of the combined financial statements of the twelve Banks, the accounting classification of redeemable capital stock, and the accounting treatment related to the joint and several nature of the obligations of the Banks.

SEC. 208. COMMUNITY FINANCIAL INSTITUTION MEMBERS.

(a) TOTAL ASSET REQUIREMENT.—Paragraph (10) of section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422(10)), as so redesignated by section 201(3) of this Division, is amended by striking ''$500,000,000'' each place such term appears and inserting ''$1,000,000,000''.

(b) USE OF ADVANCES FOR COMMUNITY DEVELOPMENT ACTIVITIES.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) in paragraph (2)(B)—

(A) by striking ''and''; and

(B) by inserting '', and community development activities'' before the period at the end;

(2) in paragraph (3)(E), by inserting ''or community development activities'' after ''agriculture,''; and

(3) in paragraph (6)—

(A) by striking ''and''; and

(B) by inserting '', and 'community development activities'' before ''shall''.

SEC. 209. TECHNICAL AND CONFORMING AMENDMENTS.

(a) RIGHT TO FINANCIAL PRIVACY ACT OF 1978.—Section 1113(o) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413(o)) is amended—

(1) by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''; and

(2) by striking ''Federal Housing Finance Board's'' and inserting ''Federal Housing Finance Agency's''.

(b) RIEGLE COMMUNITY DEVELOPMENT AND REGULATORY IMPROVEMENT ACT OF 1994.—Section 117(e) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4716(e)) is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(c) TITLE 18, UNITED STATES CODE.—Title 18, United States Code, is amended by striking ''Federal Housing Finance Board'' each place such term appears in each of sections 212, 657, 1006, 1014, and inserting ''Federal Housing Finance Agency''.

(d) MARA ACT OF 1997.—Section 517(b)(4) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(e) TITLE 44, UNITED STATES CODE.—Section 3502(5) of title 44, United States Code, is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(f) ACCESS TO LOCAL TV ACT OF 2000.—Section 1004(d)(2)(D)(iii) of the Launching Our Communities' Access to Local Television Act of 2000 (47 U.S.C. 1103(d)(2)(D)(iii)) is amended by striking ''Office of Federal Housing Enterprise Oversight, the Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(g) SARBANES-OXLEY ACT OF 2002.—Section 105(b)(5)(B)(ii)(II) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7215(B)(5)(b)(ii)(II)) is amended by inserting ''and the Director of the Federal Housing Finance Agency'' after ''Commission,''.

SEC. 210. STUDY OF AFFORDABLE HOUSING PROGRAM USE FOR LONG-TERM CARE FACILITIES.

The Comptroller General shall conduct a study of the use of affordable housing programs of the Federal home loan banks under section 10(j) of the Federal Home Loan Bank Act to determine how and the extent to which such programs are used to assist long-term care facilities for low- and moderate-income individuals, and the effectiveness and adequacy of such assistance in meeting the needs of affected communities. The study shall examine the applicability of such use to the affordable housing programs required to be established by the enterprises pursuant to the amendment made by section 139 of this Division. The Comptroller General shall submit a report to the Director of the Federal Housing Finance Agency and the Congress regarding the results of the study not later than the expiration of the 1-year period beginning on the date of the enactment of this Act. This section shall take effect on the date of the enactment of this Act.

SEC. 211. EFFECTIVE DATE.

Except as specifically provided otherwise in this title, this title shall take effect on

and the amendments made by this title shall take effect on, and shall apply beginning on, the expiration of the 6-month period beginning on the date of the enactment of this Act.

TITLE III—TRANSFER OF FUNCTIONS, PERSONNEL, AND PROPERTY OF OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT, FEDERAL HOUSING FINANCE BOARD, AND DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Subtitle A—Office of Federal Housing Enterprise Oversight

SEC. 301. ABOLISHMENT OF OFHEO.

(a) IN GENERAL.—Effective at the end of the 6-month period beginning on the date of the enactment of this Act, the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development and the positions of the Director and Deputy Director of such Office are abolished.

(b) DISPOSITION OF AFFAIRS.—During the 6-month period beginning on the date of the enactment of this Act, the Director of the Office of Federal Housing Enterprise Oversight shall, for the purpose of winding up the affairs of the Office of Federal Housing Enterprise Oversight and in addition to carrying out its other responsibilities under law—

(1) manage the employees of such Office and provide for the payment of the compensation and benefits of any such employee which accrue before the effective date of the transfer of such employee pursuant to section 303; and

(2) may take any other action necessary for the purpose of winding up the affairs of the Office.

(c) STATUS OF EMPLOYEES BEFORE TRANSFER.—The amendments made by title I and the abolishment of the Office of Federal Housing Enterprise Oversight under subsection (a) of this section may not be construed to affect the status of any employee of such Office as employees of an agency of the United States for purposes of any other provision of law before the effective date of the transfer of any such employee pursuant to section 303.

(d) USE OF PROPERTY AND SERVICES.—

(1) PROPERTY.—The Director of the Federal Housing Finance Agency may use the property of the Office of Federal Housing Enterprise Oversight to perform functions which have been transferred to the Director of the Federal Housing Finance Agency for such time as is reasonable to facilitate the orderly transfer of functions transferred pursuant to any other provision of this Division or any amendment made by this Division to any other provision of law.

(2) AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, and any successor to any such agency, department, or instrumentality, which was providing supporting services to the Office of Federal Housing Enterprise Oversight before the expiration of the period under subsection (a) in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall—

(A) continue to provide such services, on a reimbursable basis, until the transfer of such functions is complete; and

(B) consult with any such agency to coordinate and facilitate a prompt and reasonable transition.

(e) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not affect the validity of any right, duty, or obligation of the United States, the Director of the Office of Federal Housing Enterprise Oversight, or any other person, which—

(A) arises under or pursuant to the title XIII of the Housing and Community Development Act of 1992, the Federal National Mortgage Association Charter Act, the Federal Home Loan Mortgage Corporation Act, or any other provision of law applicable with respect to such Office; and

(B) existed on the day before the abolishment under subsection (a) of this section.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Director of the Office of Federal Housing Enterprise Oversight in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall abate by reason of the enactment of this Act, except that the Director of the Federal Housing Finance Agency shall be substituted for the Director of the Office of Federal Housing Enterprise Oversight as a party to any such action or proceeding.

SEC. 302. CONTINUATION AND COORDINATION OF CERTAIN REGULATIONS.

All regulations, orders, determinations, and resolutions that—

(1) were issued, made, prescribed, or allowed to become effective by—

(A) the Office of Federal Housing Enterprise Oversight; or

(B) a court of competent jurisdiction and that relate to functions transferred by this subtitle; and

(2) are in effect on the date of the abolishment under section 301(a) of this Division, shall remain in effect according to the terms of such regulations, orders, determinations, and resolutions, and shall be enforceable by or against the Director of the Federal Housing Finance Agency until modified, terminated, set aside, or superseded in accordance with applicable law by such Director, as the case may be, any court of competent jurisdiction, or operation of law.

SEC. 303. TRANSFER AND RIGHTS OF EMPLOYEES OF OFHEO.

(a) TRANSFER.—Each employee of the Office of Federal Housing Enterprise Oversight shall be transferred to the Federal Housing Finance Agency for employment no later than the date of the abolishment under section 301(a) of this Division and such transfer shall be deemed a transfer of function for purposes of section 3503 of title 5, United States Code.

(b) GUARANTEED POSITIONS.—Each employee transferred under subsection (a) shall be guaranteed a position with the same status, tenure, grade, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date of transfer, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(c) APPOINTMENT AUTHORITY FOR EXCEPTED SERVICE EMPLOYEES.—

(1) IN GENERAL.—In the case of employees occupying positions in the excepted service, any appointment authority established pursuant to law or regulations of the Office of Personnel Management for filling such positions shall be transferred, subject to paragraph (2).

(2) DECLINE OF TRANSFER.—The Director of the Federal Housing Finance Agency may decline a transfer of authority under paragraph (1) (and the employees appointed pursuant thereto) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policy-making, policy-determining, or policy-advocating character.

(d) REORGANIZATION.—If the Director of the Federal Housing Finance Agency determines, after the end of the 1-year period beginning on the date of the abolishment under section 301(a), that a reorganization of the combined work force is required, that reorganization shall be deemed a major reorganization for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code.

(e) EMPLOYEE BENEFIT PROGRAMS.—Any employee of the Office of Federal Housing Enterprise Oversight accepting employment with the Director of the Federal Housing Finance Agency as a result of a transfer under subsection (a) may retain for 12 months after the date such transfer occurs membership in any employee benefit program of the Federal Housing Finance Agency or the Office of Federal Housing Enterprise Oversight, as applicable, including insurance, to which such employee belongs on the date of the abolishment under section 301(a) if—

(1) the employee does not elect to give up the benefit or membership in the program; and

(2) the benefit or program is continued by the Director of the Federal Housing Finance Agency,

The difference in the costs between the benefits which would have been provided by such agency and those provided by this section shall be paid by the Director of the Federal Housing Finance Agency. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by such Director, the employee shall be permitted to select an alternate Federal health insurance program within 30 days of such election or notice, without regard to any other regularly scheduled open season.

SEC. 304. TRANSFER OF PROPERTY AND FACILITIES.

Upon the abolishment under section 301(a), all property of the Office of Federal Housing Enterprise Oversight shall transfer to the Director of the Federal Housing Finance Agency.

Subtitle B—Federal Housing Finance Board

SEC. 321. ABOLISHMENT OF THE FEDERAL HOUSING FINANCE BOARD.

(a) IN GENERAL.—Effective at the end of the 6-month period beginning on the date of enactment of this Act, the Federal Housing Finance Board (in this title referred to as the ''Board'') is abolished.

(b) DISPOSITION OF AFFAIRS.—During the 6-month period beginning on the date of enactment of this Act, the Board, for the purpose of winding up the affairs of the Board and in addition to carrying out its other responsibilities under law—

(1) shall manage the employees of such Board and provide for the payment of the compensation and benefits of any such employee which accrue before the effective date of the transfer of such employee under section 323; and

(2) may take any other action necessary for the purpose of winding up the affairs of the Board.

(c) STATUS OF EMPLOYEES BEFORE TRANSFER.—The amendments made by titles I and II and the abolishment of the Board under subsection (a) may not be construed to affect the status of any employee of such Board as employees of an agency of the United States for purposes of any other provision of law before the effective date of the transfer of any such employee under section 323.

(d) USE OF PROPERTY AND SERVICES.—

(1) PROPERTY.—The Director of the Federal Housing Finance Agency may use the property of the Board to perform functions which have been transferred to the Director of the Federal Housing Finance Agency for such time as is reasonable to facilitate the orderly transfer of functions transferred under any other provision of this Division or any amendment made by this Division to any other provision of law.

(2) AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, and any successor to any such agency, department, or instrumentality, which was providing supporting services to the Board before the expiration of the period under subsection (a) in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall—

(A) continue to provide such services, on a reimbursable basis, until the transfer of such functions is complete; and

(B) consult with any such agency to coordinate and facilitate a prompt and reasonable transition.

(e) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not affect the validity of any right, duty, or obligation of the United States, a member of the Board, or any other person, which—

(A) arises under the Federal Home Loan Bank Act or any other provision of law applicable with respect to such Board; and

(B) existed on the day before the effective date of the abolishment under subsection (a).

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Board in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall abate by reason of the enactment of this Act, except that the Director of the Federal Housing Finance Agency shall be substituted for the Board or any member thereof as a party to any such action or proceeding.

SEC. 322. CONTINUATION AND COORDINATION OF CERTAIN REGULATIONS.

(a) IN GENERAL.—All regulations, orders, determinations, and resolutions described under subsection (b) shall remain in effect according to the terms of such regulations, orders, determinations, and resolutions, and shall be enforceable by or against the Director of the Federal Housing Finance Agency until modified, terminated, set aside, or superseded in accordance with applicable law by such Director, any court of competent jurisdiction, or operation of law.

(b) APPLICABILITY.—A regulation, order, determination, or resolution is described under this subsection if it—

(1) was issued, made, prescribed, or allowed to become effective by—

(A) the Board; or

(B) a court of competent jurisdiction and relates to functions transferred by this subtitle; and

(2) is in effect on the effective date of the abolishment under section 321(a).

SEC. 323. TRANSFER AND RIGHTS OF EMPLOYEES OF THE FEDERAL HOUSING FINANCE BOARD.

(a) TRANSFER.—Each employee of the Board shall be transferred to the Federal Housing Finance Agency for employment not later than the effective date of the abolishment under section 321(a), and such transfer shall be deemed a transfer of function for purposes of section 3503 of title 5, United States Code.

(b) GUARANTEED POSITIONS.—Each employee transferred under subsection (a) shall be guaranteed a position with the same status, tenure, grade, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date of transfer, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(c) APPOINTMENT AUTHORITY FOR EXCEPTED AND SENIOR EXECUTIVE SERVICE EMPLOYEES.—

(1) IN GENERAL.—In the case of employees occupying positions in the excepted service or the Senior Executive Service, any appointment authority established under law or by regulations of the Office of Personnel Management for filling such positions shall be transferred, subject to paragraph (2).

(2) DECLINE OF TRANSFER.—The Director of the Federal Housing Finance Agency may decline a transfer of authority under paragraph (1) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policymaking, policy-determining, or policy-advocating character, and noncareer positions in the Senior Executive Service (within the meaning of section 3132(a)(7) of title 5, United States Code).

(d) REORGANIZATION.—If the Director of the Federal Housing Finance Agency determines, after the end of the 1-year period beginning on the effective date of the abolishment under section 321(a), that a reorganization of the combined workforce is required, that reorganization shall be deemed a major reorganization for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code.

(e) EMPLOYEE BENEFIT PROGRAMS.—

(1) IN GENERAL.—Any employee of the Board accepting employment with the Federal Housing Finance Agency as a result of a transfer under subsection (a) may retain for 12 months after the date on which such transfer occurs membership in any employee benefit program of the Federal Housing Finance Agency or the Board, as applicable, including insurance, to which such employee belongs on the effective date of the abolishment under section 321(a) if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Director of the Federal Housing Finance Agency.

(2) COST DIFFERENTIAL.—The difference in the costs between the benefits which would have been provided by the Board and those provided by this section shall be paid by the Director of the Federal Housing Finance Agency. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by such Director, the employee shall be permitted to select an alternate Federal health insurance program within 30 days after such election or notice, without regard to any other regularly scheduled open season.

SEC. 324. TRANSFER OF PROPERTY AND FACILITIES.

Upon the effective date of the abolishment under section 321(a), all property of the Board shall transfer to the Director of the Federal Housing Finance Agency.

Subtitle C—Department of Housing and Urban Development

SEC. 341. TERMINATION OF ENTERPRISE-RELATED FUNCTIONS.

(a) TERMINATION DATE.—For purposes of this subtitle, the term ''termination date'' means the date that occurs 6 months after the date of the enactment of this Act.

(b) DETERMINATION OF TRANSFERRED FUNCTIONS AND EMPLOYEES.—

(1) IN GENERAL.—Not later than the expiration of the 3-month period beginning on the date of the enactment of this Act, the Secretary, in consultation with the Director of the Office of Federal Housing Enterprise Oversight, shall determine—

(A) the functions, duties, and activities of the Secretary of Housing and Urban Development regarding oversight or regulation of the enterprises under or pursuant to the authorizing statutes, title XIII of the Housing and Community Development Act of 1992, and any other provisions of law, as in effect before the date of the enactment of this Act, but not including any such functions, duties, and activities of the Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development and such Office; and

(B) the employees of the Department of Housing and Urban Development necessary to perform such functions, duties, and activities.

(2) ENTERPRISE-RELATED FUNCTIONS.—For purposes of this subtitle, the term ''enterprise-related functions of the Department'' means the functions, duties, and activities of the Department of Housing and Urban Development determined under paragraph (1)(A).

(3) ENTERPRISE-RELATED EMPLOYEES.—For purposes of this subtitle, the term ''enterprise-related employees of the Department'' means the employees of the Department of Housing and Urban Development determined under paragraph (1)(B).

(c) DISPOSITION OF AFFAIRS.—During the 6-month period beginning on the date of enactment of this Act, the Secretary of Housing and Urban Development (in this title referred to as the ''Secretary''), for the purpose of winding up the affairs of the Secretary regarding the enterprise-related functions of the Department of Housing and Urban Development (in this title referred to as the ''Department'') and in addition to carrying out the Secretary's other responsibilities under law regarding such functions—

(1) shall manage the enterprise-related employees of the Department and provide for the payment of the compensation and benefits of any such employee which accrue before the effective date of the transfer of any such employee under section 343; and

(2) may take any other action necessary for the purpose of winding up the enterprise-related functions of the Department.

(d) STATUS OF EMPLOYEES BEFORE TRANSFER.—The amendments made by titles I and II and the termination of the enterprise-related functions of the Department under subsection (b) may not be construed to affect the status of any employee of the Department as employees of an agency of the United States for purposes of any other provision of law before the effective date of the transfer of any such employee under section 343.

(e) USE OF PROPERTY AND SERVICES.—

(1) PROPERTY.—The Director of the Federal Housing Finance Agency may use the property of the Secretary to perform functions which have been transferred to the Director of the Federal Housing Finance Agency for such time as is reasonable to facilitate the orderly transfer of functions transferred under any other provision of this Division or any amendment made by this Division to any other provision of law.

(2) AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, and any successor to any such agency, department, or instrumentality, which was providing supporting services to the Secretary regarding enterprise-related functions of the Department before the termination date under subsection (a) in connection with such functions that are transferred to the Director of the Federal Housing Finance Agency shall—

(A) continue to provide such services, on a reimbursable basis, until the transfer of such functions is complete; and

(B) consult with any such agency to coordinate and facilitate a prompt and reasonable transition.

(f) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not affect the validity of any right, duty, or

obligation of the United States, the Secretary, or any other person, which—

(A) arises under the authorizing statutes, title XIII of the Housing and Community Development Act of 1992, or any other provision of law applicable with respect to the Secretary, in connection with the enterprise-related functions of the Department; and

(B) existed on the day before the termination date under subsection (a).

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Secretary in connection with the enterprise-related functions of the Department shall abate by reason of the enactment of this Act, except that the Director of the Federal Housing Finance Agency shall be substituted for the Secretary or any member thereof as a party to any such action or proceeding.

SEC. 342. CONTINUATION AND COORDINATION OF CERTAIN REGULATIONS.

(a) IN GENERAL.—All regulations, orders, and determinations described in subsection (b) shall remain in effect according to the terms of such regulations, orders, determinations, and resolutions, and shall be enforceable by or against the Director of the Federal Housing Finance Agency until modified, terminated, set aside, or superseded in accordance with applicable law by such Director, any court of competent jurisdiction, or operation of law.

(b) APPLICABILITY.—A regulation, order, or determination is described under this subsection if it—

(1) was issued, made, prescribed, or allowed to become effective by—

(A) the Secretary; or

(B) a court of competent jurisdiction and that relate to the enterprise-related functions of the Department; and

(2) is in effect on the termination date under section 341(a).

SEC. 343. TRANSFER AND RIGHTS OF EMPLOYEES OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(a) TRANSFER.—

(1) IN GENERAL.—Except as provided in paragraph (2), each enterprise-related employee of the Department shall be transferred to the Federal Housing Finance Agency for employment not later than the termination date under section 341(a) and such transfer shall be deemed a transfer of function for purposes of section 3503 of title 5, United States Code.

(2) AUTHORITY TO DECLINE.—An enterprise-related employee of the Department may, in the discretion of the employee, decline transfer under paragraph (1) to a position in the Federal Housing Finance Agency and shall be guaranteed a position in the Department with the same status, tenure, grade, and pay as that held on the day immediately preceding the date that such declination was made. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date that the transfer would otherwise have occurred, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(b) GUARANTEED POSITIONS.—Each enterprise-related employee of the Department transferred under subsection (a) shall be guaranteed a position with the same status, tenure, grade, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date of transfer, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(c) APPOINTMENT AUTHORITY FOR EXCEPTED AND SENIOR EXECUTIVE SERVICE EMPLOYEES.—

(1) IN GENERAL.—In the case of employees occupying positions in the excepted service or the Senior Executive Service, any appointment authority established under law or by regulations of the Office of Personnel Management for filling such positions shall be transferred, subject to paragraph (2).

(2) DECLINE OF TRANSFER.—The Director of the Federal Housing Finance Agency may decline a transfer of authority under paragraph (1) (and the employees appointed pursuant thereto) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policymaking, policy-determining, or policy-advocating character, and noncareer positions in the Senior Executive Service (within the meaning of section 3132(a)(7) of title 5, United States Code).

(d) REORGANIZATION.—If the Director of the Federal Housing Finance Agency determines, after the end of the 1-year period beginning on the termination date under section 341(a), that a reorganization of the combined workforce is required, that reorganization shall be deemed a major reorganization for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code.

(e) EMPLOYEE BENEFIT PROGRAMS.—

(1) IN GENERAL.—Any enterprise-related employee of the Department accepting employment with the Federal Housing Finance Agency as a result of a transfer under subsection (a) may retain for 12 months after the date on which such transfer occurs membership in any employee benefit program of the Federal Housing Finance Agency or the Department, as applicable, including insurance, to which such employee belongs on the termination date under section 341(a) if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Director of the Federal Housing Finance Agency.

(2) COST DIFFERENTIAL.—The difference in the costs between the benefits which would have been provided by the Department and those provided by this section shall be paid by the Director of the Federal Housing Finance Agency. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by such Director, the employee shall be permitted to select an alternate Federal health insurance program within 30 days after such election or notice, without regard to any other regularly scheduled open season.

SEC. 344. TRANSFER OF APPROPRIATIONS, PROPERTY, AND FACILITIES.

Upon the termination date under section 341(a), all assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available to the Department in connection with enterprise-related functions of the Department shall transfer to the Director of the Federal Housing Finance Agency. Unexpended funds transferred by this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, April 3, 2008, at 9:30 a.m., in open session to consider pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on April 3, 2008, at 10:00 A.M., to conduct a hearing entitled ''turmoil in U.S. credit markets: examining the recent actions of Federal Financial Regulators.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Thursday, April 3, 2008, at 10 a.m., in Room 253 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate to conduct a hearing on Thursday, April 3, 2008, at 9:30 a.m., in room SD–366 of the Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, April 3, 2008 at 10 a.m. in room 406 of the Dirksen Senate Office Building to hold a hearing entitled, ''Examining Strategies to Reduce Greenhouse Gas Emissions at U.S. Colleges and Universities.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Thursday, April 3, 2008, at 10 a.m., in room 215 of the Dirksen Senate Office Building, to conduct a hearing entitled ''Outside the Box on Estate Tax Reform: Reviewing Ideas to Simplify Planning''.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the

Senate on Thursday, April 3, 2008, at 9:30 a.m. to hold a hearing on Iraq.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet during the session of the Senate on Thursday, April 3, 2008, at 10 a.m. to conduct a hearing entitled ''The New FEMA: Is the Agency Better Prepared for a Catastrophe Now Than It Was in 2005?''.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet during the session of the Senate, to conduct an executive business meeting on Thursday, April 3, 2008, at 10 a.m. in room SD–226 of the Dirksen Senate Office Building.

Agenda

I. Bills: S.2136, Helping Families Save Their Homes in Bankruptcy Act of 2007, (Durbin, Schumer, Whitehouse, Biden, Feinstein); S.2133, Home Owners ''Mortgage and Equity Savings Act'', (Specter, Coleman); S.2041, False Claims Act Correction Act of 2007, (Grassley, Durbin, Leahy, Specter, Whitehouse); S.2533, State Secrets Protection Act, (Kennedy, Specter, Leahy, Feingold, Whitehouse); S.702, State Court Interpreter Grant Program Act, (Kohl, Kennedy, Durbin, Biden, Cardin, Leahy, Specter).

II. Resolution: S. Res. 468, designating April 2008 as ''National 9–1–1 Education Month'', (Clinton, Stevens).

III. Nominations: Catharina Haynes to be United States Circuit Court Judge for the Fifth Circuit, Rebecca Ann Gregory to be United States Attorney for the Eastern District of Texas.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet during the session of the Senate, to conduct a hearing on Thursday, April 3, 2008, at 2:15 p.m., in room SD–226 of the Dirksen Senate Office Building.

Witness list: Mark S. Davis to be United States District Judge for the Eastern District of Virginia; David Gregory Kays to be United States District Judge for the Western District of Missouri; David J. Novak to be United States District Judge for the Eastern District of Virginia; Stephen N. Limbaugh, Jr. to be United States District Judge for the Eastern District of Missouri; Elisebeth C. Cook to be Assistant Attorney General for the Office of Legal Policy, Department of Justice.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. DURBIN. Mr. President, I ask unanimous consent for the Committee on Veterans' Affairs to be authorized to meet during the session of the Senate on Thursday, April 3, 2008 to conduct a Joint Hearing with the House Veterans' Affairs Committee to hear the Legislative Presentations from the: AMVETS, Military Order of the Purple Heart, Gold Star Wives of America, Fleet Reserve Association, The Retired Enlisted Association, Military Officers Association of America, and National Association of State Directors of Veterans Affairs. The Committee will meet in room 216 of the Hart Senate Office Building, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AIRLAND

Mr. DURBIN. Mr. President, I ask unanimous consent that the Subcommittee on Airland of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, April 3, 2008, at 3 p.m., in open session to receive testimony on Army modernization in review of the defense authorization request for fiscal year 2009 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Government Affairs' Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia be authorized to meet during the session of the Senate on Thursday, April 3, 2008 at 2 p.m. to conduct a hearing entitled, ''Managing Diversity of Senior Leadership in the Federal Workforce an Postal Service.''

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE ON AGING

Mr. DURBIN. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet on Thursday, April 3, 2008, from 10:30 a.m. to 12:30 p.m. in Dirksen 608 for the purpose of conducting a hearing

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. BAUCUS. Mr. President, I ask unanimous consent that the following fellows and interns on the staff of the Finance Committee be allowed floor privileges during consideration of the Foreclosure Prevention Act: Ben Miller, Blake Thompson, Bridget Mallon, Damian Kudelka, Emily Schwartz, Ezana Teferra, Kayleigh Brown, Mary Baker, Tom Louthan, and Tyler Gamble.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, on behalf of Senator LANDRIEU, I ask unanimous consent that Dionne Thompson, a fellow in Senator LANDRIEU's office, be granted privileges of the floor during consideration of H.R. 3221 and for the duration.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL HEALTH CARE DECISIONS DAY

Mr. DODD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Con. Res. 73, introduced earlier today by Senator WYDEN.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 73) expressing Congressional support for the goals and ideals of National Health Care Decisions Day.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. DODD. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate, and that any statements relating to the concurrent resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 73) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 73

Whereas National Health Care Decisions Day is designed to raise public awareness of the need to plan ahead for health care decisions related to end-of-life care and medical decision-making whenever patients are unable to speak for themselves and to encourage the specific use of advance directives to communicate these important decisions;

Whereas the Patient Self-Determination Act (42 U.S.C. 1395cc(f) et seq.) guarantees patients the right to information about their rights under State law regarding accepting or refusing medical treatment;

Whereas it is estimated that only a minority of Americans have executed advance directives, including those who are terminally ill or living with life-threatening or life-limiting illnesses;

Whereas advance directives offer individuals the opportunity to discuss with loved ones in advance of a health care crisis and decide what measures would be appropriate for them when it comes to end-of-life care;

Whereas the preparation of an advance directive would advise family members, health care providers, and other persons as to how an individual would want to be treated with respect to health care;

Whereas to avoid any legal or medical confusion due to the emotions involved in end-of-life decisions, it is in the best interest of all Americans that each person over the age of 18 communicate his or her wishes by creating an advance directive;

Whereas the Conditions of Participation in Medicare and Medicaid, section 489.102 of title 42, Code of Federal Regulations (as in effect on the date of enactment of this resolution), require all participating facilities to

provide information to patients and the public on the topic of advance directives;

Whereas the Centers for Medicare & Medicaid Services has recognized that the use of advance directives is tied to quality health care and has included discussions of advance directives in the criteria of the Physician Quality Reporting Initiative;

Whereas establishing National Health Care Decisions Day will encourage health care facilities and professionals as well as chaplains, attorneys, and others to participate in a collective, nationwide effort to provide clear, concise, and consistent information to the public about health care decision-making, particularly advance directives; and

Whereas as a result of National Health Care Decisions Day, recognized on April 16, 2008, more Americans will have conversations about their health care decisions, more Americans will execute advance directives to make their wishes known, and fewer families and health care providers will have to struggle with making difficult health care decisions in the absence of guidance from the patient: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) supports the goals and ideals of National Health Care Decisions Day;

(2) supports the goals and ideals of advance care planning for all adult Americans;

(3) encourages each person in the United States who is over the age of 18 to prepare an advance directive to assist his or her loved ones, health care providers, and others as they honor his or her wishes;

(4) calls upon all members of Congress to execute such documents and discussions for themselves; and

(5) encourages health care, civic, educational, religious, and for- and non-profit organizations to encourage individuals to prepare advance directives to ensure that their wishes and rights with respect to health care are protected.

RECOGNIZING AND HONORING 40TH ANNIVERSARY OF FAIR HOUSING ACT AND 20TH ANNIVERSARY OF FAIR HOUSING AMENDMENTS ACT OF 1988

Mr. DODD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 503, submitted earlier today by Senator DURBIN.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 503) recognizing and honoring the 40th anniversary of the Fair Housing Act and the 20th anniversary of the Fair Housing Amendments Act of 1988.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DURBIN. Mr. President, today I rise to support this resolution honoring the 40th anniversary of the Fair Housing Act and the 20th anniversary of the Fair Housing Amendments Act.

But first I want to honor a man whose work helped pave the way for this landmark civil rights legislation. Forty years ago, the Reverend Dr. Martin Luther King, Jr. lost his life to a sniper's bullet. Today, we remember him as one of the greatest civil rights leaders of our country. We know his dream. We are intimately familiar with it. It is a dream conceived in the founding of our country and enshrined in the words of the Declaration of Independence and in the Constitution, a dream that lives today in our values, our identities, our highest ideals as Americans.

This is the dream: that all men are created equal, and that in a just society all are afforded the same opportunities.

A week after Dr. King's assassination, and in a step closer to the fulfillment of this dream, Congress passed the Fair Housing Act as part of the Civil Rights Act of 1968. The Fair Housing Act prohibits discrimination in housing on the basis of race, color, national origin, and religion. In 1974, Congress added protection on the basis of sex. In 1988, thanks to the leadership of Senator KENNEDY and Senator SPECTER, Congress included protection on the basis of familial status and disability.

We have made a lot of progress since the summer of 1966, when Dr. King led a movement to protest housing discrimination and slum conditions for African Americans in Chicago. But if he were alive today, he would be the first to say—we aren't there yet. Segregation persists in our schools and neighborhoods. We are in the middle of a housing crisis that is hitting African-American and Hispanic families and communities particularly hard. In Chicago, African-American borrowers were 14 times more likely to have a higher cost loan from Wells Fargo than were White borrowers. This is a pattern that repeats all across the country. African-American and Latino families were dramatically more likely to have subprime loans than White families. Right now, millions face the possibility of foreclosure. And when they lose their homes, they lose their assets. They lose their plans for financing their kids' education, for building a better life for themselves in the future, for closing the income and education gaps.

For too many Americans, the dream is still just that—a dream, with little chance of becoming reality. We may have all been created equal, but since then we have been treated very differently. We are treated differently because of the color of our skin, the faith we practice, whether we are a man or a woman, single or with children, or use a wheelchair and a ramp to enter our apartment.

The irony is that we have fair housing laws that make this kind of treatment not only unfair but illegal—and we have had them for 40 years. Yet 3.7 million violations of these laws occur each year against African Americans, Latinos, Asian Americans, and Indian Americans. This doesn't even include the number of violations that occur on the basis of other protected classes. Only 1 percent of people who believe they are victims of fair housing violations report it to the Government. Testing on the enforcement of fair housing laws shows a high rate of discrimination in the rental, sales, mortgage lending, and insurance markets. More than four decades after Dr. King and his supporters marched through the streets of Chicago to fight housing discrimination, African Americans and Latinos in Cook County report substantial levels of unfair—and illegal—treatment in the housing industry.

The intent of the Fair Housing Act was broad and inclusive: to advance equal opportunity in housing and achieve racial integration for the benefit of all Americans. But enforcement of this law has been narrow and incomplete. Where you live profoundly affects where you work, what you do, where you send your kids to school, whether they grow up healthy and safe. As long as our commitment to fair housing laws—to civil rights—remains timid, we will never end segregation. We will never declare victory over poverty. We will never build a truly just society.

As we honor Dr. King, former Senator Walter Mondale and former Senator Edward Brooke, who cosponsored the original Fair Housing Act, and others who made possible fair housing laws, we need to remember that it is not enough to pass laws. We have to enforce them. The dream of equality is our Nation's moral compass. Our duty as legislators and as citizens is to make sure the needle points in the right direction.

I thank Senators SPECTER, KENNEDY, DODD, BROWN, and VOINOVICH for joining me today in honoring the 40th anniversary of the Fair Housing Act and the 20th anniversary of the Fair Housing Amendments Act, and I urge my colleagues in Congress to renew their dedication to upholding these laws. These laws may be 40 years old, but the dream they seek to make real is as old as our country.

Mr. DODD. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate, and any statements related to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 503) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 503

Whereas 2008 marks the 40th anniversary of the enactment of the Fair Housing Act (42 U.S.C. 3601 et seq.);

Whereas 2008 also marks the 20th anniversary of the enactment of the Fair Housing Amendments Act of 1988 (Public Law 100–430; 102 Stat. 1619);

Whereas the Chicago Freedom Movement, which took place from 1965 to 1967 and was led by the Reverend Doctor Martin Luther King, Jr., raised the national consciousness about housing discrimination and shaped the debate that led to landmark fair housing legislation;

Whereas the National Advisory Commission on Civil Disorders, appointed by President Lyndon B. Johnson and commonly

known as the Kerner Commission, found in 1968 that ''[o]ur nation is moving toward two societies, one black, one white—separate and unequal'';

Whereas Congress passed the Fair Housing Act as part of the Civil Rights Act of 1968 (Public Law 90–284; 82 Stat. 73), and President Johnson signed the Act into law on April 11, 1968, one week after the assassination of Dr. King;

Whereas the Fair Housing Act prohibits discrimination in housing and housing-related transactions on the basis of race, color, national origin, and religion;

Whereas, in section 808 of the Housing and Community Development Act of 1974 (Public Law 93–383; 88 Stat. 728), Congress amended the Fair Housing Act to include protection on the basis of sex;

Whereas the Fair Housing Amendments Act of 1988 (Public Law 100–430; 102 Stat. 1619), passed by overwhelming margins in Congress, included protection on the basis of familial status and disability and expanded the definition of ''discriminatory housing practices'' to include interference and intimidation;

Whereas Congress's intent in passing the Fair Housing Act was broad and inclusive, to advance equal opportunity in housing and achieve racial integration for the benefit of all people in the United States;

Whereas housing integration affects other dimensions of life, including educational attainment, employment opportunities, access to health care, and home equity;

Whereas the majority of people in the United States support neighborhood integration and numerous studies have shown the universal benefits of residential integration;

Whereas the National Fair Housing Alliance estimates that 3,700,000 violations of fair housing laws still occur each year against African Americans, Latinos, Asian Americans, and American Indians, and that number does not include violations that occur on the basis of other national origins, religion, sex, or familial status or against persons with disabilities;

Whereas the Department of Housing and Urban Development estimates that only 1 percent of individuals who believe they are victims of housing discrimination report those violations of fair housing laws to the government, and this underreporting is a major obstacle to achieving equal opportunity in housing;

Whereas testing of the enforcement of fair housing laws continues to uncover a high rate of discrimination in the rental, sales, mortgage lending, and insurance markets; and

Whereas the Fair Housing Act is an essential component of our Nation's civil rights legislation: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes and honors the 40th anniversary of the enactment of the Fair Housing Act (42 U.S.C. 3601 et seq.) and the 20th anniversary of the enactment of the Fair Housing Amendments Act of 1988 (Public Law 100–430; 102 Stat. 1619);

(2) supports activities to recognize and celebrate the historical milestone represented by the anniversaries of the enactment of the Fair Housing Act and the enactment of the Fair Housing Amendments Act of 1988; and

(3) encourages all levels of government to rededicate themselves to the enforcement and the ideals of fair housing laws.

DISCHARGE AND REFERRAL

Mr. DODD. Mr. President, I ask unanimous consent that the Armed Services Committee be discharged of S. 2764, a bill relating to the Servicemembers Relief Act, and that it be referred to the Committee on Veterans' Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR FRIDAY, APRIL 4, 2008

Mr. DODD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 9 a.m. tomorrow, April 4; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of H.R. 3221, as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DODD. Mr. President, Senators should be prepared to begin voting as early at 9:05 a.m. tomorrow in relation to the Voinovich-Stabenow amendment, No. 4406, to be followed by a vote in relation to the Landrieu amendment, No. 4389, as modified.

ADJOURNMENT UNTIL 9 A.M TOMORROW

Mr. DODD. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand adjourned under the previous order.

There being no objection, the Senate, at 8:32 p.m., adjourned until Friday, April 4, 2008, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate:

COMMODITY FUTURES TRADING COMMISSION

BARTHOLOMEW H. CHILTON, OF DELAWARE, TO BE A COMMISSIONER OF THE COMMODITY FUTURES TRADING COMMISSION FOR A TERM EXPIRING APRIL 13, 2013. (REAPPOINTMENT)

SCOTT O'MALIA, OF MICHIGAN, TO BE A COMMISSIONER OF THE COMMODITY FUTURES TRADING COMMISSION FOR A TERM EXPIRING APRIL 13, 2012, VICE RUEBEN JEFFERY III, RESIGNED

PUBLIC HEALTH SERVICE

THE FOLLOWING CANDIDATES FOR PERSONNEL ACTION IN THE REGULAR CORPS OF THE COMMISSIONED CORPS OF THE U.S. PUBLIC HEALTH SERVICE SUBJECT TO QUALIFICATIONS THEREFORE AS PROVIDED BY LAW AND REGULATIONS.

To be assistant surgeon

ROBERT P. DREWELOW
SARAH R. WHEATLEY