

in cosponsoring the Title X Abortion Provider Prohibition Act.

APPOINTMENT OF MEMBERS TO JOINT ECONOMIC COMMITTEE

The SPEAKER pro tempore. Pursuant to 15 U.S.C. 1024(a), and the order of the House of January 6, 2009, the Chair announces the Speaker's appointment of the following Members of the House to the Joint Economic Committee:

Mrs. MALONEY, New York
Mr. BRADY, Texas

COMPREHENSIVE IMMIGRATION REFORM

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

Mr. BACA. Mr. Speaker, I rise to speak on behalf of the 14 million undocumented immigrants who would otherwise not have a voice.

Immigrants are not only a valuable part of our country's workforce, but they also add to America's rich diversity. Sadly, immigration raids tear apart immigrant families, instill fear, and disrespects America's core family values.

We are a Nation devoted to family. No one should live in fear of being taken away from their homes. Strong border enforcement is necessary, but this only addresses part of the situation. Together, we must work to address the 12 to 14 million undocumented immigrants. Every day that we do nothing, a family is torn apart by this broken immigration system.

Our current immigration system is outdated. We need a system that addresses the needs of the current immigration situation in America.

I urge my colleagues to join me in passing real comprehensive immigration reform.

Mr. Speaker, Mr. President, the honeymoon is over. Let's begin to address comprehensive immigration on behalf of the 12 to 14 million people here in the United States.

DISAPPROVAL OF OBLIGATIONS UNDER THE EMERGENCY ECONOMIC STABILIZATION ACT OF 2008

Mr. FRANK of Massachusetts. Mr. Speaker, pursuant to section 2 of House Resolution 62 and as the designee of the majority leader, I have a motion at the desk.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. FRANK of Massachusetts moves that the House proceed to consider the joint resolution (H.J. Res. 3) relating to the disapproval of obligations under the Emergency Economic Stabilization Act of 2008.

The SPEAKER pro tempore. Pursuant to section 115 of the Emergency Economic Stabilization Act of 2008, the motion is not debatable.

The question is on the motion.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the title of the joint resolution.

The Clerk read the title of the joint resolution.

The text of the joint resolution is as follows:

H.J. RES. 3

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress disapproves the obligation of any amount exceeding the amounts obligated as described in paragraphs (1) and (2) of section 115(a) of the Emergency Economic Stabilization Act of 2008.

The SPEAKER pro tempore. Pursuant to section 115 of the Emergency Economic Stabilization Act of 2008, the joint resolution is considered as read, and the previous question is considered as ordered on the joint resolution to its passage without intervening motion except 2 hours of debate, equally divided and controlled by the gentlewoman from North Carolina (Ms. FOXX) as the proponent and the gentleman from Massachusetts (Mr. FRANK) as the opponent.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

I will be discussing the substance of this later, but I want to explain what is a somewhat complicated legal and parliamentary situation. First, I do want to note that it is a refutation of the skeptics that this process is going forward.

In September, we were asked by the Bush administration's top economic appointees to pass a bill giving them the authority to deploy \$700 billion to repair the credit markets, without any hindrance. I agreed with them that action had to be taken, and, in fact, even if you did not think the action was necessary, when at a time of economic trouble the two chief economic advisers to the President of the United States tell us that if you don't do something there will be problems, there are going to be problems. I don't think they self-created this. I don't think it was a self-fulfilling prophecy. But it was a self-reinforcing one. So we felt we had to act.

But we were able in the negotiations to get one major concession, namely, to say that we would vote the ultimate authority for \$700 billion but that after the first \$350 billion had been deployed, and I don't want to say "spent" because most of it has been lent or invested in ways that it will come back, but we said that at that point if the administration wanted to spend the second \$350, and I just misspoke when I said "spent"—deploy it—they would have to notify Congress. Fifteen days would then be a waiting period during which the money was not available and during which time Congress would get to vote on resolutions to cancel the

program. And to reassure Members that they would have a chance for those votes, procedures were drafted by the appropriate Rules Committees in both branches so that neither the House Rules Committee nor the Senate-extended debate could have interfered with this.

Now, we did have one drafting error because for this to work, it would have had to have been passed by both Houses and either signed by the President or have a veto overridden.

The two Chambers that drafted this, the leadership, the rules groups, did a very good job of protecting Members to make sure the bills could come to the floor. That's why we're here. But they did them in isolation. So there's a certain futility to what we are doing today because the Senate has already defeated the Senate version of this; so no matter what happens in the House today, the program goes forward.

People should understand President Bush, at the request of President Obama, asked for the second \$350 billion a week ago Monday. That means, I believe, next Tuesday this will be available to the Obama administration because the Senate voted down the resolution of disapproval. The House will still vote, and there will be some indication of what Members think about going forward, but it will not have binding effect. And I think that was a drafting error. It should have been that if one House defeated it, it didn't come up in the other House. But here we are.

There is one other distinction to be drawn. Yesterday, the House passed a bill by a fairly large vote that said that if the second \$350 billion is deployed, it should be done with the following conditions: significant money for foreclosure relief; restrictions on the money being used for acquisitions by a receiving bank of another bank; a requirement that there would be an agreement in which banks would specify what they were going to do with the money before they got it; greater restrictions on compensation; a request that the administration do some things to come to the relief of cities, other entities, small businesses; a requirement that this funding be distributed in a way that was equitable to smaller banks. We voted on that yesterday.

Now, my Republican colleagues in particular had a dilemma there. A number of the things that we had in the bill yesterday are popular and indeed many of them agree with. They, I think, were reluctant to have to vote on this because on the other side, you had some of the leading conservative journals of opinion, the Wall Street Journal editorialist, a major paper from the Heritage Foundation, denouncing the notion of helping reduce foreclosures, criticizing the effort to put in community banks. And so my Republican colleagues offered a recomittal motion yesterday which would have, if it had succeeded, in essence wiped out the conditions we are seeking to impose and made yesterday's

vote simply on whether or not to repeal the 350. The problem with that is that they did it in a way that really meant to avoid taking a stand on these conditions.

Now, the recommittal motion was defeated. And my conviction that the recommittal motion had, as one of its goals, avoiding a vote on whether or not to be for foreclosure relief and community banks is reinforcement of the fact that unusually in a bill that many of them had criticized, when the voice vote was called in favor, they did not ask for a roll call. We had a roll call yesterday because I asked for one because I wanted to have a large majority of Members on record so that when we talk to the Obama administration, we have a large majority of Members saying do foreclosure relief, lend to community banks, go to the aid of municipalities. The Republicans wanted to avoid that vote. They didn't want to take it because they didn't want to choose between foreclosure and the Wall Street Journal or foreclosure mitigation and the Heritage Foundation.

□ 1030

That's why they offered the recommit. I say that for this reason. There were people who voted against the recommittal motion yesterday because they did not want to dilute the impact of our insistence that this be used for foreclosure relief, for aid for smaller banks and for other important purposes, and that there be a restriction on the ability of banks to take the money and then do whatever they wanted with it.

That recommittal motion was defeated, so the House did go on record by a large majority in favor of those conditions, and that will be very important as we make the Obama administration understand that. Today is a separate vote. Today we have a vote in which Members will express their opinion on whether or not the \$350 billion should go forward. It is simply an expression of opinion. It's kind of a big public opinion poll for the House, because the Senate has already defeated the bill.

But they are two separate issues. The vote on yesterday's recommittal motion was, in my judgment, a rejection of an effort to keep the House from speaking out strongly on the question of foreclosure relief and smaller banks. We have now spoken, as the House of Representatives, by a significant majority and said to this administration, since this is going forward now that the Senate has voted against a disapproval motion, here is what we want. Today Members simply express their opinion on whether or not they want to disapprove it.

I will close by saying for me, the argument that because the Bush administration misused this means that the Obama administration should not be given the chance to do it better, proves too much. If I believed that every in-

strumentality of government misused by the Bush administration should be denied to the Obama administration, we would have a lot of empty, vacant office space in Washington. We could rent out the Justice Department, the State Department, EPA, HUD and a number of other agencies, because I believe that they misused many of them.

TARP has no independent will. It is a set of policy choices. George Bush used them, in my judgment unwisely, although I think we were better off having even that than nothing, but that has zero to do with whether or not the Obama administration ought to have the right to do it going forward.

I reserve the balance of my time.

Ms. FOXX. I yield myself, Mr. Speaker, 12 minutes.

I thank Mr. FRANK for explaining why we are here this morning, but I would like to say that there is a difference between suggesting to the Obama administration what they should do through Mr. FRANK's bill, which he knows is not going to pass the Senate, and that if the Democrats in charge wanted to really have control over how the next batch of money is going to be spent, then they would be serious and put into that bill restrictions. I don't think any of us have ever seen a time when the Congress has let go of so much money to the executive branch with no more restrictions on how it was going to be spent.

I have seen committees argue over minor expenditures, but yet have appropriated \$350 billion to the Bush administration and now are going to do the same thing to the Obama administration. I would say that there are a lot of the cliches that can be used in discussing this bill today, but I would say two wrongs don't make a right, that's one, I would say. But, again, I appreciate his taking the time to explain to people why we are here.

In fact, the first legislation, the bailout legislation, as it was called, had within it the mechanism for stopping the money. What I have done is simply used the mechanism that was given to us, to do my best to stop it, and I want to give thanks to my legislative director, Brandon Renz, for his great help in this effort.

It's really unfortunate that we have to meet today to consider this legislation under these circumstances. But since October, when Congress granted the previous administration unfettered access to taxpayer blank checks, we have seen a steady stream of reports outlining mismanagement, waste, and lack of oversight that was all too predictable during the initial consideration of the TARP/megabank bailout. And let me point out again that it was supported by President Obama and by the Democrats in the Congress. So you can't blame all of this on the Bush administration.

The Members of Congress and the public were scared by a doomsday scenario that promised Armageddon if this singular proposal was not ap-

proved immediately. Deliberation, patience, prudence, yielded to panic, and the product of those poor decisions has led us to where we are today. Another cliche, "Act in haste, repent at leisure," has assumed a new and expensive meaning.

Americans are \$350 billion poorer, and their sacrifices are about to double, as the Senate rejected S.J. Res. 5, which is the companion to the measure before us today. What is particularly troublesome is that President Obama was elected on the promise of bringing change, but another \$350 billion is not change.

Does President Obama think that if the bailout isn't working he must need a bigger bucket? The reasoning seems to be that since President Bush got his slush fund, it's only fair to grant the same to the incoming administration. But as I say, two wrongs don't make a right. This is just as big a mistake as the original bailout.

The truth is that no administration, Republican or Democrat, should be allowed to nationalize a private company or industry, as we have witnessed with each successive bailout. This failed and expensive approach to trying to stabilize the economy is simply borrowing on the good credit of our children, our grandchildren and our great grandchildren, and now the government has an ownership stake. Now that the government has an ownership stake, the independent decisionmaking of nationalized entities will certainly take a back seat to political correctness and pork-barrel politics.

Given my passionate opposition to the bailout mania, I am often asked what I support instead of more bailouts. At the time TARP was originally considered, I joined a bipartisan working group of Congresswomen in writing to Speaker PELOSI and Republican Leader BOEHNER expressing our concerns and offering reasonable alternatives for consideration.

I also personally delivered proposals offered by President John Allison of BB&T directly to bailout negotiators, and I cosponsored legislation, H.R. 7223, prepared by the Republican Study Committee containing a comprehensive approach to dealing with this crisis.

But at this point it's clear that less is more. The Federal Government has done enough, I would say too much, and even many supporters of the initial TARP/megabank bailout are now saying these efforts should be given time to work. After all, it was unwise Federal policies that prompted the excesses at the root of the financial collapse. In that respect, as George Mason University Professor Russell Roberts has put forward, "Don't just do something, stand there."

At the same time reasonable alternatives have been offered up to stimulate our economy by some of the finest minds in our nations. These alternatives have merit that I believe would be recognized if Congress would only

pursue prudent deliberation instead of a hasty rush to judgment.

For example, H.R. 470, of which I am a cosponsor, is a broad-based proposal that helps free up private capital that can be used as medicine to heal the ailing economy. Free-market solutions such as this are preferable and more effective than the Keynesian approach being discussed in Congress today.

In fact, many people have compared what's happening now to what happened in the Great Depression, and many people are reading the book, "The Forgotten Man," which talks about the Depression and the failures of the Depression and the failures of the Democrat administration in particular. I want to quote one sentence from it: "But the deepest problem was the intervention, the lack of faith in the marketplace." I think that is the big problem that we are facing in this country today.

We need to trust the marketplace. It is not the government. This is not a failure of capitalism and savior by the government. It's really a failure by the government, and we are doomed to repeat what happened in the Depression. I am afraid.

I am sure, though, that today we are going to hear without the TARP/megabank bailout we would be much worse off than without it. That's what Congressman FRANK has already said. But not only is this argument speculative and untrue, it's a real tough sale to those struggling to find a job, credit or means to pay their bills.

As the old adage goes, "Fool me once, shame on you. Fool me twice, shame on me." We just seem incapable of learning the lessons of the past and destined to see history repeat itself. I urge our Members to join me today and do the right thing. Support this resolution and send a signal to the Obama administration that the bailout mania has to stop.

And I would add one more thing. I did introduce this bill in the last session, so it would have applied to the Bush administration as well as to the Obama administration.

With that, Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Well, I yield myself 30 seconds to say I agree with the gentlewoman that this was appropriate to restrain the Bush administration. My objection is visiting the sins of the Bush administration, or the errors, on the Obama administration.

I now yield 1 minute to the gentleman from Maryland, the majority leader.

Mr. HOYER. I thank the distinguished chairman of the committee for yielding time, and I rise in opposition to this resolution of disapproval.

I listened to the gentlelady from North Carolina's debate, and it occurs to me that there must be real parallels in 1929, 1930, 1931 and 1932 and, yes, even in 1933 and 1934 as the government responded, as the American people re-

sponded to what had not been responded to during the 4 years of the Hoover administration, to try to stanch the fall of the economy, which led ultimately to 25 to 30 percent unemployment and long food lines.

I am sure we are going to be hearing rhetoric which will blame the Obama administration which has, after all, been in office for some 36 hours, for the problems that confront our country. But, in fact, no President in recent memory has inherited conditions here and around the world more difficult than this President has inherited.

The majority of President Bush's party did not support it in trying to respond to the crisis that confronts us. In fact, less than half voted for the original TARP, and, as the gentlelady from North Carolina has pointed out, she was not one of them. She did not believe that a response was appropriate, or at least that this response is not appropriate. That, I think, is a philosophically defensible position which she defends. I disagreed then and disagree now.

We, in a bipartisan way, supported the Bush administration's request for, not 350, but the \$700 billion. We are the ones, however, who put constraints on that and we said you need to come back.

We are the ones who also, notwithstanding the failure of the Bush administration to request it, put, yesterday, in a bipartisan vote, additional constraints for accountability and transparency and for focusing on those folks who are at risk of losing their homes.

The gentlelady, I know, did not vote for that either. Today I think that every Member of the House is thinking back to words we said in a similar debate 4 months ago when the TARP was originally in front of us and wondering whether we can still stand by them.

Mr. Speaker, I know I can stand by mine. Here is what I said first time the TARP came to the floor, and I would remind people this was a proposal by President Bush and by Secretary Paulson, supported by Federal Reserve Chairman Bernanke appointed by President Bush.

The Democrats listened to the President, a Republican President, but our President of our country, and we responded, and I said this: "Imagine that we do nothing today. Millions more homes will likely be foreclosed on. Banks would likely be unable to lend. Credit, the lifeblood of any economy, might dry up across America."

That was my quote. We responded. We responded with a \$700 billion bill, half of which has now been allocated and promised in ways different than the Bush administration originally said it was going to do it, because it saw the facts changing.

The vote on TARP was one of the most difficult any of us have taken, certainly one of the largest commitments that this country has taken. I noted that none of us, whichever way we voted, are completely happy with TARP's results so far.

However, a principal adviser to John McCain, Mr. Zandi, has opined both on this and on the stimulus package, this is necessary. It may not be desirable from a voting standpoint, but it is necessary from our country's standpoint, from our economy's standpoint, the worst we have seen since the Hoover administration.

I stand by my words, because I remain convinced that inaction would have been far more dangerous and far more costly. Since the House took that unpopular vote, the flow of necessary lending has begun to resume, not fast enough.

□ 1045

It was not in a way that has staunched the loss of jobs. But every economist that I talked to, from Marty Feldstein, conservative economist, Republican economist; to Larry Summers; Paul Volcker in the current administration, much more work will be needed before our economy has recovered. But restoring credit is an essential step toward that goal. That is why both President Bush and President Obama agreed that this action was necessary.

I don't want to be deluded by the fact, and I don't want any American deluded by the fact, that President Bush would have asked for this simply because President Obama asked for it. After all, he could have easily replied, very frankly, You're going to be in office pretty soon. You can ask for it.

No. President Bush felt that this was a critical item to move forward as quickly as possible. Why? Because Secretary Paulson, his principal financial advisor; Ben Bernanke, his appointment to the Federal Reserve chairmanship, all believed it was necessary to move. That is why we must vote down this disapproval resolution and release the remaining \$350 billion.

Now, our American public, our constituents, may be confused because this action will not mean anything. Why will it not mean anything? Because the Senate has already acted. And the Senate has acted in a bipartisan vote to defeat a motion for disapproval because the majority in the Senate, in a bipartisan fashion, concluded that it was necessary. Not that it was desirable, but that it was necessary.

None of us want to be in this position, but we owe it to the American public and to our economy and to our families to have the courage of doing that which is not desirable but that which is certainly necessary.

It should strengthen our confidence to know that President Obama has learned from the mistakes that were made during the Bush administration in administering this sum of money. That is not a criticism. Mistakes are made. But we can learn from those mistakes, and we will learn from those mistakes.

As the new President promised, "We are going to fundamentally change some of the practices in using this next

phase of the program.” We voted to do that yesterday, as well. That means finally fighting the wave of foreclosures at the source of this crisis. It means tracking how TARP funds are spent and assuring that banks are using them for the intended purposes. It means stronger oversight from Congress and detailed reports from the recipients of taxpayers’ money. And it means guaranteeing that taxpayers are not subsidizing million-dollar Park Avenue apartments for CEOs.

The TARP Reform and Accountability Act set all of those conditions, and I congratulate Chairman FRANK for his leadership in bringing that to the floor, and congratulate my colleagues for passing it. President Obama has made it clear that he will hold to those principles.

I understand before I got on the floor that the gentlelady observed that that bill may not be passed by the Senate. Therefore, why should we have passed it? One could respond with equal, I think, intellectual honesty. The Senate’s already acted. Why should we now act? I think the response would be because we have a responsibility to state our opinion on an issue of great importance.

Ms. FOXX. Mr. Speaker, would the gentleman yield for a question?

Mr. HOYER. I am almost finished, and I will yield to you as soon as I’m finished.

The SPEAKER pro tempore (Mr. JACKSON of Illinois). The gentleman from Maryland controls the time.

Mr. HOYER. That is the diligence we would expect from any lender—and how much more so when the source of the funds is the American taxpayer, when the principal runs in 12 digits and when the stakes are so high.

That is why we acted yesterday. I am hopeful the Senate will act as well, but I am even more hopeful that President Obama will follow the principles incorporated in yesterday’s legislation.

With TARP funds already beginning to take effect, and with these new safeguards in place, I ask my colleagues to release the remaining funds.

Votes like these are never easy, and I understand we can rationalize that our vote will have no effect, whether we approve or disapprove the resolution of disapproval. But we need to stand with, frankly, President Bush and President Obama, two leaders elected by our country, in different elections, who have both said to us, This program may not be something we want to do, but it is something that we must do.

And, because of that, I urge my colleagues to vote “no” on the resolution of disapproval.

I am pleased to yield to my friend, the gentlelady from North Carolina.

Ms. FOXX. I thank the distinguished majority leader for yielding to me. I would just like to ask a couple of questions. Is it not true that we are dealing with this bill today not just because we want to be nice, but because in the

original legislation that was written there was a procedure for doing this, and that we are exactly following the procedure or else I would have been able to have offered a point of order related to it?

Mr. HOYER. The gentlelady is absolutely correct, and of course that provision was included by Chairman FRANK in the original legislation, and it was included by Chairman FRANK so that we would have this opportunity to make a second judgment.

My proposition is simply that given the necessity of this action, that our judgment ought to be the same as it was before.

Mr. FRANK of Massachusetts. If the gentleman would yield, the question that the majority leader asked was, if you take the position that unless we know the Senate is going to do something, we shouldn’t do it, then we wouldn’t be debating this.

Now, I agree with him, it’s important for us to have a chance to express our opinion. In this case, though, unlike yesterday, we passed a bill yesterday that is still pending in the Senate and, if events change, could be brought up. Under the procedures, this bill is dead. It cannot be reconsidered because the Senate killed it.

The gentlewoman points out that it is the law we passed last year that allows us to do it, but it permits us to do it. It doesn’t mandate it. What we are trying to do is say to the gentlewoman we agree that it’s reasonable to have this on the floor, but the logic that says we shouldn’t have acted yesterday because the Senate said they’re not going to do it would apply with even greater force when you’re talking about doing something the Senate has already killed.

Ms. FOXX. Will the gentleman yield?

Mr. HOYER. I would be glad to yield to the gentlelady for a second question.

Ms. FOXX. Thank you. Isn’t it true that, again, we are doing what is right and proving that we are a Nation of laws because this was written into the original bill. I commend the majority for doing that. I think it’s very important that we not try to circumvent a law that we have passed. I think it’s very, very important in terms of the messages we send to the American people.

It’s true that in the Rules Committee Mr. FRANK said he did not think that the bill that we were passing would be taken up by the Senate. Is it the majority’s intention in the House to ask the Senate to take up Mr. FRANK’s bill and to say we are not just asking the Obama administration to do these things but, like this bill, we are going to put into law what should be done, rather than petitioning the administration?

Mr. HOYER. Reclaiming my time, I know the gentlelady voted against yesterday’s bill. But in response to the gentlelady’s question, it’s certainly my intent as the majority leader, dealing with the majority leader in the Senate,

to urge him to take up the bill, to pass the bill, and it will be my recommendation to President Obama that he sign the bill, because I believe it is a bill which responds to the concerns of the American public regarding the accountability for their money, transparency in how it is spent, and a focus on some of the issues on Main Street that were, frankly, not addressed by the previous TARP money.

So, for all of those reasons, I am hopeful the Senate will pass it, I am hopeful the President will sign it, I am hopeful that it will be law. But, as I said earlier, the good news from my perspective is that in discussions, as I understand it, with Mr. FRANK, and I’ll yield to him in just a second, that the administration has indicated that even if the Senate doesn’t pass it, they intend to focus on those, I think, very important and salutary requirements in Mr. FRANK’s bill.

I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I would just say this. I certainly want them to take it up. Realistically, I don’t think they will, unless the Obama administration fails to live up to the things in the bill. I believe that if the Obama administration surprises me, because I don’t expect this, it doesn’t go ahead with foreclosure diminution, it doesn’t lend to community banks, it doesn’t do better restrictions on compensation, then you will see pressure in the Senate to take it up.

So there is one difference with regard to Senate action between the resolution the gentlewoman offers, as authorized, although not mandated by the bill, and where we are today. The bill we passed yesterday is pending in the Senate. They don’t now intend to take it up. But, if things change, pressure would build to do it.

The resolution we will be voting on today is already dead, the Senate has already killed it, and it does not allow for reconsideration. In both cases, I think it’s reasonable for us to go forward. But to argue that it makes sense for us to pass a bill the Senate has already killed but not to pass a bill that will be pending in the Senate, subject to pressure, baffles me.

Mr. HOYER. Reclaiming my time, and I want to close.

Ms. FOXX. Mr. Majority Leader, can I ask one more question?

Mr. HOYER. I would be pleased to yield to the gentlelady for one more question, then I want to close, because I know Mr. PENCE wants an opportunity to say the majority leader is wrong.

Ms. FOXX. Again, I appreciate the explanation that both you and Mr. FRANK have given, but would you agree that the first bailout that was given to the Bush administration had absolutely no accountability in it, and unless the bill that was passed here yesterday is passed out of the Senate before the money is given to the Obama administration, that there is no guarantee of any accountability and that

we will be asking for a report after the fact?

The original bill had no oversight in it. It had after sight in it, but no oversight. And, again, I appreciate the fact that the majority has brought this bill up, and I think it was the right thing to do, but I would like to see that other bill passed, because I think we need accountability, whether it's on the Democrat side or the Republican side, and isn't it true that there is no accountability for how that money is going to be spent, unless the Frank bill is passed?

Mr. HOYER. Reclaiming my time, I do, however, tell the gentlelady in the kindest terms possible that I find it somewhat ironic that she is so interested in that bill being signed, so there will be accountability, but yesterday she voted against it. I find that somewhat ironic.

But, in any event, in answer to your question, I think we have learned that we needed greater accountability. Very frankly, we thought the Bush administration would exercise more accountability and oversight. We provided, as I am sure you know, significant oversight. Now you call it after sight, and that may be an apt term to it, but we provided significant oversight, including the GAO, which has said it was not done as well as it should have been done, which led to Mr. FRANK's legislation, which was on the floor yesterday. So we think that was very positive.

In closing, I appreciate the gentlelady saying this was the appropriate thing to bring to the floor. We provided legislation that would be brought to the floor. It is here.

I would, in closing, urge all of the Members, notwithstanding the fact that it's on the floor, notwithstanding that their vote will be of no effect. I understand it will be a statement to our constituents where we stand on the issue. And this is an unpopular program. But, across the board, liberal and conservative economists, the Secretary of the Treasury, present and future, President Bush and President Obama, have both concluded that if we are to meet the economic crisis that confronts us, moving forward with the additional second phase of TARP is essential.

I urge my colleagues to vote against the motion of disapproval.

Ms. FOXX. Mr. Speaker, I yield myself 30 seconds.

In just one second I am going to recognize my colleague from Indiana, but I want to say that I appreciate the argument that has been made that both Presidents, Secretaries of Treasury, and all these brilliant people, supposedly, have asked for this money and said it has to be done to save our Nation. But we know that in the Roosevelt administration, Henry Morgenthau and all those brain trust people who were there, said that, after 8 years, what the Roosevelt people did was a complete failure. I think this is the direction we are going.

□ 1100

I now yield 4 minutes to my colleague, the gentleman from Indiana (Mr. PENCE).

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. I rise in support of the resolution of disapproval.

Our Nation is confronted by a serious financial crisis; it is a crisis of confidence in our financial markets and, let's be honest, it is a crisis of confidence in our government. While many are anxious about how we will confront these times, many more face this moment with faith, not fear. We will get through this. We have confronted greater challenges than this. I am confident we will restore our markets and renew our government. But, as I said last fall in the original debate, we must do so in a manner that is consistent with the principles that make America great.

As the distinguished chairman of this committee said following last week's action in the Senate: No matter what happens here today, the second half of the bailout funding will go forward, adding \$350 billion to the national debt and burdening future generations of Americans with the mistakes of Wall Street, and Capitol Hill during the present day, despite sincere efforts at reform.

This legislation remains the largest corporate bailout in American history, forever changes the relationship between government and the financial sector, and passes the costs along to the American people.

I did not come to Washington to expand the size and scope of government. I did not come to Washington to ask working Americans to subsidize the bad decisions of corporate America. Therefore, I did not support the Emergency Economic Stabilization Act last fall, and I cannot support the legislation before the Congress that would send good money after bad. As I said then, while this bill promises to bring near-term stability to our financial markets, I ask my countrymen, at what price?

The decision to give the Federal Government the ability to nationalize almost every bad mortgage in America interrupted a basic truth of our free market economy: Government can't control outcomes in an economy without eroding the independence and the integrity of our free-market system. When the government chooses winners and losers in the marketplace, every American loses.

Now, some say this crisis was too acute to rely on what they call antiquated notions about the role of government in the private sector, but I disagree. I believe the principles of limited government, free enterprise, and representative democracy and personal responsibility are as relevant today as they were in 1776.

Now, there are no easy answers to these times, but the American people

deserve to know that there were and are alternatives. Last fall, House Republicans offered an alternative that would have required Wall Street, not Main Street, to pay the costs of this recovery. And today, House Republicans are preparing fast-acting tax relief instead of more bailouts and more spending to get this economy moving again.

President Theodore Roosevelt said, "An American must face life with resolute courage, win victory if he can, and accept defeat if he must, without seeking to place on his fellow man a responsibility which is not theirs." With this legislation, we again, by second half, place upon the American public a responsibility which was not theirs, bailing out financial institutions after they made irresponsible business decisions. This, we should not have done. This, we should not do again. Instead, we should confront this crisis with resolute courage, faith in God, faith in the American people, and the ideals of freedom and free enterprise.

I urge my colleagues to join me in opposing further funding of the Emergency Economic Stabilization Act of 2008.

The SPEAKER pro tempore. Without objection, the gentleman from California (Mr. SHERMAN) controls the time.

There was no objection.

Mr. SHERMAN. Mr. Speaker, I yield myself 3½ minutes.

The TARP program is highly flawed. It is up to us to pass good statutory provisions, not to give blank checks to the last administration, or even this administration. We ought to improve the program. The bill we passed yesterday is just a down payment or, since the Senate may not act on it, just an attempt at a down payment on the statutory changes we ought to adopt. But the question is, how do we vote on this resolution today?

If the Senate had voted to block funding, then today's vote would be entirely different. Effectively blocking funding might be the first step in forcing statutory changes; but that is not where we are today. Instead, we are here voting on a bill that both sides agree has no statutory significance. Under the existing statute, this administration will get \$350 billion subject only to the very limited restrictions imposed by the bill that we passed, and I voted against, last fall. This vote is nothing more than a nonbinding resolution. It is a joint press release. It does not trigger any statutory provision; it does not write any statutory provision.

So how should we vote on this joint press release? Is it an accurate press release? Will the press understand it, or is it written in such a way that the press will misunderstand? In order to determine that, we have to understand the press.

I would hope that we would have a press in this country that, if we had voted for this resolution, would say: "The House demands statutory improvements in the TARP program. It

demands the passage of the Frank bill and far more." Unfortunately, we know that will not be the headline.

It makes no sense to provide this press release to a press corps that instead will interpret it as saying: "House repudiates President Obama on the second day of his term." But we know the press. They will put personality over substance, politics over policy. They will write this story, ignoring the problems with the TARP bill. They don't want to write about statutory provisions; they will write about politics not policy. So signing on to a joint press release knowing that the press will misinterpret it is a bad idea.

What is a good idea is using every vehicle we have to demand that we improve the TARP program, and that starts with passing the Frank bill and putting it on appropriations bills, putting it on the stimulus bill, making it clear to the Senate that nothing moves until that bill moves. But that is just the beginning. We need statutory provisions that say, if you get TARP money, then there will be no dividends, no stock repurchases. You can't take our money, and then give your money to your own shareholders. That we require the administration to get the maximum number of warrants, so that we participate in the upside of those companies that survive. That the statute does not authorize overpaying for toxic assets or buying bad bonds held by foreign investors. And, that we have real limits on executive compensation and perks, not just for those bailed out companies that are in Detroit, but those that are in New York as well.

We have got to communicate in every way we can to our leadership and to this country that we need massive improvements in the statutory provisions of TARP. Voting "no" on this resolution is the first step in making that clear. Voting "yes" would just be confusing.

Ms. FOXX. Mr. Speaker, I yield myself 30 seconds.

I think it is important to point out that my colleague from California made some great comments; however, he says the bill has no statutory significance. Let me point out to him, the majority leader, and the chairman of the committee that the bill that the Senate rejected was their own bill, Senate Joint Resolution 5.

This bill would have statutory significance if it passes because it would be alive and eligible for the Senate to consider, and I think it is very important that we point that out. It was the Senate bill that was rejected, not this bill.

Mr. Speaker, I yield 3 minutes to Mr. McCCLINTOCK, my colleague from California.

Mr. McCCLINTOCK. I thank the gentlelady for yielding.

Mr. Speaker, this resolution presents this House with its last chance to admit that the Bush bailout has not worked, and it will not work, because of a simple and self-evident truth: gov-

ernment cannot inject a single dollar into the economy that it has not first taken out of the economy. It is true that if I take a dollar from Peter and give it to bail out Paul, Paul has got one more dollar to spend; that dollar will ripple through the economy. But we forget the other half of that equation: Peter now has one less dollar to spend, meaning one less dollar to ripple through the economy. In short, it nets to zero. In fact, it nets to less than zero, because you are shifting enormous amounts of capital from investments that would have been made strictly by economic calculations to investments that are being made entirely by political calculations. We are not helping the economy with these bailouts; we are hurting it. If they actually worked, we would be now enjoying a period of unprecedented prosperity and economic expansion.

I have heard it said today, well, it is just the way that the Bush administration administered it. Well, let me pose to them this simple question: When in the entire history of civilization have such bailouts actually worked? They didn't work in Japan in the 1990s, they didn't work in America in the 1930s, and they aren't working today.

Fortunately, we know what does work. Reductions in marginal tax rates and reductions in taxes on investment consistently do stimulate the economy. They worked when John F. Kennedy used them in the early 1960s, they worked when Ronald Reagan used them in the early 1980s. When taxes are reduced on productivity, productivity increases. But how typical of government to resist what we know works and embrace what we know doesn't work.

This resolution offers the House one last fleeting chance to admit its mistakes, to step away from rigid adherence to failed policy, and to offer the change that the people of this Nation deserve.

The SPEAKER pro tempore. Without objection, the gentleman from Massachusetts (Mr. FRANK) controls the time.

There was no objection.

Mr. FRANK of Massachusetts. I yield myself 3 minutes.

First, I want to respond to the gentlewoman from North Carolina's estimate of the Senate parliamentary situation. She is wrong. If this resolution passes, it will not be pending in the Senate. The Senate will always have the right to bring up a new and different bill to repeal the \$350 billion. But this resolution is dead, not on arrival, but before arrival. And the difference is this:

This resolution comes to the House floor, as its counterpart came to the Senate floor, under expedited procedures; that is, the filibuster extended debate was not available. The Rules Committee was not available to stop this. The Senate, having defeated the one resolution that they were allowed under expedited procedures, cannot revive it. In fact, it said in the bill as a

protection, frankly, for those who are likely to be opposed to the TARP, that it couldn't be reconsidered; that is, it was a protection against pressures being applied by a combination of leaderships on either or both sides and the administration. So this bill is dead. The Senate killed it. This is an exercise.

It is true that the Senate could start all over again with a new bill subject to extended debate, et cetera; and that, of course, nobody could take away from them. But to be very specific, this resolution's counterpart cannot come up in the Senate under the rules, and the Senate Parliamentarian has so ruled, appropriately, if you read the legislation.

So what is available now here is exactly what we have with the bill we passed yesterday, if the Senate wants to take it up under nonexpedited procedures. And when it comes to nonexpedited procedures, the United States Senate has no equal. Nobody can nonexpedite procedures like the Senate. So both of these bills could come up in the Senate under those rules.

Now, the other thing I would say is this, and to the gentleman from California, yeah, there is a philosophical difference here. I do think the gentleman from California was a little harsh in his criticism of the Bush administration in denouncing this, because this is, after all, the Bush administration's creation.

We also have, by the way, and let me address this, under the appointees of President Bush at the Federal Reserve a massive expansion of authority that was granted during the Depression and has rarely been used since for the Federal Reserve to make loans. And I want to be clear, Mr. Speaker, to people that much of what they have read about, for instance, the intervention with AIG primarily and some others, did not come under the TARP primarily; they came from the Federal Reserve using a statutory power from the thirties. It had not been used very much. The Federal Reserve used it somewhat earlier in 2008, and then in September of 2008 began to use it in large numbers. People are understandably concerned about this and what is being done. The Financial Services Committee will be having a hearing within a couple of weeks in which we will begin examining what the Federal Reserve is doing.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. I yield myself an additional 1 minute.

□ 1115

I do want to make clear the policies that the gentleman from California describes as failed and as doomed are George Bush's. Now you may think that Obama will do no better. But I do want to be clear. It was the Bush administration officials that asked us to do this. We did modify it some.

The only other point I would make is this about oversight. We did write

oversight into the bill. The gentlewoman says, well, oversight was after the fact. But oversight is always after the fact. The oversight function is to see what has been done and report on it. That is what the Oversight Committee does.

In this case, we put in good oversight. The Government Accountability Office reported early on that they weren't monitoring how the loan money was being spent. And we had a hearing to talk about that. And then the Elizabeth Warren panel talked about it. So our decision to tell the Bush administration to stop and not even ask for the \$350 billion until we got a new shot at it came based on information we got from the oversight panels that we put into the bill.

I reserve the balance of my time.

Ms. FOXX. Mr. Speaker, I yield myself 30 seconds.

I have the greatest respect for Mr. FRANK and his experience and his knowledge of the workings of this body and the Senate. But I have to say, you are wrong about whether this bill is dead on arrival. It is not dead before it. It is possible to be heard in the Senate. It doesn't have to be heard under expedited processes. You're absolutely right. But it is not dead. It is not dead before it goes there. It is not dead on arrival. So I think that has to be corrected. And I want to say that—

Mr. FRANK of Massachusetts. Will the gentlewoman yield on my time?

Ms. FOXX. No, not on my time.

Mr. FRANK of Massachusetts. On my time.

Ms. FOXX. On your time?

Mr. FRANK of Massachusetts. I yield myself 30 seconds.

The SPEAKER pro tempore. The gentlewoman from North Carolina controls the time. Her 30 seconds has expired.

Mr. FRANK of Massachusetts. Will the gentlewoman let me yield 30 seconds?

The SPEAKER pro tempore. The gentlelady from North Carolina controls the time.

Ms. FOXX. Mr. Speaker, what I would like to do is recognize Mr. PAULSEN from Minnesota. And then when it is Mr. FRANK's time, I will yield to a question.

The SPEAKER pro tempore. For how much time?

Ms. FOXX. Mr. PAULSEN, 2 minutes.

Mr. PAULSEN. I thank the gentlelady. Mr. Speaker, I rise also in support of the resolution that is before the body here today to oppose the release of the second tranche of TARP funds.

We are being asked here today to spend another \$350 billion of American taxpayer money. Now the lapses right now that we have already seen in accountability and in transparency in the first tranche of bailout funds have not been remedied. And we don't even know exactly how that first \$350 billion was spent just a few months ago. Furthermore, the scope of how future

funds will be spent has moved beyond the intended purpose of TARP in the first place. That program now has turned into a grab bag for a variety of special interests that are lining up to attain more taxpayer money.

Congress is not being strategic. It is not being smart or prudent. We owe it to the American people to analyze and to scrutinize where the first tranche of bailout money went so that we don't throw good money after bad.

Just one day ago, our new President in his eloquent inaugural address called for a "New Era of Responsibility." I completely agree. And I believe that Congress needs a new era of responsibility as well, especially in how it spends taxpayer money. The release of these new funds will only add to our massive budget deficit, which is going to be passed on to future generations.

Mr. Speaker, enough is enough. The House should strongly oppose, on a bipartisan basis, another \$350 billion because it lacks the appropriate transparency, oversight and accountability. And we shouldn't borrow and spend and bail out our way to get our economy back on track.

Mr. FRANK of Massachusetts. I will yield myself 30 seconds to point out that the gentlewoman from North Carolina was incorrect. She said this bill would be alive in the Senate. That is wrong. This bill is the expedited procedures proposal. Its Senate counterpart has been killed. If this bill passes or fails, it makes no difference. Now it is true, the Senate has the right under the Constitution to pass a brand new bill. But if it did, it would have to come over here to be passed. This expedited procedure resolution would not meet the bicameral test. So the point is that when she talks about this bill, it has no effect. If the Senate passes a bill, as they would have a right to do under the normal rules subject to filibuster, it would then come over here and be subject to normal rules—

Ms. FOXX. Would the gentleman yield?

The SPEAKER pro tempore. The gentleman from Massachusetts controls the time.

Mr. FRANK of Massachusetts. I yield myself 15 seconds to say to the gentlewoman, just as she wouldn't yield to me, I will now yield to the gentlewoman from Illinois. The gentlewoman from Illinois is recognized for 2 minutes.

Ms. BEAN. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to H.J. Res. 3, which would eliminate an essential tool for our government to maintain stability in our financial markets during this time of economic strain.

Last fall, this Congress faced a difficult decision. We were asked to provide the Treasury with \$700 billion to stabilize the financial markets. Federal Reserve Chairman Ben Bernanke warned that the U.S. economy was on

the verge of collapse if we did not act. Fortunately, Congress wisely put stipulations in place to protect taxpayer dollars. We also instructed the Treasury to provide foreclosure avoidance resources. Most important, we withheld half of the TARP money to allow Congress to review the use of the first half before releasing further funds.

While it was vitally necessary to stave off the collapse of our Nation's financial system and remains so today, I appreciate the frustration many of my colleagues and Americans have with the execution thus far of the TARP program. Of particular concern, the past administration did not follow congressional instruction to utilize a portion of funds to address rising foreclosures. There have been many changes in strategy taken by Treasury and the Federal Reserve in response to evolving economic challenges that are not well understood. These actions have lead to a perceived ineffectiveness that stems from confusion in both the process and purpose of these funds. The TARP was intended to provide tools to stabilize our financial system to prevent collapse. It was not intended to be used as an economic stimulus. However, without it, the congressional stimulus package that is pending would have diminished effectiveness. And our Nation continues to face unprecedented crisis that requires quick and decisive action.

We can and should provide the new administration with the resources to both stabilize our financial system and reduce the foreclosures that continue to undermine it. Yesterday, we passed H.R. 384, which directs the Obama administration to act with greater transparency and accountability on how our funds are being used to stabilize markets and provide multitiered options to foreclosure avoidance for creditworthy families.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. FRANK of Massachusetts. I yield the gentlewoman 1 additional minute.

Ms. BEAN. In 2008, 8,200 homeowners filed for foreclosure each day. One in six homeowners are currently upside down, meaning that their mortgage debt exceeds current home value. Currently, 45 percent of real estate on the market is foreclosed properties, which continues to depress home values and adversely impact average Americans who want to refinance or sell their homes.

In addition, slumping consumer spending is driving many retailers and small businesses under. And as they vacate their properties, commercial foreclosures will likely increase. That means even more toxic assets on the books of our financial institutions, further limiting credit. And U.S. banks continue to write off enormous losses, and several are reporting severe fourth quarter losses.

Given this data, it would be irresponsible for this Congress to deny the new administration the tools needed to prevent a further collapse of our markets

and credit availability. Without these tools, the upcoming stimulus will have a reduced effect in igniting economic growth.

I urge my colleagues to oppose today's resolution to disapprove the release of these funds so American families and businesses can count on our financial system in the future.

Ms. FOXX. Mr. Speaker, I yield 3 minutes to my distinguished colleague from South Carolina (Mr. BARRETT).

Mr. BARRETT of South Carolina. I thank the gentlelady for yielding.

Mr. Speaker, this fall when my colleagues and I voted to pass the Emergency Economic Stabilization Act, our banking sector was facing an unprecedented and immediate threat that affected the ability of all American businesses, large and small, to get credit to obtain inventory, purchase needed supplies or even make payroll. Our credit markets were effectively frozen, and our economy faced extraordinary peril that required exceptional measures.

Our financial system and larger economy still have enormous problems. But the threats to our economy are shifting and rapidly evolving. The situation that we are facing today is critical and urgent. But our economy has different challenges from when we passed the Emergency Economic Stabilization Act. And frankly, I'm not sure whether the Troubled Assets Relief Program, TARP, is the right tool to combat these problems. It concerns me to see that TARP is spinning out of control with rapidly expanding goals. I did not vote to provide a fund to prop up failing companies or expand government interference into companies' business decisions. I supported the Emergency Economic Stabilization Act to give us the tools to fight our immediate and critical economic threats this fall. And I'm glad that it worked to prevent even greater economic turmoil.

But now, we need to stop and re-evaluate where we are. We need to take a measured approach. We need to be better stewards of the taxpayers' money. And we're talking about billions of dollars here. We need to figure out exactly what problem we are trying to fix and whether we are using the right tool.

Now yesterday, when I came down to the House floor to offer a motion to recommit that was similar in the nature of the resolution today, but with one fundamental difference, if passed by the House and Senate and signed into law, the bill as amended with my motion would have actually stopped the \$350 billion from going to TARP. In his rebuttal to my motion to recommit, I was told by the distinguished Chair of the House Financial Services Committee that my Republican colleagues and I were getting our marching orders from the Heritage Foundation and the Wall Street Journal on disapproving the final \$350 billion payment from TARP. Now, I can only speak for myself, Mr. Speaker, but I'm here to protect the American taxpayer. And

spending this money right now is not the right thing to do.

I urge my colleagues to send a clear and convincing message to the American taxpayer that we want to stop TARP's expansion and to vote "yes" on disapproving of the final \$350 billion to the program.

Mr. FRANK of Massachusetts. Mr. Speaker, how much time remains on each side?

The SPEAKER pro tempore. The gentleman has 39½ minutes remaining. The gentlelady has 41½ minutes remaining.

Mr. FRANK of Massachusetts. Mr. Speaker, I now yield 3 minutes to the gentlelady from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, this is a very important debate. I want to thank the chairman of the Financial Services Committee. I would imagine that this was the vision of the Founding Fathers when they created the basic infrastructure of our constitutional government that the people of this Nation should have the opportunity to hear the truth and hear us speak the truth. And so today I think it is important that the truth be known and told. And frankly, I think the real question for my good friends on the other side of the aisle is, what did the previous administration do with that money? That is the angst. That is the reason why we have this controversy. Because those of us who in good intentions and goodwill responded to the pending crisis, even as the administration was leaving, the lights are being turned out, we said we had to do something for the American people. We begged them to respond to the mortgage foreclosure, the collapse of the market. It was not done. There was no reporting as to what happened to the money.

And so, as Mark Zandi has said, chief economist of Moody's economy.com, the global financial system has effectively collapsed, undermining investor, household, and business confidence and pushing the economy into a lengthy and severe recession. The proximate cause, he says, of the crisis was a collapse of the U.S. housing market and the resulting surge in mortgage loan defaults. We asked the former Secretary, we asked and begged him to deal with the mortgage foreclosure of the American people. They did not do it.

Now, we come full circle with a new administration who has articulated their commitment to addressing this mortgage foreclosure collapse. We have to do it with the money that is pending today. That is why I rise in opposition to this legislation.

In the requirements that have been dictated by this House, we are setting aside money that is specifically for the use of hardworking Americans who bought into mortgages that were,

through no fault of their own, smoke and mirrors. And so today we have \$100 billion set aside so that your mortgages, your homes can be saved. Is that not the responsibility of the Federal Government? Is that not the reason why we are here? We must give these monies to the Obama administration for them to give them to the American taxpayer. That is what this is about.

In addition, we will be providing more dollars to what we call private banks, many of them in your home towns where you know your bankers, who have not been able to get these dollars. We want the small businesses, minority, women, and others that are just simply small, the backbone of America, to be able to get the credit that you need for your payroll. That is what this is about. This is a complete 180-degree turn. We want to do what was not done.

In addition, we have language that is requiring the banks to give us a point-by-point, dot-by-dot, line-by-line explanation of the use of these moneys.

The SPEAKER pro tempore. The time of the gentlewoman from Texas has expired.

Mr. FRANK of Massachusetts. I yield the gentlewoman 1 additional minute.

□ 1130

Ms. JACKSON-LEE of Texas. So line by line to be able to report to you, the American people, what is this money going for.

I know a pastor in Houston, Texas, Reverend Samuel Smith, who has a church that has remained in an inner city area. He has rebuilt his church. He did it because he got credit, he got money so that his parishioners could come to that area that needed redevelopment so he could continue to provide life to that area. That is what these funds can be used for if they go to the banks of the community. The big banks will not be able to use these dollars to buy up little banks. The money will go to these little banks and help the inner cities and rural communities of America and so you know your banker and know they have money to lend to you. This is what is happening today.

And by the way, my friends, in this language it says so more of these big bonuses and compensation and grandstanding resort packages, no more of that. A number of other restraints are in the package that we passed last week.

Please provide us with the hope and spirit of our new President who said we can do this. This is a bad bill, and I stand opposed to it because I stand with the American people.

Mr. Speaker, I rise today in opposition to H.J. Res. 3, relating to the disapproval of obligations under the Emergency Economic Stabilization Act of 2008 (EESA). This resolution disapproves the use of the second \$350 billion of the funds that were made available to the Secretary of the Treasury under the EESA.

Under the "fast track" consideration provisions of EESA, such a resolution is in order

upon the transmittal by the President of a plan to use the second \$350 billion.

Passage of this resolution would prevent the new Administration, unless vetoed by the President, from using the second \$350 billion. Already the Senate has rejected its resolution of disapproval last Friday when it was offered in the Senate. This body should do the same. Likewise, the House should also join me in rejecting this resolution.

We cannot hold the present Administration accountable for the missteps and misdeeds of the past Administration. It is my firm belief that this Administration must be given the most latitude in its decision regarding how the monies will be dispensed and used. The current Administration should not be fettered but should be free to use the monies as it sees fit, using judiciousness, practicality, and common-sense.

Moreover, this body voted to pass H.R. 384 TARP Reform and Accountability Act, which provided greater accountability and oversight in the use of TARP. Therefore, there is no reasonable, articulable basis to deny the Administration access to the TARP monies.

Just yesterday, the House of Representatives voted on a bill that would amend the TARP provisions of the Emergency Economic Stabilization Act of 2008 (EESA) to strengthen accountability, close loopholes, increase transparency, and most importantly, require the Treasury Department to take significant steps on foreclosure mitigation. Mr. Speaker, I was particularly pleased to work with Chairman FRANK and his staff on significant portions of the Manager's Amendment to this legislation, which ensures that small and minority businesses along with local, community, and private banks gain fair and equitable access to the TARP funds.

It has been 3 months since the Treasury started disbursing TARP funds. Just in time perhaps for a lot of big banks however, smaller banks have been locked out so far. A lot of small banks certainly are in need of relief as the real estate crisis continues to worsen, despite hundreds of small banks having already applied.

According to recent reports, the Treasury Department has yet to issue 'the necessary guidelines for about 3,000 additional private banks. Most of them are set up as partnerships, with no more than 100 shareholders. They are not able to issue preferred shares to the government in exchange for capital injections, as other banks can. While Treasury officials state they are "working on a solution," for these private banks time is of the essence.'

The Treasury Department has handed out more than \$155 billion to 77 banks. Of that sum, \$115 billion has gone to the 8 largest banks. Community banks hold 11 percent of the industry's total assets and play a vital role in small business and agriculture lending. Community banks provide 29 percent of small commercial and industrial loans, 40 percent of small commercial real estate loans and 77 percent of small agricultural production loans.

I worked diligently with Chairman FRANK and the financial services Committee to ensure that language was included to assist private banks such as Unity Bank and Amegy Bank in Houston to shore up their liquidity and ability to extend credit to local businesses and families.

This legislation also provides funds for foreclosure counseling, legal assistance to home-

owners facing foreclosure and training for foreclosure counselors. I have been a long-time advocate for foreclosure mitigation working with state and local government and nonprofit organizations to help families in need. Last year, I championed setting aside \$100 billion to address homeowner foreclosure prevention. I also fought to amend bankruptcy provisions to allow individual homeowners to be able to modify their home mortgages to prevent foreclosure.

As I look at this revised legislation I feel a sense of vindication. I kept sounding the alarm to provide language that explicitly addressed homeowner foreclosure prevention and loss mitigation. As it now appears, my efforts were not in vain.

Foreclosure prevention-loss mitigation programs have given millions of Americans, who face foreclosure, the opportunity to get back on track and save their homes from foreclosure.

Every year there are millions of Americans who find themselves in a pre-foreclosure situation. Most feel that they are alone when they face a foreclosure situation. This legislation will allow Americans to get them help they need to stop foreclosures and ultimately help people stay in their homes.

The Manager's Amendment requires that the Treasury Department act promptly to permit smaller community financial institutions that have been shut out so far to participate on the same terms as the large financial institutions that have already received funds.

Small businesses are the backbone of our Nation, and unfortunately, they have not been afforded the opportunity that large financial institutions have had to TARP funds and loans. Small businesses represent more than the American dream—they represent the American economy. Small businesses account for 95 percent of all employers, create half of our gross domestic product, and provide three out of four new jobs in this country. Small business growth means economic growth for the Nation.

We cannot stabilize and revitalize our economy without ensuring the inclusion and participation of the small business segment of our economy. With the ever worsening economic crisis, we must ensure in this legislation that small and minority businesses and community banks are afforded an opportunity to benefit from this important legislation. I am very pleased that the Manager's Amendment will effect this change.

In Section 107, the Manager's Amendment creates an Office of Minority and Women Inclusion, which will be responsible for developing and implementing standards and procedures to ensure the inclusion and utilization of minority and women-owned businesses. I sought the creation of such an office and I am pleased it was included in this legislation. These businesses will include financial institutions, investment banking firms, mortgage banking firms, broker-dealers, accountants, and consultants.

Furthermore, the inclusion of these businesses should be at all levels, including procurement, insurance, and all types of contracts such as the issuance or guarantee of debt, equity, or mortgage-related securities. This Office will also be responsible for diversity in the management, employment, and business activities of the TARP, including the management of mortgage and securities portfolios,

making of equity investments, the sale and servicing of mortgage loans, and the implementation of its affordable housing programs and initiatives.

Section 107 also calls for the Secretary of the Treasury to report to Congress in 180 days detailed information describing the actions taken by the Office of Minority and Women Inclusion, which will include a statement of the total amounts provided under TARP to small, minority, and women-owned businesses. The Manager's Amendment in Section 404 also has clarifying language ensuring that the Secretary has authority to support the availability of small business loans and loans to minority and disadvantaged businesses.

This will be critical to ensuring that small and minority businesses have access to loans, financing, and purchase of asset-backed securities directly through the Treasury Department or the Federal Reserve.

H.R. 384 reforms TARP by increasing oversight, reporting, monitoring and accountability. It requires any existing or future institution that receives funding under TARP to provide no less than quarterly public reporting on its use of TARP funding. Any insured depository institution that receives funding under TARP is required to report quarterly on the amount of any increased lending (or reduction in decrease of lending) and related activity attributable to such financial assistance.

In connection with any new receipt of TARP funds, Treasury is also required to reach an agreement with the institution, and its primary federal regulator on how the funds are to be used and benchmarks the institution is required to meet so as to advance the purposes of the Act to strengthen the soundness of the financial system and the availability of credit to the economy. In addition, a recipient institution's primary federal regulator must specifically examine use of funds and compliance with any program requirements, including executive compensation and any specific agreement terms.

Mr. Speaker, I am pleased that this legislation has strong requirements regarding executive compensation.

Mr. Speaker, the Act provides that the second \$350 billion is conditioned on the use of up to \$100 billion, but no less than \$40 billion, for foreclosure mitigation, with a plan required by March 15, 2009. By that date, the Secretary shall develop (subject to TARP Board approval) a comprehensive plan to prevent and mitigate foreclosures on residential mortgages. The Secretary shall begin committing TARP funds to implement the plan no later than April 1, 2009. The Secretary must certify to Congress by May 15, 2009, if he has not committed more than required minimum \$40 billion.

The foreclosure mitigation plans must apply only to owner-occupied residences and shall leverage private capital to the maximum extent possible consistent with maximizing prevention of foreclosures. Treasury must use some combination of the following program alternatives:

(1) Guarantee program for qualifying loan modifications under a systematic plan, which may be delegated to the FDIC or other contractor;

(2) Bringing costs of Hope for Homeowner loans down (beyond mandatory changes in Title V below), either through coverage of fees, purchasing H4H mortgages to ensure affordable rates, or both;

(3) Program for loans to pay down second lien mortgages that are impeding a loan modification subject to any write-down by existing lender Treasury may require;

(4) Servicer incentives/assistance—payments to servicers in connection with implementation of qualifying loan modifications; and

(5) Purchase of whole loans for the purpose of modifying or refinancing the loans (with authorization to delegate to FDIC).

In consultation with the FDIC and HUD and with the approval of the Board, Treasury may determine that modifications to an initial plan are necessary to achieve the purposes of this act or that modifications to component programs of the plan are necessary to maximize prevention of foreclosure and minimize costs to the taxpayers.

A safe harbor from liability is provided to servicers who engage in loan modifications, regardless of any provisions in a servicing agreement, so long as the servicer acts in a manner consistent with the duty established in Homeowner Emergency Relief Act (maximize the net present value (NPV) of pooled mortgages to all investors as a whole; engage in loan modifications for mortgages that are in default or for which default is reasonably foreseeable; the property is owner-occupied; the anticipated recovery on the mod would exceed, on an NPV basis, the anticipated recovery through foreclosure).

This bill requires persons who bring suit unsuccessfully against servicers for engaging in loan modifications under the Act to pay the servicers' court costs and legal fees. It also requires Servicers who modify loans under the safe harbor to regularly report to the Treasury on the extent, scope and results of the servicer's modification activities.

In addition to the above requirements, an Oversight Panel is required to report to Congress by July 1st on the actions taken by Treasury on foreclosure mitigation and the impact and effectiveness of the actions in minimizing foreclosures and minimizing costs to the taxpayers.

H.R. 384 clarifies and confirms Treasury authorization to provide assistance to automobile manufacturers under the TARP. With respect to the assistance already provided to the domestic automobile industry, includes conditions of the House auto bill, including long-term restructuring requirements.

There is further clarification on:

Treasury's authority to provide support to the financing arms of automakers for financing activities is clarified to ensure that they can continue to provide needed credit, including through dealer and other financing of consumer and business auto and other vehicle loans and dealer floor loans.

Treasury's authority to establish facilities to support the availability of consumer loans, such as student loans, and auto and other vehicle loans. Such support may include the purchase of asset-backed securities, directly or through the Federal Reserve.

Treasury's authority to provide support for commercial real estate loans and mortgage-backed securities.

Treasury's authority to provide support to issuers of municipal securities, including through the direct purchase of municipal securities or the provision of credit enhancements in connection with any Federal Reserve facility to finance the purchase of municipal securities.

In addition, more reforms are enunciated for Homeowners in Title V. The Home Buyer Stimulus provisions requires Treasury to develop a program, outside of the TARP, to stimulate demand for home purchases and clear inventory of properties, including through ensuring the availability of affordable mortgages rates for qualified home buyers.

In developing such a program Treasury may take into consideration impact on areas with highest inventories of foreclosed properties. The programs will be executed through the purchase of mortgages and MBS using funding under HERA. Treasury will provide mechanisms to ensure availability of such reduced rate loans through financial institutions that act as either originators or as portfolio lenders.

Under this provision, Treasury has to make affordable rates available under this program available in connection with Hope for Homeowner refinancing program.

This legislation will give a permanent increase in FDIC and NCUA Deposit Insurance Limits, it makes permanent the increase in deposit insurance coverage for banks and credit unions to \$250,000, which was enacted temporarily as part of the Emergency Economic Stabilization Act and is scheduled to sunset on December 31, 2009, and includes an inflation adjustment provision for future coverage.

Finally, I applaud Chairman FRANK and the Committee on Financial Services for their hard work on this important piece of legislation. In this economic climate it is critical for us to remember that while we need to assist our financial institutions, we cannot do this without implementing reforms to protect Americans' hard-earned money.

I strongly urge my colleagues to join me in opposition to this resolution. The reforms of the bill that we voted upon just yesterday adds greater accountability and oversight to the EESA. I do not believe that the President should be fettered in his use of the monies allotted to his Administration and the Treasury in the EESA. The previous Administration was able to use the monies in an unfettered fashion, there is no articulable reason why the present Administration must undergo a different process or procedure than its predecessor Administration.

Ms. FOXX. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. PAUL).

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. I thank the gentlelady for yielding, and Mr. Speaker, I rise in support of this resolution because I don't believe the bailouts can work, and more spending isn't the answer.

Actually, we should have talked more about prevention of a problem like we have today than trying to deal with the financial cancer that we are dealing with. But the prevention could have come many decades ago. And many free-market economists predicted, even decades ago, that we would have a crisis like this. But those warnings were not heeded, and even in the last 10 years there have been dire warnings by people who believe in sound money and not in the inflationary system that we have that we will come to this point.

Over those decades we were able to bail out to a degree and patch over and

keep the financial bubble going. But today, we are in a massive deflationary crisis, and we only have two choices. One is to continue to do what we are doing: inflate more, spend more, and run up more deficits. But it doesn't seem to be working because it won't work because the confidence has been lost. The confidence in the post-Bretton Woods system of the dollar fiat standard, it is gone. This whole effort to refinance in this manner just won't work.

Now, the other option is to allow the deflation to occur, allow the liquidation of bad debt and to allow the removal of all of the bad investments; but that politically is unacceptable, so we are really in a dilemma because nobody can take a hands-off position. Politicians have to feel relevant. And, therefore, they have to do something. But there is no evidence that this is going to work.

Now we hear that there is a proposal, and we read about it in the paper, and I don't know who came up with this, but it is the idea of having a bad bank. Let us create a government bad bank, and this bad bank is to take the bad debt from the bad bankers and dump these assets onto the good citizens. Well, I think that is a very bad idea. I mean, it doesn't make any sense for the innocent American citizen to bear the burden.

But others will say no, we will bail out the citizens as well. But ultimately, it is the little guy that loses on this. The bankers got \$350 billion, and we can't account for it and their assets don't look that much better, and yet the American people are still suffering. It didn't create any more new jobs. The attempt now will be maybe to redirect this. But, unfortunately, it will not be any more successful.

The fallacy here is we are trying to keep prices high when prices should come down. What do we have against poor people? Lower the price of houses, get them down. A \$100,000 house, get them down to \$20,000. Let a poor person buy these houses. That is what we want.

But this is a remnant of the philosophy of the 1930s when it was thought we were in trouble because the farmers weren't getting enough money for their crops. So people were starving in the streets, and guess what the policy was that came out of Washington: plow under the crops and then maybe the prices will go up. Diminish the supply, and it will solve our problem. It didn't work then, it won't work today.

Mr. FRANK of Massachusetts. I yield 3 minutes to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Mr. Speaker, as I stand here, it is very important for us to remember the words of our first Secretary of the Treasury, Alexander Hamilton, for it was Alexander Hamilton who said the greatness of a strong, centralized government shines at its most brilliant at the moment and time of a nation in crisis.

We are in a crisis. We are in an agonizing, convoluting, economic crisis of staggering magnitude. It is going to take us to have the wisdom and the smarts, just like our Founding Fathers did, to be able to respond.

Now I want to just bring this into perspective so the American people will know exactly what it is we are doing, in a most responsible way, because I take great umbrage with some of my friends on the other side of the aisle, some of my Republican friends, who want to question the actions of us on the Democratic side of not being good stewards of the taxpayers' money. We are being good stewards of the taxpayers' money. Unlike the first batch of the \$350 billion that the previous administration had, you talk about not being good stewards of the taxpayers' money, there you go, no strings attached. Nothing. The Secretary of the Treasury comes over and says he wants to use that \$350 billion to get the toxic assets, and does nothing but change his mind in the middle of the stream before we can get out of town, before we can even put the oversight and put the inspector general in, and changes the direction of the money away from that, putting it into direct injections into the banking system, which one would say had some effect, but it was not being good stewards of the taxpayers' money.

So now we come with a brand new administration, the Obama administration, whose first order of business is to deal with the significance of this economic crisis. He is asking for this tool, a tool, by the way, which is the same tool that we gave to the previous administration. And I say to you, this is surely, as we honored the request of the previous administration, President Bush, because we knew that we had a crisis, we know that crisis is 10 times worse today and we should be moving 10 times faster to give it to the Barack Obama administration.

Let me say this because there has been a whole lot of talk about we need to make sure that we do it right and we have the proper tools in place of oversight. Under the leadership of Chairman FRANK we have done that with the TARP bill we passed yesterday. Here is what it has got. It has got the oversight in it. It has got the quarterly reporting. And yes, to the dismay of some of our friends on the other side of the aisle, we have a requirement in here that we will have Federal observers sitting in the boardrooms when the decisions are made because we found out they are not going to do as we say. Just like the Super Bowl, you have got to have the referees and umpires on the field to make sure that they follow the rules of the game. We have that in.

And more significantly, right to the core of my heart, I tried as hard as I could on the last bailout, the first \$350 billion, I tried to get moneys in to deal with the core of the problem, which is home foreclosures. Under the leadership of our Financial Services Com-

mittee, we made sure that up front, we are saying to the Obama administration, make sure that you use up to \$100 billion to make sure that we can keep folks in their homes. Put the moneys into the community banks and the small businesses which create most of the jobs in this country.

This is an important day. It is an important time. I ask you to remember the words of Alexander Hamilton and let us vote down this obstructionist piece of legislation and move forward.

Ms. FOXX. Mr. Speaker, I yield 2 minutes to an outstanding new Member of Congress, Mrs. LUMMIS, from Wyoming.

Mrs. LUMMIS. Mr. Speaker, it is daunting, indeed, to follow such an articulate speaker on the floor of this House, but I rise today to express my support for House Joint Resolution 3 and my opposition to the decision to release the second half of the TARP bailout funding.

Washington, DC, has often been described as 70 square miles surrounded by reality, and I think that description, particularly today, is right on target. Only in this town can people actually believe that throwing more money down a rabbit hole during these harsh economic times will produce positive results.

Wyoming people are right to express their frustration about how the taxpayer dollars were spent under TARP. I believe and they believe their hard-earned money has gone to waste due to a lack of accountability and transparency under this program.

TARP funding was originally meant to stop the downward spiral of the banking industry. And while I opposed it from the beginning, I am even more appalled by how the funding has been redirected. The Reform Act the House passed yesterday, for example, would direct the second half of TARP funds to go towards the auto industry, foreclosures assistance, and even student loans. While some of these programs may have independent validity, the original intent of TARP funding was not directed towards them and should not now be directed towards them.

With a possible trillion dollar stimulus package just over the next hill, we as a Congress and we as a Nation need to assert some fiscal discipline. The release of the additional \$350 billion, especially after the lack of knowledge on how the first half has been spent, is not fiscal discipline. It is inexcusable. It is poor planning on our part, on the part of Congress.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Ms. FOXX. I yield the gentlewoman 30 additional seconds.

Mrs. LUMMIS. It is poor planning on our part to release this money without giving real consideration to how it will be used or whether its goals will be met.

I stand in support of House Joint Resolution 3, and ask my colleagues to stand with me for fiscal discipline and support this resolution.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. I appreciate the gentleman's courtesy, as I appreciate his leadership on this.

I just listened to our new colleague from Wyoming, and I am trying to track her logic. I was one of the people who had deep reservations about the original bailout proposals. I had even more skepticism about the people to whom bailout money was going to be entrusted in the White House. But most, I was concerned that it was not addressing the various things that she is disparaging, like homeowners in economic free fall, people dealing with student loans. We were throwing all of that money at large financial institutions while not dealing with millions of Americans in a desperate circumstance that is, after all, fueling the problem of the economic spiral. I thought that was misguided.

I rise today to oppose the resolution which would take away one of the tools to be given to the new administration to address it properly.

I have watched, under the leadership of Chairman FRANK, as we have tried to redirect, to prod and push and probe to make sure that there is greater transparency and coax greater performance out of the Bush administration while dealing with the criteria by which we will be going forward.

□ 1145

This is the work that the Congress should be doing, and I think we are doing it in a reasonable fashion. It's coming in the context of other tools that the new administration has sought and desperately needs. I came to the floor, leaving a markup from the Ways and Means Committee, where we will be looking at several hundred billion dollars of targeted tax relief that's going to make a difference for those American families.

There will be a significant package coming forward for economic stimulus dealing with rebuilding and renewing America, energy efficiency, with roads and bridges, transit and bikeways; things that will make a difference over the course of the next few months and next few years to re-start the economy.

We are taking stock. We are exercising not just oversight of a new administration—and I have no doubt, no doubt that the Financial Services Committee, under the chairmanship of Chairman FRANK, will make sure that the directions, that the accountability, the transparency that has been promised, we will follow through.

Most important, before we get to oversight, is this notion of partnership—partnership with the new administration, partnership with Congress and the American public—as we deal with the things that make the biggest difference for Americans; their homes, their jobs, their communities.

I urge rejection of this resolution to move forward with giving the new administration the tools they need.

Ms. FOXX. Mr. Speaker, may I inquire of the Chair how much time each side has remaining.

The SPEAKER pro tempore. The gentlelady has 36 minutes remaining. The gentleman from Massachusetts has 28½ minutes remaining.

Ms. FOXX. Mr. Speaker, I yield 3 minutes to my colleague from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentlelady for yielding.

I must admit, Mr. Speaker, I find it quite ironic that many of my friends on the other side of the aisle who for weeks, if not months, have come to condemn the TARP program, to tell us all of its woes and shortcomings only to come now and say I'm going to vote for the next \$350 billion.

And it's clear to me, listening to the debate, that my friend, the distinguished chairman of the Financial Services Committee, must be number one on the list of Members of Congress who will miss President George W. Bush. Everything that has happened in our land apparently is the responsibility of the former President, from the TARP program to bad breath and everything in between. But if every press account in the Western World is correct, it would appear that the distinguished chairman of the Financial Services Committee was largely responsible for writing the legislation. Now, again, I know him to be an honorable man, I know him to be a principled man, but this is legislation that I believe was written in haste. Maybe the circumstances caused it to be written in haste.

But since then we have something different, Mr. Chairman. We have the Federal Reserve now has committed almost—between the Federal Reserve, the FDIC and the Treasury and FHA under the HOPE for Homeowners program, we are now looking at almost \$8 trillion of potential taxpayer liability. I'm curious, number one, what is it that's going to be achieved with this extra \$350 billion where there is no plan—no plan has been presented by the administration. I mean, you know, he just took the oath of office, we were all there; there is no plan that has been presented.

And what is it on an emergency situation that the Federal Reserve cannot do with their various and sundry auction facilities that are already set up? And if this money is needed on a very urgent basis, what is it that prevents this body from coming and acting upon a specific request of the administration? And the answer is: Nothing.

Well, Mr. Speaker, what we have to look at is, this is an extra \$350 billion that's going to be added on top of the single largest federal deficit that we've ever seen. Since my friends on the other side of the aisle have taken control of this House, we have seen the Federal deficit go from less than \$200 billion to something 800 percent higher, I mean, \$1.2 trillion. And sooner or later, Mr. Speaker, somebody has to pay for that.

We need an economic growth plan that will preserve jobs and grow jobs. We need an economic growth plan that will expand family's paychecks so they can pay their mortgage payments—our version of foreclosure mitigation. And we need a plan that doesn't send unconscionable, immoral debt to our children and grandchildren. Granting an arbitrary number of \$350 billion to an incoming administration without a plan does not meet that test.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself 2 minutes to respond, in part.

One, I got more credit than I deserve for writing the legislation; we had the Senate participating. I did succeed in getting some constraints written in. The problem, however, was not with the legislation, it was the way in which it was administered.

By the way, I do want to make one point. There were complaints yesterday—and I have heard complaints from the Republicans—that they had no chance for input into this legislation. That is, of course, patently untrue. If Members will remember, a large number of Republicans voted against this Bush request the first time. A number switched, still less than a majority, but a large number of Republicans switched because they achieved a major amendment.

The fact is that there was added to the President's proposal a plan for an insurance operation which was written by the Republican leadership and put into the bill at the request of the Republicans. Now, the problem was that the Secretary of the Treasury under George Bush thought it was silly and had no intention of using it. And I think the Republicans knew that, and maybe there was a little self-delusion there, but the fact is that there was a major amendment of that bill entirely generated in the Republican Party. They had a chance to put other things in there.

Now, I will concede I was disappointed. The gentleman said we wrote the bill. I tell you what I take some pride in; we wrote in there specific instructions to them to use some of the money to reduce foreclosure. They refused to use it. And under the American system of government, it is virtually impossible to force an executive branch to carry out the legal authority they are given, just as Alan Greenspan refused years ago, until fairly recently, to use the authority Congress had given him to stop bad subprime mortgages.

So, yes, there was that flaw. And if, in fact, we still had the Bush administration, no legislation, in my judgment, would succeed. But given the commitment of the Obama administration—the gentleman said there is no plan. In fact, there are very specific plans, including some from Sheila Bair, the head of the FDIC, and some approved by the outgoing Secretary of HUD, Mr. Preston, to reduce foreclosure.

Now, the gentleman has said leave it to the Fed.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. I yield myself an additional minute.

I understand that was the argument I read also arrived at by the Heritage Foundation. The notion that we should leave it to the Federal Reserve to do it and not try to do it here means that any effort by us to put some conditions on there, we should give up. And, in fact, the difference between simply allowing the Federal Reserve to do these things and having this is—and this is a certainty, given the Obama administration's commitment—we will get, under this \$350 billion, a substantial amount of money for diminishing foreclosures. There are Members who don't think we should try to do that, I understand that philosophical difference, but it's a factual difference. Under the Federal Reserve authority, which we have to examine, nothing is done to deal with foreclosures. This specific instruction here is to use a substantial part of the money—\$100 billion, we hope, of the \$350—for foreclosure diminution that will not happen if the \$350 billion is not released.

Speaking of foreclosure, there are two Members of this House who have done the most to keep before us the need to diminish foreclosures, one of them is the gentlewoman from Ohio (Ms. KAPTUR). I yield the gentlewoman 4 minutes.

Ms. KAPTUR. Thank you, Chairman FRANK, very much for the time and for your generous comments, and effort you have made to fix a tragic economic meltdown in our country. I rise today to urge my colleagues to vote for no more money for Wall Street.

Today, the House will vote on whether to disagree with the \$350 billion in additional funding for Wall Street banks. Those of us who are here on the floor today say "no more money." I urge my colleagues to withhold further taxpayer funding to Wall Street.

The housing foreclosure crisis is at the crux of our economic meltdown. And until we fix that, more money to Wall Street is but a massive diversion and a ruse. Treasury took our taxpayers' money in the last-minute raid before last November's election as it stamped Congress into hasty, misguided and wrong action. The argument was, we better do something because we don't want to be blamed for whatever might go wrong. There was little thought, there was a lot of fear.

Well, plenty continues to go wrong. The Dow has dipped below 8,000. Homeowners are losing their homes at an accelerating rate. The latest foreclosure numbers underscore the need. Nationally, foreclosure filings surged to 303,000 last month, 303,000 families—that's probably close to a million people, an increase of 17 percent over the prior month and 41 percent from the same month the prior year. These are staggering numbers.

All that Wall Street has done with our money is try to cover its tracks, allowing big wrongdoers to benefit by coming under the protection of the Bank Holding Company Act—they think we don't notice—by giving those gambling houses deposit insurance which they never paid for. Worst of all, our homeowners weren't helped. They're still being bilked and losing their homes.

How has Wall Street bilked the public? Let me count the ways. First, predatory loan practices have squeezed out equity from homeowners across our country by over-leveraging the market, earning Wall Street hundreds of billions of dollars while the good times lasted. And then, second, when the bubble burst, they placed the trillion dollar burden of their schemes and massive losses onto the U.S. taxpayer that our children and grandchildren are being asked to pay.

Third, Wall Street banks further enriched themselves by refusing to do loan workouts, which was the original purpose of TARP. And fourth, instead, banks are using the money to buy banks and further concentrate financial power in the hands of very few who you can track right back to Wall Street.

Meanwhile, at the Main Street level, the suffering continues. Fifth, as Wall Street contracts with absentee auction houses to auction foreclosed properties at fire sale prices in Toledo and Sandusky and Cleveland, indeed all across this country, while booking any tax losses on those properties due to declining property values on their Federal taxes for 2008. Another bonanza to them.

Banks are ensuring they will benefit on the upside too as the mortgage market recovers as the taxpayer-insured Federal Housing Administration's capabilities are enlarged to buy up those very mortgages. And they're hoping that as families might fall into bankruptcy, that maybe the courts will take care of this too. All the burden is on the homeowner, nothing to hold accountable those who have done the real wrong.

Believe it or not, Wall Street is now luring cash-strapped local governments into schemes to avoid loan workouts to earn money at the local level from high fees through quick recovery of tax loans owed while Wall Street fails to inform homeowners of taxes owed. And those Wall Street firms are earning huge profits—are you ready for this? Eighteen percent on this scheme alone.

You know, a bank's power, unlike any other organization in our country, is to create money. They don't print it. Instead, through loans, they create money through transactions that earn money and then reloan that.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Ms. FOXX. Mr. Speaker, I yield Ms. KAPTUR an additional minute.

Ms. KAPTUR. I thank the gentlelady and I thank the gentleman.

It is an awesome power, the power to create money. None of us have that power unless one considers fraud or forgery. But the gambling houses on Wall Street did exactly that, they created money recklessly, using mortgages way beyond what the underlying asset could return. They don't deserve any reward.

Vote "no" on the second Wall Street bailout. It's just more of the same. Treasury and Wall Street broke their promise the first time, why reward them again? Let's use the appropriate agencies—the Federal Deposit Insurance Corporation, the Securities and Exchange Commission and HUD—to do the workouts that are necessary. Stop the suffering that I see every week when I return home to my district and places across this country where the American people have had the door slammed in their face.

What a difficult time is being experienced by millions and millions of our families. How can we possibly reward Wall Street again when they've turned their backs on the very people they're asking to pay the bill?

But what the gambling houses on Wall Street did was create money recklessly, leveraging mortgages way beyond what the underlying asset could return. Wall Streets bankers are so powerful—and arrogant—and breed such special relationships inside our federal government, that they are not only spared the disciplined rules of the market we must live by, they are spared prosecution, so far.

They are so powerful, they repeatedly abuse their power—and then run to our taxpayers about every ten years to bail them out. Wall Street banks have special pull up here in Washington through the Treasury and Federal Reserve, their campaign contributions, and the revolving door between Washington and Wall Street.

They consistently enrich themselves by in debt the American people for their excess. They've committed crimes much larger than the last excesses of the savings and loan crisis of the 1980's and 1990's. The cost of those massive excesses too was thrown onto the public and became the third largest component of America's long term debt. Then, Wall Street bankers make plenty of money selling those U.S. debt bonds too. It's a win-win for them.

Some would say they make money coming and going! So we have another fraudulent meltdown with another Congress and now another President. We run the risk of being cowed again by their power, rather than holding them accountable for their abusive behavior. They are rewarded again in this bill . . . transferring \$350 billion more in taxpayer bailout today to paper over the losses.

Yet nothing has been done to turn a face to the taxpayers and mortgage holders who are bearing the personal cost of Wall Street's chicanery. Who will pay Wall Street's bills?

Without our imposing rigor, before more \$ is showered on them, a culture of excess will flourish and become the norm. America cannot afford more excess and more greed. The latest group of victims—homeowners—got shunted aside in the first \$350 billion Wall Street bailout. Nothing, nothing was done to

help them, even though it was promised, promised, promised as the key reason for passage of the bailout last year.

The first objective should be expedited workouts as the mortgage foreclosure crisis is driving our economy into ruins. You fix that by doing those mortgage loan workouts, one by one, using the tried and true FDIC, its bank examiners along with the SEC accounting authorities. That isn't being done. I'm saying families being foreclosed not leave their houses—to squat—unless Wall St. bailout services can produce a full mortgage audit. Who holds your loan? Let them disclose they have followed truth in lending and RESPA laws.

Treasury—Wall Street's biggest advocate—has been charged with mortgage workouts. It has failed our people miserably. Why? It is not capable of being the mortgage workout instrumentality of our government. The appropriate agencies are the FDIC, SEC, and HUD.

Vote "no" on the second Wall St. bailout. It's just more of the same. Treasury and Wall Street broke their promise the first time. Why trust them again? Let the new President use the agencies that have the rigor to solve the home foreclosure crisis, not the one that is Wall St. biggest advocate to cover up Wall Street's abuses and greed.

□ 1200

Ms. FOXX. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. I thank the gentlewoman for yielding.

And I want to say that I agree with a great deal of what Ms. KAPTUR just said. She is a very thoughtful legislator.

One of the things that hasn't been addressed today is something I think we should really pay attention to, and that's history. Back in the 1970s, we spent ourselves into a real hole and we had what was called hyperinflation. Interest rates were supposedly a solution to the problem. We had inflation that was about 14 percent. We had unemployment that was 10 or 11 or 12 percent. So they brought Mr. Volcker in, who was the head of the Fed at the time, and they raised the interest rates to 21½ percent because that was the only way they thought they could get inflation under control. And it put a hammer on the economy.

Now, the reason I bring this up is because we are heading toward hyperinflation again. We're spending so much money that we don't have that they're going to have to print it. We are spending \$700 billion on the TARP plan. We don't know where the money's going. We have got another 825 or 830 billion coming up in the next couple of weeks. We're going to be looking at \$2 to \$3 trillion of additional spending that we don't have.

And where do you think that money is going to come from? It's going to come from the taxpayer, and it's going to come from the hides of the people of this country because they're going to have to print that money, and when they do, we'll have more money chasing fewer goods and services, which

means we are going to have very high inflation. And what will happen then? They'll come back with a hammer and they'll say the only way to stop inflation is to raise interest rates, which will put us into another economic decline. It will be like a rubber band. We'll be going like this.

The best way to deal with the problem today is to cut taxes, to stimulate economic growth by helping the private sector and giving the American people more disposable income, not by printing more money and just throwing money at these problems. It's not going to solve the problem. It's going to cause severe economic problems down the road that we don't even visualize yet it will be so bad.

So I would just like to say to my colleagues let's think about the kids of the future that are going to have to bear the responsibility for this. They're the ones that are going to be paying the price because we're spending so much money we don't have right now.

We are heading toward hyperinflation.

Mr. FRANK of Massachusetts. Mr. Speaker, I think I may be my final speaker, so I will reserve the balance of my time.

Ms. FOXX. Mr. Speaker, I yield 2 minutes to my colleague from West Virginia (Mrs. CAPITO).

Mrs. CAPITO. I would like to thank my colleague for yielding me the time.

On September 19, 2008, then Secretary of the Treasury Paulson called for a "temporary asset relief program" to take bad mortgages off the books of many of the country's financial institutions. This plan was hastily negotiated in the halls of Congress and passed on the belief that if we did not act, the capital markets would come crashing down, bringing down the American economy along the way.

I opposed the passage of the original package because I felt it was being negotiated too quickly, there was too little oversight, and it provided too great a risk to the taxpayer.

There's no doubt that our Nation is facing significant economic challenges. However, there is significant doubt whether this TARP program has been the answer. Since passage of the TARP, the plan has changed numerous times. In fact, we're still waiting for the troubled assets to be purchased. So far the Treasury has used the majority of funds for injecting capital funds into our financial institutions in hopes that they will utilize their increased capitalization to free up lending to consumers. But there is little evidence that the \$190 billion that was provided to banks has had the desired effect of freeing up credit.

Despite this lackluster track record, the request has been made for the second tranche of \$350 billion. Once again the Congress is being forced to make a hasty decision that will affect our children and grandchildren for years to come.

The inherent problems with the TARP program remain. The request for

additional funds is being made too hastily, there's not enough oversight, and as we have seen, there is no guarantee that this will work.

I urge my colleagues to support the Foxx resolution and to deny the release of the second tranche of funds.

Ms. FOXX. Mr. Speaker, I now yield 3 minutes to my colleague from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. I thank my colleague from North Carolina (Ms. FOXX) for yielding me the time, and I also thank her for introducing this resolution of disapproval.

This resolution reflects the sentiments of my constituents in Illinois regarding TARP. Simply put, they don't believe that their money has been spent wisely and neither do I.

When Congress passed the financial rescue package, it was to stave off an immediate and dire threat to our entire economy. But before the taxpayers are asked to spend another \$350 billion, shouldn't we examine where the money has gone? Shouldn't we be satisfied that the funds are being used as intended, to get credit flowing again, not just to financial institutions but to consumers and small businesses?

Now the money is being used to bail out auto companies, but it's still not getting to the homeowners in my district struggling with foreclosure.

Treasury needs to provide much greater transparency and show us where the American taxpayers' money is going before requesting more. I don't believe that's too much to ask.

In recent remarks Interim Assistant Secretary for Financial Stability Neel Kashkari said, "Treasury has been working with banking regulators to design a program to measure the lending activities of banks that have received TARP capital." He also said they "plan" to study changes in how TARP recipients are altering their bank balance sheets and refinancing activities.

Unfortunately, we have yet to see this plan executed. Why would the American taxpayer choose to write another check when the Treasury Department has yet to establish any kind of tracking mechanism to determine where the last \$350 billion has gone? In addition, neither Treasury nor Wall Street has demonstrated an immediate need for the second round of funds.

I will continue to support the amendments of my colleague Mr. LATOURETTE of Ohio to bring more transparency and accountability to the TARP program. And I commend Chairman FRANK for his efforts on that front as well. Unfortunately, for the American taxpayer, the Senate has given no indication that it will pass such legislation.

I would also like to add that our committee, the Committee on Financial Services, needs to hold more oversight hearings regarding this program. Why have the financial executives never been asked to testify before our committee about their use of TARP funds? Many House Republicans have

asked for this hearing, and it has yet to happen. Where is the oversight?

I urge my colleagues to support this resolution to ensure that taxpayers aren't simply throwing good money after bad.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself 2 minutes to respond to the very disappointing remarks from the gentlewoman from Illinois.

In fact, we have had several oversight hearings on this issue. We called Mr. Kashkari before us when the Government Accountability Office reported that they had not done the lending. The gentlewoman talked about Mr. Kashkari. We had a hearing last fall on specifically that subject. We had Mr. Paulson before us on the question of oversight. We have had Ms. Warren. So we have had a number of oversight hearings.

The gentlewoman then specifically, I believe, may have forgotten something. She said that we haven't yet had a hearing with the executives. She knows that it's scheduled. I am disappointed that she would do that without referring to the fact that it's scheduled. And, in fact, it would have been this week. We decided after the election that we would do this in the new Congress. That's what I was asked for by the ranking member: Let's do this in the new Congress.

We had a hearing set when it was pointed out to us by the chief executives that they were in a quiet period under SEC rules because they were about to report profits, and they pointed out that if we were to ask them publicly some of these questions, they would be in conflict with SEC rules. So we postponed the hearing and set a date. So we were asked by the minority to have this hearing with the executives, and we had several other oversight hearings. Maybe the gentlewoman couldn't make them. Maybe she forgot we had them. But we had several oversight hearings. In fact, what people know about the failures of this program came from the oversight we wrote into the bill and the hearings we then had with the overseers.

Then we were asked, let's in the new Congress schedule a hearing with the chief executives. We said yes. We had it scheduled when it was called to our attention that there would be a conflict with SEC rules; so we postponed it.

And I'm glad to be able to give a fuller picture of what has happened here than the gentlewoman from Illinois unfortunately gave.

Ms. FOXX. Mr. Speaker, I would like to yield the gentlewoman from Illinois 30 seconds to respond.

Mrs. BIGGERT. Mr. Speaker, with due respect to the chairman, I know that there have been a couple of oversight hearings. The problem is that even in those hearings, we never got any answers. We still don't know where the money has gone. We haven't had any answers. And I think that not being able to have the executives come

and testify, then I think we should have postponed TARP until we really got those answers.

Mr. FRANK of Massachusetts. I would yield myself 30 seconds to say that the decision that triggered TARP came from the Bush administration at the request of the Obama administration. So that was simply not something within our control.

And I would point out the gentlewoman had said that we hadn't had the oversight hearings, that we've had them. It's true. The Bush administration in those hearings didn't give us the answers we wanted. But oversight doesn't mean you can make people say things they don't want to say. You can expose their failure to say them and act accordingly.

Mr. Speaker, I reserve the balance of my time.

Ms. FOXX. Mr. Speaker, I now yield 3 minutes to my colleague from California (Mr. CAMPBELL).

Mr. CAMPBELL. I thank the gentlelady for yielding.

I have heard a long parade of Members come up here and talk about how somehow the fact that the financial markets did not collapse in October is somehow *prima facie* evidence that the rescue program was not needed. In fact, precisely the opposite is true. These financial markets would have collapsed in October or November were it not for the rescue program, or the TARP program as we know it today, in conjunction with very aggressive action by the Federal Reserve.

I believe we are beyond the collapse scenario now. But the banking sector is far from healthy. In fact, it's considerably less healthy than perhaps we thought it was even a couple of months ago. You've seen the news with Citibank. You've seen the news with Bank of America. Many of my colleagues are criticizing the original TARP that it hasn't resulted in more bank lending. I would like to suggest that in many cases the money from the TARP merely gave banks enough capital to sustain the lending they already had because their capital was in such jeopardy.

No matter what side of the aisle you sit on here, everyone wants this economy to recover. Everyone wants us to come back and create jobs and businesses and keep people in their homes. But, Mr. Speaker, we will not do that without a healthy banking sector because until we can have regular lending again to people who want to buy homes and cars, who want to finance their businesses, we will not recover and we will not get healthy. We need a healthy banking sector, and we cannot do that without additional capital and help from the Federal Government. But, in fact, I hope that the Treasury Department uses this money to leverage in private capital because, in fact, the \$350 billion is probably not enough, and we should have more private capital in these banks. And I hope that there is leverage used, that the Treasury says if

you want some Federal money, you have to raise some private money to get it, so we, in fact, double the effect on their capital.

So, Mr. Speaker, we need this to recover. And in a very strange double negative, I urge my colleagues to vote "no" on the rejection of the additional money for the TARP program.

Mr. FRANK of Massachusetts. Mr. Speaker, I reserve the balance of my time.

Ms. FOXX. Mr. Speaker, I now yield 2 minutes to the distinguished gentleman from Utah (Mr. CHAFFETZ).

Mr. CHAFFETZ. Mr. Speaker, I appreciate the opportunity to rise in support of this resolution.

Fiscal discipline, limited government, accountability, these are things that the American people demand and that we deserve.

It's interesting to me that we have a \$3.1 trillion budget and somehow that's not enough to stimulate the economy. Our government spending is so out of control that we added since January, 2007, roughly \$2.8 billion per day to our national debt. Certainly, if deficit spending was the way to our prosperity, we would be experiencing quite a revival.

It's not the way to succeed. Putting more money on the government credit card is not the way to succeed.

I have been opposed to the TARP. I wasn't around here to vote for it originally. I'm a freshman. But I can tell you the people I chat with are fundamentally opposed to this because it's fundamentally flawed. It will not solve the underlying challenges.

We need to look at debt. We need to look at tax relief. We need to look at the fact that manufacturing is good in this country, and we need ways to improve the economic atmosphere for manufacturing in this country. But throwing more money at it is not the way to solve this problem.

I appreciate the time. I would urge my colleagues to vote in favor of the Foxx resolution.

□ 1215

The SPEAKER pro tempore. Without objection, the gentleman from Georgia will control the time.

There was no objection.

Mr. SCOTT of Georgia. I will reserve the balance of my time.

Ms. FOXX. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. I thank the gentlelady for yielding.

At a typical track meet you see the sprint, the 100-yard dash, or the 100-meter dash now, and then you see the victor take a victory lap. In this case, with the TARP, you see the reverse. We saw people claiming credit. We saw the victory lap back when they passed it the first time, and now we have those who are involved with this passage doing the 100-meter sprint out of the stadium as far away from this as possible.

It was the last administration, they say. We had no role in it. I have never seen Congress so willing to give up its authority that I have seen here. Usually, we jealously guard our congressional, our constitutional prerogatives, the power of the purse.

Yet with the TARP, we appropriated money, or authorized money, and said spend it on this, the Troubled Assets Relief Program. And then the administration took it and did something completely different, completely different, and then went on further and said we even have authority to bail out the auto industry with it. And we sit back in Congress and say, well, that seems to be okay with us.

I mean, we are not potted plants here. We never have been and we shouldn't be, but in this case we have given away authority that should rest here with the Congress and simply going ahead and giving the other \$350 billion seems to me folly.

Right now with the stimulus bill nearing \$1 trillion coming up, all of this money, all of this spending is somewhat fungible. We know that it is because the administration seems to be able to do whatever they want to with it, and Congress doesn't raise a peep.

So we ought to look at this as \$350 billion in spending, plus at least \$825 billion to come, and say where does it end. At what point do we recognize that every dime we spend here is borrowed? At what point do we say there are better uses for money here?

Wouldn't it be better to allow people to keep the money that they have earned, rather than send it to Washington, only to have some of it come back in a way that picks winners and losers in the economy.

Mr. SCOTT of Georgia. I would take 1 minute to respond just very briefly. I think what the gentleman is referring to is exactly what we are doing. No one has given up authority. We, in fact, yesterday, passed a bill that reclaimed that authority that we thought we had had when we attempted to put some of these same measures in place with the first \$350 billion. And as you so eloquently articulated, the Bush administration disavowed all of that.

We had many of the oversight measures we have got in this. We said it would go for the spoiled assets. But as you said, it didn't. Because of what we have learned from that experience, we have done exactly what you are asking here. The banks wouldn't lend, and this measure that we passed out yesterday to accompany this, we have got a mechanism in place in which we can measure the difference between the decrease and the increase of how much money these banks are lending, that we would get to that.

As far as oversight is concerned, we made one step with AIG. It worked out when we put Federal observers in the boardroom, and we have incorporated that feature throughout, Mr. Speaker. So we have responded exactly to what the gentleman is saying.

Ms. FOXX. Mr. Speaker, I yield to the gentleman from Arizona an additional minute.

Mr. FLAKE. I thank the gentlelady.

Just to respond, it seems to me that what we have done is not to basically say we didn't like what the last administration did with the funding, therefore, we are going to take this authority back. But we basically said, we saw what you did with it, that seems to be okay. We aren't taking back authority to bail out the auto industry, or we aren't taking back authority to go into the banking sector, as we did. We basically are saying, well, you did this, we didn't authorize it, but we are letting you off with a warning here, I guess, until the new administration comes in.

It seems to me that we ought to jealously guard our prerogatives here, the power of the purse. And when we authorize funding, we ought to ensure that the administration, whether it be the last Republican administration or the Democratic administration to come, adheres to those strictures.

I thank the gentleman for his response, and I am glad to see some more controls put on here. There was an amendment accepted yesterday that I had offered, and I appreciate the fact that it was adopted. But I still think that we ought to approve the resolution.

Mr. SCOTT of Georgia. I would yield myself 30 seconds just to say to the gentleman and to the people of this country that we have a new administration in place, and the Obama administration has met and has communicated with us, and we are in concert with what is involved in the TARP measure, with the oversight, with the monies going to foreclosures, and so there is an agreement on how the fund should be used going in. We think the measure we passed yesterday will act as a good guide for that.

With that, Mr. Speaker, I would yield 1 minute to the distinguished gentleman from Ohio (Mr. KUCINICH).

(Mr. KUCINICH asked and was given permission to revise and extend his remarks.)

Mr. KUCINICH. I would say that, as one of the individuals who from the beginning spoke against this whole idea of giving the banks money to bail themselves out, I think we have to look at where we are in this country, \$350 billion given to banks with no strings attached, they can't really report how they used the money, although we now will require that of them. But the next \$350 billion that would be given by virtue of the Senate action, even though we are kind of cut out of this, leaves us in a position where we are still not addressing the central problem of trying to keep Americans in their homes.

This isn't the end of it, by the way. There are analysts on Wall Street who say that the banks, because they are essentially hiding their balance sheets, that the banks are going to come back for another \$1 trillion behind the \$700 billion.

There is a massive transfer of wealth going on, from taking money out of the pockets of the American people and putting it into these banks. This has to stop. We have to help people save their homes, get America back to work, rebuild the infrastructure, and I am hopeful our new administration is going to take us in that direction.

Ms. FOXX. Mr. Speaker, I want to say how much I appreciate all of my colleagues who have come to speak today and the points that they have made, but I want to tie in particularly to what Mr. FLAKE said, since he was the last speaker.

I think it's a point I have made before, but it bears repeating, and that is that the Congress in this bill really abrogated its responsibility in terms of oversight. I will contend that in the original bill there was no oversight, there is no real oversight in the bill that was passed yesterday, no accountability.

The American people expect the Congress to hold the executive branch accountable.

When I speak to students about the Constitution, I say to them it is no accident that article I is about the Congress. That's what our Founders believed, the Congress was the most important branch of our government, and we have abrogated that responsibility. So I think it's important that there should have been a plan in the first bill, and I would say there is no plan in the bill that was passed yesterday.

I think another point that needs to be made is that we are treating this money as if it's a silver bullet, but the original amount allocated for TARP was arbitrary. There was no correlation between the number the Treasury Department asked for and either the amount of troubled assets that needed to be bought, or the amount of capital injection that would be needed to stabilize the financial system.

In fact, at the time, a Treasury spokesman said it's not based on any particular data point. We just wanted to choose a really large number. That goes along with the fact that the bill started out as three pages when it came from the Treasury Department and gave unlimited responsibility or authority to the Treasurer and became a 450-page bill.

But even with that, with the fact the Democrats were in charge of the Financial Services Committee that wrote that bill, they wrote no accountability. They want to blame the Bush administration, but it's the Congress that has the responsibility for saying how money should be spent.

We can't blame the Bush administration for this. It was our responsibility to say how it should have been spent. I want to say, in the bill that was passed yesterday that Mr. FRANK keeps saying a lot of us voted against, even though we want more responsibility, this is what it says. There is no plan there. We didn't get a plan from the Bush administration, we don't have a plan from the Obama administration.

This is not a partisan issue on my part nor on the part of all of us who voted against this. We voted against it when we were giving the money to the Bush administration, we are opposed to it under the Obama administration.

Here's what it says in the bill that was passed yesterday: Allows TARP funds to be used for an auto bailout, greatly increases Federal involvement in the financial services sector. It will allow the Federal Government to tell companies how much they can pay employees, what mergers and acquisitions are acceptable.

Is that a plan? That's not a plan to me. It expands the allowable uses of the TARP money. It supports State and local municipal bonds, consumer loans, commercial real estate loans, automobile companies.

But it gives the Treasury Secretary very broad authority, again, with no accountability. That is not the direction in which we should be going. The Congress has the responsibility for accountability.

The other thing that I think needs to be said is what we have heard over and over and over again by this administration, the current administration, and it's in a letter from Mr. Summers that was sent to the leadership here on January 12: "We start 2009 in the midst of a crisis unlike any other we have seen in our lifetime." That is simply not true, and it's time that people started saying so.

As Mr. BURTON said earlier, the seventies were a much worse time than this is. I am tired of their feeling like they are going to save us from this terrible crisis that we are in, and come in riding on white horses and say we are going to save the United States with government intervention. They want to say that capitalism has failed and the government is saving us.

I reject that argument, I reject it, and I will always reject it. It's not the government that's going to save us; it's the market that will straighten out this mess that we are in, mostly caused by the government.

I want to set the record straight on one other issue. If this joint resolution passes the House, it is just as likely to be considered by the Senate as Mr. FRANK's bill that passed the House yesterday.

With that, I yield 2 minutes to Mr. MANZULLO from Illinois.

Mr. MANZULLO. Mr. Speaker, this issue can be boiled down to orders. We need to help businesses create orders and make sales. Currently all sectors of our society in the economy face oversupply.

The place to start moving products is by offering substantial tax credits or vouchers for part of the purchase of automobiles and homes. That is one simple consumer-driven trickle-up theory that, if deep enough, can jumpstart the economy without continuing to spend trillions of dollars on blank-check solutions.

Unfortunately, most of the plans submitted deal with bailing out people's

mistakes and using taxpayers' dollars to buy up bad loans. That's called trickle-down economics. People also talk about creating new jobs but don't understand there are plenty of jobs already in existence, that people just need orders in order to go back to work.

Here's something that at \$75 billion is considerably less expensive for the taxpayer than current proposals and will begin to restore our economy immediately. First, in 2007, 17 million new cars were sold in America; a year later, 10 million. A net loss of 7 million cars means \$175 billion was directly eliminated from the economy.

If we can get back to 15 million new cars sold, that would add \$125 billion directly into the economy. Economic multipliers could bring that to \$1 trillion.

When cars and trucks start selling, it moves inventory from dealers and factory lots. It restores sales tax coffers for State and local governments, it increases State and Federal tax revenue and restarts the manufacturing chain which is absolutely necessary to get this country moving economically again.

□ 1230

By offering a tax credit or, better than that, a voucher for \$5,000, the dealer cashes that in directly with the government and somebody can then buy a brand new car, such as a Patriot, probably made in the 16th Congressional District, for not \$20,000, but \$15,000, which is only \$200 a month for 5 years.

Mr. SCOTT of Georgia. Mr. Speaker, I just want to make note that we certainly have reserved the right to close on this debate.

I'd like to just respond very briefly to a couple of points that have been made by the distinguished gentlelady from North Carolina, as well as Mr. MANZULLO. Apparently, I am sort of reminded at this time of the great movie, starring Paul Newman, called *Cool Hand Luke*. There was that enormous scene where the jailer says, "What we have here is a failure to communicate." I think that what we have on each side of us here is a failure to communicate.

Ms. FOXX, you continually point out that we don't have accountability. And, in the bill that we passed, the TARP bill we passed on yesterday, are clearly pointed out mechanisms in place for accountability, for transparency, quarterly reports on how the money is spent, and agreements on how the funds are spent.

We have a requirement that, in spite of all that we have said, that we will have Federal observers in the boardrooms where the decisions are made on how the money is spent. How much more transparency, how much more accountability can we have?

We didn't have this in the first section. We found out that it worked, as you know so well, with the AIG agree-

ment. We have Federal observers there. We know how that is done. It keeps individuals honest. And on the three most important areas that there was failure on the first \$350 billion, not a dime going to help foreclosures. We have more than made up for that by writing into the TARP law that up to \$100 billion will be going out of this \$350 billion to deal with the most pressing problem, the most pressing problem that caused the problem in the first place, and that is home foreclosures and getting help in a variety of different ways to sustain people to stay in their homes.

The other area of concern was that there was no way we could measure or determine the banks would lend the money. Well, we have got a mechanism in place here that will measure the difference between the increase and the decrease of the amount of moneys that the banks are lending under the program. So, to say that there's no accountability, that there is no oversight here, is totally, totally misleading.

Mr. MANZULLO. Will the gentleman yield?

Mr. SCOTT of Georgia. I say that respectfully to Ms. FOXX, because I have great respect for her.

Yes, I yield to the gentleman.

Mr. MANZULLO. All I'm saying is why have a bunch of bureaucrats trying to oversee where the money is going? The problem with housing foreclosures is that the people are losing their jobs. So we can have all the remedies that we want for foreclosures, but unless people get back to work, they will fall behind again.

What we are saying is restart the economy through priming the manufacturing process, get the people back to work, get the money coming in, then the other problems will be easier to solve. I agree there is a communication. We are agreed on a lot of things.

Mr. SCOTT of Georgia. Yes, we do. I am sure the gentleman would agree that not only are Federal observers there to see that the money is going to foreclosures, but they are also there to see that the banks are lending, to see that it's going to community banks, to the smaller banks, to see that it's going to small businesses.

We have got car dealerships that are going out of business, which are job-sensitive. That is basically what they do, create jobs and have jobs there. So we want the money to be in a position where we have access and we have direct attention and observance to make sure this money is going to the places where it's needed most, which is keeping folks in their homes and keep folks in their jobs.

Mr. MANZULLO. If the gentleman would further yield. The car dealers need orders now. Once the orders come in, the cars move off their showroom floors, they can pay their debt. And the lines of debt for car dealers doing floor financing have really reopened again, not entirely, but enough that they can get enough credit to sell their automobiles.

I appreciate the gentleman for yielding.

Mr. SCOTT of Georgia. I appreciate the gentleman as well.

I reserve the balance of my time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HOLDEN). Members are reminded to address their remarks to the Chair.

Ms. FOXX. I yield 1 minute to the distinguished and capable Republican leader, the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Let me thank my colleague from North Carolina for yielding, and say to my colleagues that we all understand the severe economic consequences that we are dealing with. American families are short of cash, some are losing their homes, others losing their jobs, other fighting to keep their jobs. And this became very apparent last September when the Treasury Secretary and the Chairman of the Federal Reserve came to the Capitol to outline how serious the consequences were of the tightening of the credit markets and the consequences from that for our Nation's financial institutions.

I worked with the gentleman from Massachusetts and the other leaders to craft a bill to help provide that money so that our economy could be saved. But, I have got to tell you, I have been disappointed ever since.

I have raised questions in October, November, and December, about how this money was being spent, who was getting the money, under what conditions, and the kind of transparency and accountability that we thought we were going to have, but we didn't have.

And so now, here we are, where they are looking for the second half of the \$700 billion of financial rescue, and I as a Member who supported that decision because I thought we had to do it for our economy, and I would do it again, but, my goodness, I can't stand here as a Member of Congress and vote to release the second half of this money without knowing what happened to the first half of it; and, what is the need for the second half; what are the dire consequences if we don't do the second half of this money? And, if there are dire consequences, what is the administration's plan to actually spend this next \$350 billion?

I, as a Member, don't know any of that. And so how can I be responsible to American taxpayers in approving the second half of this money without answers?

Yesterday, the gentleman from Massachusetts, the chairman of the Financial Services Committee, passed a bill that does bring more transparency and accountability to the process. Also, in the same bill, it should be noted, expanded the ability for the Treasury Secretary to spend this money on foreclosures, on autos, and almost anything they want to do with it, which causes me great concern.

But there will be some more transparency. But I don't have it today. Nobody can tell me where the first \$350

billion went. Nobody can tell me what the conditions were. Nobody has outlined why we need the second half, nor what their plan is to spend it. And I think at the end of the day we have a responsibility, a responsibility to the American people, who pay the bills, who pay the taxes.

At some point, somebody has got to pony up the money for the financial rescue. Somebody has got to pony up the money for the trillion-dollar economic rescue plan that is moving through this body. It won't be us. It will be our kids, their kids, and their kids who pay for this.

And so, at some point in this process, while we are trying to help American families, small businesses, entrepreneurs, and the self-employed, get the economy going again, somebody has to pay the bill. And I have great concerns that we are stacking debt on top of debt on the backs of our kids, and it's not fair. It's not fair to burden them. Frankly, I don't think that we can borrow and spend our way back to prosperity.

And so, for me, the answer is simple. My vote today will be in opposition to the second half of this money until the questions that have been posed are answered.

Mr. FRANK of Massachusetts. I am sure, to the approbation of Members, I am prepared to announce that I am our last speaker. So I will withhold, and when the other side is through, we can get out of here.

Ms. FOXX. Our Republican leader was very eloquent in his comments. I think it's important to say one more time: Any money that Congress spends is taken from hardworking Americans who pay taxes, or is borrowed from foreigners.

In the inauguration much has been made of President Lincoln. And this is the 200th anniversary of his birth. It was Lincoln who said, and I will paraphrase, but I will get the original quote for the RECORD, "You cannot borrow yourself into prosperity."

I think that as we talk about honoring Lincoln in this 200th anniversary of his birth, we should honor him by honoring his precepts and his values, because they are very important ones for us to remember.

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

Mr. FRANK of Massachusetts. How much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Massachusetts has 12 minutes remaining.

Mr. FRANK of Massachusetts. I yield myself the balance of my time.

Mr. Speaker, first, I want to address this basic issue again about what the Senate is likely to do. Technically, there is no likelihood that this bill will be taken up in the Senate because it is the expedited procedure of resolution that has been killed in the Senate.

The Senate could pass a bill rescinding the TARP. Having voted by 52-42

not to pass the disapproval resolution, it seems unlikely that 42 will become 60 in the near term, but there is that possibility.

But I would say this to the gentleman. When she said that both bills, the one we passed yesterday and this one, are as likely to be taken up, in some sense, that is true. But that makes our point. I didn't say don't do the bill yesterday. When I talked about this bill being already killed in the Senate, I wasn't saying don't do it. I welcome this debate. I was refuting the arguments from my Republican colleagues that yesterday was a waste of time. I agree that it is a good thing for us to give our views today and yesterday.

I did notice in today's Washington Post that they note that the passage by a large majority in the House yesterday, we got a larger majority for this bill than the partisan breakdown. It was largely a partisan vote, but not entirely. And more Republicans supported the bill than Democrats opposed it, I think because of the power of the desire to help minimize foreclosure and get money to community banks. But my argument, she's now embracing. The fact that the Senate may or may not be able to pass a bill is no reason for us not to do something.

Now I want to address an important aspect of this, and I am talking now to people in the Obama administration, to the people in the Bush administration, to the people in the financial community. We have in this country, obviously, as you have in any country, a certain degree of stratification along various lines. There are people who are at the top of the ladder in terms of economic power, in terms of influence.

There's an element that would think of themselves as elite opinion. It's not a value term here, but opinion of a fairly small number of people with a great deal of power. Then there is the opinion of the great majority of Americans.

I want to address now the people at the top of the economic ladder, the people in the financial institutions, and I think here I am speaking, to some extent, for almost every Member of this House. There is a dangerous and deeper split between the views of the economic elite on what should be done in the current crisis and those of the average American than I have ever seen.

We heard some Members there say—the gentleman from South Carolina (Mr. BARRETT) say, and I appreciated his saying it—that the passage of the TARP last fall helped. The Republican leader said that. I think it did. My criticism is that I don't think it helped nearly as much.

But I have two criticisms. I think it helped avoid something worse. And one of the things we know as elected officials is this. Some of the hardest jobs we do are to prevent bad things from happening, and we can expect to get no credit for it. Disaster averted is nobody's political platform. That helps in

economic analysis, but you can't go before your voters with what economists call the counterfactual and explain to them how things would have been worse if you hadn't acted and expect cheers if they're still pretty bad. And that is appropriate. The public should have that high demand to make of us.

□ 1245

But while I and, I think, most people who are at that higher level of the economic ladder, economists, while most of them think it was a good thing that we passed the bill last year and that \$350 billion was deployed, the American people overwhelmingly think it wasn't. And that is one of my criticisms of the Bush administration and of Secretary Paulson, a man whom I admire, with whom I am proud to have worked, with whom we accomplished a great deal in the areas of financial regulation and housing, et cetera. But here was the mistake:

By not listening to public concern about the \$350 billion, by refusing to follow the congressional mandate to do something about foreclosures, by indulging the arrogance of some of the banks who said, "We will take that money and we won't tell you what we do," they have discredited the notion of intervention of that sort. And I think that is a mistake, because I think we are at a point where some of that intervention is still needed.

Now, there are philosophical views that say the other, but there is a division. And, again, the gentleman from South Carolina (Mr. BARRETT) very thoughtfully said, "We averted a greater disaster by passing this." The Republican leader said he is glad he voted for it. I think they are both right, and I think it is important that we acknowledge that.

I have two criticisms to make of the way in which the administration carried it out. One, they didn't do some of the good they could have done. And I do think they made a fundamental macro-economic mistake by not diminishing foreclosure. I believe, until you begin to diminish foreclosure, you not only deny some people some relief, but probably, more importantly, you don't get the country out of the bind that it is in, because the continued rapid deterioration in those assets is at the root of a large part of the problem.

But what we also had was a degree of alienation on the part of the average American who saw banks getting money, in one case apparently using them for an acquisition of a smaller bank that was very important to the community where it existed, in Ohio. We saw bankers saying, "I got the money. It's none of your business what we do with it." We saw bonuses given that shouldn't be given. I am confident that the Obama administration has learned from that. But I go beyond that.

There is in this country today a very sharp divide on a number of issues, not just whether or not you intervene. Here

is the problem with intervention. When you have a financial system that is in such difficulty, I think it is important to try to keep these institutions from collapsing en masse, not that we are at that point, but from not collapsing. But remember, as an institution's assets deteriorate, its capacity legally to lend, if it is a bank, deteriorates. We want to reverse that cycle. Let's not overstate it. But I think we need to intervene in this way. The public says no, because the immediate beneficiary of these interventions are people they don't like, are people who in fact made some mistakes.

Now, it turns out that you can't help the whole economy in some cases without some help—you know, we talk about sort of incidental victims. These are incidental beneficiaries. This is kind of, not casualties, civilian casualties, but civilian beneficiaries. You can't get from here to there without helping some of these people. But it ought to be done in a way that reassures the average American. Part of it has to do, I believe, with the weakness of the social safety net. People who lose their health care because they lose their jobs will react particularly angrily when a financial institution is benefited.

So I make this plea now to the people in the financial institutions, to people at the upper levels of economic decision-making, and they should understand that this Congress representing the people is under enormous pressure to deny them some of the things they think are necessary. By the way, not just here; in trade, in international trade. This is not a Congress that is ready to go forward with that.

We had an amendment yesterday offered by the gentlewoman from North Carolina (Mrs. MYRICK) that said none of the recipients of TARP funds can do customer service outsourcing. I believe that most people who are CEOs of corporations, most economists, or many economists, many of the people at the top levels of the administrations, Bush and Obama, and go on back now, probably think that is unwise economic policy, but we didn't have a roll call on it, because that is a totally irresistible impulse here. It may put us in some trouble with the WTO. We will have to deal with that.

People who don't like the Myrick amendment—and I supported it. People who don't like the Myrick amendment had better understand that amendments like that will proliferate until they join us in giving the average American a better sense that he or she will benefit from this prosperity. Now, that is part of where we are today.

Look, the Senate has already killed this resolution. Why are we still voting on it? Because there is a degree of anger in the American public at what they think is a very unfair system that gives benefits, unduly and disproportionately, to some of those who caused the problem, while denying health care and unemployment compensation and

decent higher education for working class people.

I mean, Mr. Speaker, to caution the people who are deeply involved in running this financial system in this country, work with us to alleviate this. As long as the average American thinks that a small group is getting help when they are not getting anything, then that small group pretty soon won't be getting the help. And there may be some cases when, as I said, benefiting that group is the only way to get broader benefits. That is why we did the bill yesterday, because we think it is a very important way of getting the Obama administration—and I believe, by the way, many in the Obama administration do agree with that understanding. They will be running into pressures from the other side of the people they are dealing with in the financial community. But it is a broader political point.

For those of us who think, and there are some who philosophically don't want any government intervention in the market whatsoever. They don't want a minimum wage and they don't want an injection of capital to a failing financial institution. I disagree with that as a matter of economic philosophy. I respect its intellectual integrity. That makes sense. What I disagree with is the view that says it is okay to help AIG and not worry about their wages, but criticize the wages of auto workers. It is the view of too many in the financial community that they need some direct help because that is the only way to help the economy, and I think that is often the case, but, no, you don't have unions; no, you don't have health care. As I said, there is a consistent and honorable philosophical view that says "no" to all of that.

What I am addressing now are those in the sector that would be designated as the elite, who understand the need for an intervention of which they are the direct beneficiaries because that is the only way to help the whole economy, but then resist some of these other things.

One of the things that gives me optimism about the next 2 years, Mr. Speaker, is that I believe we have in place a President and majorities in the House and the Senate who understand that there has got to be some consistency in this approach. And let me just say in closing, and I hope this resolution is defeated, because I do not think that the Obama administration should be denied the right to use tools simply because the Bush administration misused them. And that is the only issue here today, if this were to have binding effect. But we are here today because of that anger that must be alleviated, because it must be recognized as based in reality.

Mr. KUCINICH. Mr. Speaker, I rise today in support of the resolution of disapproval and in opposition to any more spending by the U.S. Treasury unless we have concrete assurances that the money will be spent to reduce fore-

closures and keep American families in their homes.

Economists across this Nation of every political and ideological stripe agree that subprime mortgages initiated a foreclosure epidemic that is the epicenter of our current financial crisis. An \$8 trillion housing bubble has burst. Foreclosure rates continue to skyrocket—a 41-percent increase since this point last year—leaving families devastated and searching for stable housing. We are fond of saying that government's primary job is providing for the common defense. How successful are we in this endeavor if we cannot ensure that all Americans can secure the most basic of human needs: shelter.

After Congress passed the Emergency Economic Stabilization Act at the end of the year, the Committee on Oversight and Government Reform held six hearings on the causes of our financial crisis. If we took away one lesson from those hearings, it was this: the people and agencies that were charged with regulating the financial markets and protecting the interests of the American people were utterly asleep at the switch. Regulators trusted corporations to police themselves and then reacted in disbelief when those same corporations manipulated and lied to pad their profit margins and hoodwink investors.

But the best part is this: they were not gambling with their own money, or even their employers' money. They were gambling with American houses; American pensions; American college savings accounts; American retirement savings.

Even Alan Greenspan himself admitted that his fundamental trust in the efficiency of free markets was shaken. When then-Chairman WAXMAN remarked to Mr. Greenspan that "you found that your view of the world, your ideology, was right, it was not working," Mr. Greenspan responded, and I quote, "Precisely."

So here we come today to throw more money into a system that even Alan Greenspan himself agrees is broken, with very little discussion on how to fix that system, no regulatory reform, and no improved oversight of the people and corporations that dragged us into this financial catastrophe. Just: "Trust us." Mr. Speaker, I for one was not fooled the first time, and I will not be fooled again. I appreciate the efforts of my friend from Massachusetts to try to outline the appropriate spending conditions, and I supported H.R. 384 yesterday, but even he acknowledges that those efforts will not bear fruit.

Our vote here today, on this resolution of disapproval, technically is moot since the Senate already defeated a resolution of disapproval last week. But with this vote this Chamber can send a strong message to our constituents that we refuse to stand by and let the Treasury throw money at a problem without addressing the cause. With our vote we can demand that the money protect American homeowners and stem the tide of foreclosures that continues to overwhelm this country. We can demand that the money be used for infrastructure, jobs, and health care, instead of padding the balance sheets of banks. Let's get the money to the American families and American communities that are the backbone of our economy and our country.

Mr. POSEY. Mr. Speaker, I rise in strong opposition to an additional \$350 billion in bailout funding and in strong support of House

Joint Resolution 3. Passage of House Joint Resolution 3 is the only way to stop the additional \$350 billion in bailout funding. Last year, before I came to Congress, I went on record opposing the \$700 billion Troubled Asset Relief Program. Today we know that the first \$350 billion is gone. But what we don't know is where all that money went, except that it is safe to say that the Treasury did not actually buy troubled assets as originally intended. As we know, the Treasury purchased equity stakes in banks. In their report to Congress 2 weeks ago the Congressional oversight panel reported that it ". . . does not know what the banks are doing with taxpayer money." The report also notes that the Treasury seems to have allocated most of the funds to healthy banks.

Where is the accountability? Outside the Washington Beltway, my constituents and other Americans watch in disbelief as their elected representatives in Washington continue to spend their hard-earned money at astonishing levels. They are concerned that Washington is on a spending spree with no accountability. Last week the House approved—over my objections, over \$75 billion in new spending. Today, the President wants \$350 billion. And next week House Democrat leaders plan to bring an \$850 billion spending bill to the House floor. When does the accountability begin and when will this body pause and think about the debt burden that they are saddling our children and grandchildren with? The cost to them won't be \$350 billion, \$700 billion, \$850 billion, \$1.5 trillion. It will be much, much more with interest.

We should not rubberstamp this \$350 billion Wall Street bailout. Sadly, when the Congress approved the first part of this spending last fall, they set it up so that it would take a supermajority of the Congress to stop the additional \$350 billion. The process is turned on its head. Rather than making it easier we should be making it more difficult to run up the tab for our grandchildren.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in opposition to H.J. Res. 3, relating to the disapproval of obligations under the Emergency Economic Stabilization Act of 2008, EESA. This resolution disapproves the use of the second \$350 billion of the funds that were made available to the Secretary of the Treasury under the EESA.

Under the "fast track" consideration provisions of EESA, such a resolution is in order upon the transmittal by the President of a plan to use the second \$350 billion.

Passage of this resolution would prevent the new administration, unless vetoed by the President, from using the second \$350 billion. Already the Senate has rejected its resolution of disapproval last Friday when it was offered in the Senate. This body should do the same. Likewise, the House should also join me in rejecting this resolution.

We cannot hold the present administration accountable for the missteps and misdeeds of the past administration. It is my firm belief that this administration must be given the most latitude in its decision regarding how the monies will be dispensed and used. The current administration should not be fettered but should be free to use the monies as it sees fit, using judiciousness, practicality, and common sense.

Moreover, this body voted to pass H.R. 384, TARP Reform and Accountability Act, which

provided greater accountability and oversight in the use of TARP. Therefore, there is no reasonable, articulable basis to deny the administration access to the TARP monies.

Just yesterday, the House of Representatives voted on a bill that would amend the TARP provisions of the Emergency Economic Stabilization Act of 2008, EESA, to strengthen accountability, close loopholes, increase transparency, and most importantly, require the Treasury Department to take significant steps on foreclosure mitigation. Mr. Speaker, I was particularly pleased to work with Chairman FRANK and his staff on significant portions of the Manager's Amendment to this legislation, which ensures that small and minority businesses along with local, community, and private banks gain fair and equitable access to the TARP funds.

It has been 3 months since the Treasury started disbursing TARP funds. Just in time perhaps for a lot of big banks; however, smaller banks have been locked out so far. A lot of small banks certainly are in need of relief as the real estate crisis continues to worsen, despite hundreds of small banks having already applied.

According to recent reports, the Treasury Department has yet to issue the necessary guidelines for about 3,000 additional private banks. Most of them are set up as partnerships, with no more than 100 shareholders. They are not able to issue preferred shares to the Government in exchange for capital injections, as other banks can. While Treasury officials state they are "working on a solution," for these private banks time is of the essence.

The Treasury Department has handed out more than \$155 billion to 77 banks. Of that sum, \$115 billion has gone to the eight largest banks. Community banks hold 11 percent of the industry's total assets and play a vital role in small business and agriculture lending. Community banks provide 29 percent of small commercial and industrial loans, 40 percent of small commercial real estate loans and 77 percent of small agricultural production loans.

I worked diligently with Chairman FRANK and the Financial Services Committee to ensure that language was included to assist private banks such as Unity Bank and Amegy Bank in Houston to shore up their liquidity and ability to extend credit to local businesses and families.

This legislation also provides funds for foreclosure counseling, legal assistance to homeowners facing foreclosure and training for foreclosure counselors. I have been a long-time advocate for foreclosure mitigation working with State and local government and nonprofit organizations to help families in need. Last year, I championed setting aside \$100 billion to address homeowner foreclosure prevention. I also fought to amend bankruptcy provisions to allow individual homeowners to be able to modify their home mortgages to prevent foreclosure.

As I look at this revised legislation I feel a sense of vindication. I kept sounding the alarm to provide language that explicitly addressed homeowner foreclosure prevention and loss mitigation. As it now appears, my efforts were not in vain.

Foreclosure prevention-loss mitigation programs have given millions of Americans, who face foreclosure, the opportunity to get back on track and save their homes from foreclosure. Every year there are millions of Amer-

icans who find themselves in a pre-foreclosure situation. Most feel that they are alone when they face a foreclosure situation. This legislation will allow Americans to get the help they need to stop foreclosures and ultimately help people stay in their homes.

The Manager's Amendment requires that the Treasury Department act promptly to permit smaller community financial institutions that have been shut out so far to participate on the same terms as the large financial institutions that have already received funds.

Small businesses are the backbone of our Nation, and unfortunately, they have not been afforded the opportunity that large financial institutions have had to TARP funds and loans. Small businesses represent more than the American dream—they represent the American economy. Small businesses account for 95 percent of all employers, create half of our gross domestic product, and provide three out of four new jobs in this country. Small business growth means economic growth for the Nation.

We cannot stabilize and revitalize our economy without ensuring the inclusion and participation of the small business segment of our economy. With the ever-worsening economic crisis, we must ensure in this legislation that small and minority businesses and community banks are afforded an opportunity to benefit from this important legislation. I am very pleased that the Manager's Amendment will effect this change.

In Section 107, the Manager's Amendment creates an Office of Minority and Women Inclusion, which will be responsible for developing and implementing standards and procedures to ensure the inclusion and utilization of minority and women-owned businesses. I sought the creation of such an office and I am pleased it was included in this legislation. These businesses will include financial institutions, investment banking firms, mortgage banking firms, broker-dealers, accountants, and consultants.

Furthermore, the inclusion of these businesses should be at all levels, including procurement, insurance, and all types of contracts such as the issuance or guarantee of debt, equity, or mortgage-related securities. This Office will also be responsible for diversity in the management, employment, and business activities of the TARP, including the management of mortgage and securities portfolios, making of equity investments, the sale and servicing of mortgage loans, and the implementation of its affordable housing programs and initiatives.

Section 107 also calls for the Secretary of the Treasury to report to Congress in 180 days detailed information describing the actions taken by the Office of Minority and Women Inclusion, which will include a statement of the total amounts provided under TARP to small, minority, and women-owned businesses. The Manager's Amendment in Section 404 also has clarifying language ensuring that the Secretary has authority to support the availability of small business loans and loans to minority and disadvantaged businesses.

This will be critical to ensuring that small and minority businesses have access to loans, financing, and purchase of asset-backed securities directly through the Treasury Department or the Federal Reserve.

H.R. 384 reforms TARP by increasing oversight, reporting, monitoring and accountability.

It requires any existing or future institution that receives funding under TARP to provide no less than quarterly public reporting on its use of TARP funding. Any insured depository institution that receives funding under TARP is required to report quarterly on the amount of any increased lending (or reduction in decrease of lending) and related activity attributable to such financial assistance.

In connection with any new receipt of TARP funds, Treasury is also required to reach an agreement with the institution, and its primary Federal regulator on how the funds are to be used and benchmarks the institution is required to meet so as to advance the purposes of the act to strengthen the soundness of the financial system and the availability of credit to the economy. In addition, a recipient institution's primary Federal regulator must specifically examine use of funds and compliance with any program requirements, including executive compensation and any specific agreement terms.

Mr. Speaker, I am pleased that this legislation has strong requirements regarding executive compensation.

Mr. Speaker, the act provides that the second \$350 billion is conditioned on the use of up to \$100 billion, but no less than \$40 billion, for foreclosure mitigation, with a plan required by March 15, 2009. By that date, the Secretary shall develop, subject to TARP Board approval, a comprehensive plan to prevent and mitigate foreclosures on residential mortgages. The Secretary shall begin committing TARP funds to implement the plan no later than April 1, 2009. The Secretary must certify to Congress by May 15, 2009, if he has not committed more than the required minimum \$40 billion.

The foreclosure mitigation plans must apply only to owner-occupied residences and shall leverage private capital to the maximum extent possible consistent with maximizing prevention of foreclosures. Treasury must use some combination of the following program alternatives: (1) Guarantee program for qualifying loan modifications under a systematic plan, which may be delegated to the FDIC or other contractor; (2) bringing costs of Hope for Homeowner loans down (beyond mandatory changes in Title V below), either through coverage of fees, purchasing H4H mortgages to ensure affordable rates, or both; (3) program for loans to pay down second lien mortgages that are impeding a loan modification subject to any write-down by existing lender Treasury may require; (4) servicer incentives/assistance—payments to servicers in connection with implementation of qualifying loan modifications; and (5) purchase of whole loans for the purpose of modifying or refinancing the loans, with authorization to delegate to FDIC.

In consultation with the FDIC and HUD and with the approval of the Board, Treasury may determine that modifications to an initial plan are necessary to achieve the purposes of this act or that modifications to component programs of the plan are necessary to maximize prevention of foreclosure and minimize costs to the taxpayers.

A safe harbor from liability is provided to servicers who engage in loan modifications, regardless of any provisions in a servicing agreement, so long as the servicer acts in a manner consistent with the duty established in Homeowner Emergency Relief Act—maximize the net present value, NPV, of pooled mort-

gages to all investors as a whole; engage in loan modifications for mortgages that are in default or for which default is reasonably foreseeable; the property is owner-occupied; the anticipated recovery on the mod would exceed, on an NPV basis, the anticipated recovery through foreclosure.

This bill requires persons who bring suit unsuccessfully against servicers for engaging in loan modifications under the act to pay the servicers' court costs and legal fees. It also requires servicers who modify loans under the safe harbor to regularly report to the Treasury on the extent, scope and results of the servicer's modification activities.

In addition to the above requirements, an Oversight Panel is required to report to Congress by July 1 on the actions taken by Treasury on foreclosure mitigation and the impact and effectiveness of the actions in minimizing foreclosures and minimizing costs to the taxpayers.

H.R. 384 clarifies and confirms Treasury authorization to provide assistance to automobile manufacturers under the TARP. With respect to the assistance already provided to the domestic automobile industry, it includes conditions of the House auto bill, including long-term restructuring requirements.

There is further clarification on:

Treasury's authority to provide support to the financing arms of automakers for financing activities is clarified to ensure that they can continue to provide needed credit, including through dealer and other financing of consumer and business auto and other vehicle loans and dealer floor loans.

Treasury's authority to establish facilities to support the availability of consumer loans, such as student loans, and auto and other vehicle loans. Such support may include the purchase of asset-backed securities, directly or through the Federal Reserve.

Treasury's authority to provide support for commercial real estate loans and mortgage-backed securities.

Treasury's authority to provide support to issuers of municipal securities, including through the direct purchase of municipal securities or the provision of credit enhancements in connection with any Federal Reserve facility to finance the purchase of municipal securities.

In addition, more reforms are enunciated for Homeowners in Title V. The Home Buyer Stimulus provisions requires Treasury to develop a program, outside of the TARP, to stimulate demand for home purchases and clear inventory of properties, including through ensuring the availability of affordable mortgages rates for qualified home buyers.

In developing such a program Treasury may take into consideration impact on areas with highest inventories of foreclosed properties. The programs will be executed through the purchase of mortgages and MBS using funding under HERA. Treasury will provide mechanisms to ensure availability of such reduced rate loans through financial institutions that act as either originators or as portfolio lenders.

Under this provision, Treasury has to make affordable rates available under this program available in connection with Hope for Homeowner refinancing program.

This legislation will give a permanent increase in FDIC and NCUA Deposit Insurance Limits, it makes permanent the increase in deposit insurance coverage for banks and credit

unions to \$250,000, which was enacted temporarily as part of the Emergency Economic Stabilization Act and is scheduled to sunset on December 31, 2009, and includes an inflation adjustment provision for future coverage.

Finally, I applaud Chairman FRANK and the Committee on Financial Services for their hard work on this important piece of legislation. In this economic climate it is critical for us to remember that while we need to assist our financial institutions, we cannot do this without implementing reforms to protect Americans' hard-earned money.

I strongly urge my colleagues to join me in opposition to this resolution. The reforms of the bill that we voted upon just yesterday adds greater accountability and oversight to the EESA. I do not believe that the President should be fettered in his use of the monies allotted to his administration and the Treasury in the EESA. The previous administration was able to use the monies in an unfettered fashion, there is no articulable reason why the present administration must undergo a different process or procedure than its predecessor administration.

The SPEAKER pro tempore. Pursuant to the statute, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Ms. FOXX. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 8 of rule XX, this 15-minute vote on passage of the joint resolution will be followed by 5-minute votes on motions to suspend the rules with regard to House Resolution 56 and House Resolution 58, both de novo.

The vote was taken by electronic device, and there were—years 270, nays 155, not voting 9, as follows:

[Roll No. 27]
YEAS—270

Aderholt	Boccieri	Cao
Adler (NJ)	Boehner	Capito
Akin	Bonner	Cardoza
Alexander	Bono Mack	Carney
Altman	Boozman	Carter
Arcuri	Boren	Cassidy
Austria	Boustany	Castle
Bachmann	Boyd	Chaffetz
Bachus	Brady (TX)	Chandler
Barrett (SC)	Bright	Childers
Barrow	Brown (GA)	Coble
Bartlett	Brown (SC)	Coffman (CO)
Barton (TX)	Brown-Waite,	Cole
Berkley	Ginny	Conaway
Berry	Buchanan	Connolly (VA)
Biggert	Burgess	Conyers
Bilbray	Burton (IN)	Costa
Bilirakis	Buyer	Costello
Bishop (UT)	Calvert	Courtney
Blackburn	Camp	Crenshaw
Blunt	Cantor	Cuellar

Culberson Kirkpatrick (AZ) Price (GA) Larsen (WA) Olver Snyder
 Dahlkemper Kissell Putnam Larson (CT) Ortiz Souder
 Davis (AL) Kline (MN) Radanovich Lee (CA) Pallone Spratt
 Davis (KY) Kosmas Rangel Levin Pascrell Sutton
 Davis (TN) Kratovil Rehberg Lewis (GA) Pastor (AZ) Tauscher
 Deal (GA) Kucinich Reichert Loebbecke Payne Thompson (CA)
 DeFazio Lamborn Richardson Lofgren, Zoe Pelosi Thompson (MS)
 Delahunt Lance Rodriguez Lowey Perlmutter Tierney
 Dent Latham Roe (TN) Maloney Peters Tonko
 Diaz-Balart, L. LaTourette Rogers (AL) Markey (MA) Polis (CO) Towns
 Diaz-Balart, M. Latta Rogers (KY) Marshall Pomeroy Tsongas
 Doggett Lee (NY) Rogers (MI) Matsui Price (NC) Van Hollen
 Dreier Lewis (CA) McCarthy (NY) McCarthy (NY) Rahall Velázquez
 Driehaus Linder Rohrabacher McGovern Reyes Wasserman
 Duncan Lipinski Ros-Lehtinen Meeks (NY) Rothman (NJ) Schultz
 Ehlers LoBiondo Roskam Miller (NC) Roybal-Allard Rush Waters
 Ellsworth Lucas Ross Miller, George Moore (KS) Ryan (OH) Watson
 Emerson Luetkemeyer Royce Moore (WI) Sarbanes Watt
 Fallon Luján Ruppersberger Moran (VA) Schakowsky Waxman
 Filner Lummis Ryan (WI) Murphy (CT) Schiff Weiner
 Flake Lungren, Daniel Salazar Murphy, Patrick Schwartz Wexler
 Fleming E. Sanchez, Linda Murtha Scott (GA) Wilson (OH)
 Forbes Lynch T. Sanchez, Loretta Nadler (NY) Sestak Woolsey
 Fortenberry Mack Scalise Oberstar Sires Wu Yarmuth
 Foxx Maffei Manzullo Schauer Obey Smith (WA)

NOT VOTING—9

Boucher Neugebauer Tanner
 Johnson, E. B. Skelton Tiberi
 Mollohan Solis (CA) Young (AK)

□ 1322

Ms. SCHAKOWSKY, Messrs. MORAN of Virginia, BUTTERFIELD, YARMUTH, PALLONE, REYES, Ms. DEGETTE, Mrs. TAUSCHER, Messrs. SARBANES, PATRICK J. MURPHY of Pennsylvania, BERMAN, ABERCROMBIE, LEWIS of Georgia, Ms. KILPATRICK of Michigan, Messrs. DICKS, BOSWELL, MOORE of Kansas, KIRK, BRALEY of Iowa, MEEKS of New York, GRIJALVA, RAHALL, KENNEDY, GORDON of Tennessee, OBERSTAR, THOMPSON of Mississippi, RYAN of Ohio, Ms. CORRINE BROWN of Florida, and Ms. WATSON changed their vote from "yea" to "nay."

Messrs. SMITH of Texas, SCOTT of Virginia, COSTA, MCNERNEY, MRS. DAHLKEMPER, Ms. KILROY, MRS. McMORRIS RODGERS, and Mr. JOHN-SON of Georgia changed their vote from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

Stated against:

Mr. MEEK of Florida. Mr. Speaker, during the vote today on House Joint Resolution 3, rollcall vote No. 27, I inadvertently voted "yea." My intention was to vote "nay."

Mr. KIND. Mr. Speaker, during rollcall vote No. 27, I mistakenly recorded my vote as "yea" when I should have voted "nay." As American families and our economy continue to struggle, it is imperative that we give the Secretary of the Treasury the tools he needs to help put our economy back on track. With the improved accountability and transparency measures the House passed yesterday in H.R. 384, I believe that is necessary to release the second \$350 billion for the Troubled Assets Relief Program.

NAYS—155

Abercrombie Clyburn Gordon (TN)
 Ackerman Cohen Green, Al
 Andrews Cooper Grijalva
 Baca Crowley Gutierrez
 Baird Cummings Hall (NY)
 Baldwin Davis (GA) Hastings (FL)
 Bean Davis (IL) Higgins
 Becerra DeGette Himes
 Berman DeLauro Hinckey
 Bishop (GA) Dicks Hinjosa
 Bishop (NY) Dingell Hiroko
 Blumenauer Donnelly (IN) Holt
 Boswell Doyle Honda
 Brady (PA) Edwards (MD) Hoyer
 Braley (IA) Edwards (TX) Ingles
 Brown, Corrine Ellison Israel
 Butterfield Engel Jackson (IL)
 Campbell Eshoo Jackson-Lee
 Capps Etheridge (TX)
 Capuano Farr Kanjorski
 Carnahan Fattah Kennedy
 Carson (IN) Foster Kildee
 Castor (FL) Frank (MA) Kilpatrick (MI)
 Clarke Fudge Kirk
 Clay Giffords Klein (FL)
 Cleaver Gonzalez Langevin

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. LOEBSACK) that the House suspend the rules and agree to the resolution, H. Res. 56.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. HASTINGS of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 417, nays 0, not voting 16, as follows:

[Roll No. 28]

YEAS—417

Abercrombie	Cassidy	Frelinghuysen
Ackerman	Castle	Fudge
Aderholt	Castor (FL)	Gerlach
Adler (NJ)	Chaffetz	Giffords
Akin	Chandler	Gillibrand
Alexander	Childers	Gingrey (GA)
Altman	Clarke	Gohmert
Andrews	Clay	Gonzalez
Arcuri	Cleaver	Goodlatte
Austria	Clyburn	Gordon (TN)
Baca	Coble	Granger
Bachmann	Coffman (CO)	Graves
Bachus	Cohen	Grayson
Baird	Cole	Green, Al
Baldwin	Conaway	Green, Gene
Barrett (SC)	Connolly (VA)	Griffith
Barrow	Conyers	Grijalva
Bartlett	Cooper	Guthrie
Barton (TX)	Costa	Gutierrez
Bean	Costello	Hall (NY)
Becerra	Courtney	Hall (TX)
Berkley	Crenshaw	Halvorson
Berman	Crowley	Hare
Berry	Cuellar	Harman
Biggert	Culberson	Harper
Bilbrey	Cummings	Hastings (FL)
Bilirakis	Dahlkemper	Hastings (WA)
Bishop (GA)	Davis (AL)	Heinrich
Bishop (NY)	Davis (CA)	Heller
Bishop (UT)	Davis (IL)	Hensarling
Blackburn	Davis (KY)	Herger
Blumenauer	Davis (TN)	Herseth Sandlin
Blunt	Deal (GA)	Higgins
Boccieri	Defazio	Hill
Boehner	DeGette	Himes
Bonner	Delahunt	Hinchey
Bono Mack	DeLauro	Hinojosa
Boozman	Dent	Hirono
Boren	Diaz-Balart, L.	Hodes
Boswell	Diaz-Balart, M.	Hoekstra
Boustany	Dicks	Holden
Boyd	Dingell	Holt
Brady (PA)	Doggett	Honda
Brady (TX)	Donnelly (IN)	Hoyer
Braley (IA)	Doyle	Hunter
Bright	Dreier	Inglis
Brown (GA)	Driehaus	Inslee
Brown (SC)	Duncan	Israel
Brown, Corrine	Edwards (MD)	Issa
Brown-Waite,	Edwards (TX)	Jackson (IL)
Ginny	Ehlers	Jackson-Lee
Buchanan	Ellison	(TX)
Burgess	Ellsworth	Jenkins
Burton (IN)	Emerson	Johnson (GA)
Butterfield	Engel	Johnson (IL)
Buyer	Eshoo	Johnson, Sam
Calvert	Etheridge	Jones
Campbell	Fallin	Jordan (OH)
Cantor	Farr	Kagen
Cao	Fattah	Kanjorski
Capito	Finer	Kaptur
Capps	Flake	Kennedy
Capuano	Fleming	Kildee
Cardoza	Forbes	Kilpatrick (MI)
Carnahan	Foster	Kilroy
Carney	Fox	King (IA)
Carson (IN)	Frank (MA)	King (NY)
Carter	Franks (AZ)	Kingston

NATIONAL SCHOOL COUNSELING WEEK

The SPEAKER pro tempore (Mr. JACKSON of Illinois). The unfinished business is the question on suspending the rules and agreeing to the resolution, H. Res. 56.