

Sergeant McCumber began his career with the Capitol Police on the midnight shift of the Senate Division. He also was assigned to the midnight shift of the Patrol and House Divisions. Sergeant McCumber was promoted in 1987 to his present rank and was assigned to the Communications Division. He later served as a supervisor at the Senate Division before being reassigned to his present assignment at the House Division in 1990.

Sergeant McCumber was a dedicated and respected member of the U.S. Capitol Police and was well liked by everyone who he came in contact with. He will be remembered fondly by his colleagues as a man with a unique sense of humor and wit. He will be greatly missed.

Sergeant McCumber is survived by his mother Mary, two children Amie and Edwin Thaddeus, and several sisters.

Mr. Speaker, Sergeant McCumber displayed a great devotion to his family as well as the congressional community which he faithfully served for the past 20 years. I am sure that my colleagues share my feelings of loss, as do those in the law enforcement community, by the passing of this dedicated officer and public servant. Our heartfelt prayers go out to his family, friends and fellow officers.

#### TRIBUTE TO MR. ELMER CERIN

#### HON. CARDESS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 26, 1995*

Mrs. COLLINS of Illinois. Mr. Speaker, on July 24, 1995, the U.S. Congress lost a valuable and extraordinary friend. Mr. Elmer Cerin, who walked the Halls of Congress and lobbied on behalf of critical women's health issues for almost two decades, passed away on Monday. Lobbyists are not uncommon here in Washington, DC, but Mr. Cerin was one of a kind. He was unique and special because he worked tirelessly, cheerfully, successfully, and for free.

As a longtime advocate for greater funding and research for breast cancer, Mr. Cerin provided tremendous help to me and to my staff. He built support for several bills that I sponsored, traveling to other congressional offices and meeting with staff and Members to get their cosponsorship. Despite any setbacks or discouragements that Mr. Cerin encountered, he had an exceptionally positive attitude that opened doors that might not have opened for others with less charisma and strength of character.

Mr. Cerin's incredible spirit was evident recently as he faced prostate cancer with great courage, strength, and dignity. He was a true prince among men and will be greatly missed. He will not be forgotten, however, as we continue to fight for the issues that were so important to Mr. Cerin in the weeks and years ahead.

#### THE CHRISTA MCCAULIFFE FELLOWSHIP PROGRAM

#### HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 26, 1995*

Mr. MARKEY. Mr. Speaker, I rise today in support of the Christa McAuliffe Fellowship Program.

We must find a way to fund such a valuable program that has affected teachers and students in every State and territory. While I understand these are tight budgetary times, I think we owe it to the seven astronauts who gave their lives for our country to maintain this tribute. The astronauts of the Challenger mission gave their lives to our country; our memory, and ability to pay tribute, must not be so short-lived.

We are approaching the tenth anniversary of the Challenger shuttle explosion which struck the hearts of children and adults throughout the world. Seven astronauts, including Christa McAuliffe, the first teacher-astronaut, gave their lives in this devastating tragedy. In honor of those who gave their lives on this mission, the Christa McAuliffe Fellowship Program was established. This program serves not only as a living tribute to these brave astronauts, but also supports a unique and valuable program for teachers that recognize and develop excellence in teaching. It personifies the hope evident in Christa McAuliffe's statement about her teaching in Concord, NH, "I touch the future, I teach." It would be a tremendous dishonor to their lives and memory to eliminate funding for this fellowship. However, it is now being criticized as "too small to be effective on a national level."

The Christa McAuliffe Fellowship Program has received approximately \$2 million per year in Federal funding since 1987. Approximately 60–75 fellowships are awarded each year to outstanding teachers throughout the country. There have been over 600 participants in this program since its inception in 1987; 38 of these past fellows have gone on to receive Presidential awards. These fellows complete semester or year-long projects to enhance their own teaching skills and broaden the horizons of education. Their activities help students to experience subjects such as math and science in a fun way. These math and science skills are extremely important in our increasingly high-tech world. This high-tech world will result in a society of technological haves and have-nots unless our schools are able to teach our children effectively in these most important subjects. These teachers have developed many exemplary projects that provide for more benefit than their costs.

This fellowship, and other small, directed programs such as this, have a huge ripple effect; awardees of these programs donate much of their own time, energy and resources towards the development of their projects and they also share information between teachers, students, and Challenger Centers located throughout the Nation. This fellowship program inspires not only those familiar with the outstanding local achievements of past fellows, but also those who visit the network of Challenger Centers located throughout the U.S. and Canada. These Centers provide hundreds of thousands of children and teachers with unique educational experiences such as high-

tech spaceflight simulators, satellite teleconferences for schools, and hands-on teachers' workshops.

Framingham State College, Christa McAuliffe's alma mater, has established a McAuliffe Center to honor Christa's life and her commitment to teaching. The mission of the Center is to carry out educational activities and research that will support teachers in their work, improve educational practice, offer students goals and incentives to enhance their development, and strengthen community support for public education. The Center also serves as the archive and distribution center for the teachers' award winning projects. In addition, Framingham State College is the site of one of the Challenger Learning Centers.

The Christa McAuliffe Center and all its activities are a fitting tribute to our Nation's first teacher-astronaut. Christa hoped her participation in the Challenger mission would encourage students and teachers to pursue their own dreams, explore exciting educational opportunities, and unleash their own imagination and creativity. As the network of the Challenger Centers expands and links teachers and students across the country, the legacy of Christa and the other Challenger astronauts continues to endure.

We must now restore our bipartisan commitment to education, a fundamental building block of a competitive economy. Now, even more than ever, opportunity in the global economy depends on skills and education. Education and advanced training are the key to economic growth. It is programs such as the McAuliffe Fellowship that help our Nation provide the education we need to continue to compete in the world economy and to provide our children with the knowledge and skills they will need to be productive and successful adults.

#### STABILIZING THE CO-OP MARKET

#### HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 26, 1995*

Mr. TORRICELLI. Mr. Speaker, last fall, Jim Johnson, chairman of the Federal National Mortgage Association also known as Fannie Mae, came to New Jersey to join me in announcing an innovative co-op initiative that has helped countless Northern New Jersey families preserve the value of their co-op apartment homes in a sagging co-op market. The initiative was modeled after a similar plan that was extremely successful in New York which my colleague Representative CHARLES SCHUMER and Queens Borough president Claire Schulman announced with Fannie Mae almost 2 years ago.

The reason the initiative works so well is that it allows co-op buyers to increase the portion of their mortgage payment which goes to pay for the underlying or blanket mortgage on the co-op building itself.

The challenge that co-op buyers faced in my district is that from 1989, when the housing market virtually collapsed, to 1993 the resale value of co-ops in Bergen and Hudson Counties, as in most of the State, declined by as much as 40 percent. That caused the pro-rata share—the share of the underlying co-op building mortgage—to exceed 30 percent of

the total mortgage payment. In the view of most mortgage lenders, a co-op mortgage with a pro-rata share greater than 30 percent of the total mortgage amount was viewed as too risky. This, in turn, meant that it was difficult to get a mortgage on a co-op apartment unit. Consequently, resale values of co-ops fell even further because few people could get loans to buy them. Families, who had counted on rising property values, were beginning to discover they owed more on their co-op apartments than they were actually worth.

This is where Fannie Mae stepped in and made a difference. A congressionally chartered, private company, Fannie Mae purchases loans made by lending institutions and combines them with other such loans in pools that are sold to investors—and therefore influences the underwriting standards used by lenders. By altering the standards on these loans, Fannie Mae made it easier to buy co-op apartments in buildings carrying a relatively higher level of debt in relation to market value.

Previously, end loans—mortgages for co-op unit owners—would be granted only when the unit's proportionate share of the underlying mortgage on the building was no more than 30 percent of the buyer's debt burden—the total of the underlying debt and the end loan itself.

I am pleased to say that by working together with Fannie Mae, we have been able to bring more lenders into the marketplace and made it easier for shareholders to refinance their individual loans or further a sale.

For many people, these co-ops represent a good portion of their savings. We need to help them preserve this investment, and while Fannie Mae's initiative is not a cure-all it has helped to stabilize the co-op market, increase the competition among co-op lenders and loan rates.

I would like all of my colleagues to know how much I appreciate Fannie Mae's responsiveness and flexibility on this issue. Fannie Mae is a unique institution with a unique mission—to help low- and moderate-income families buy homes. From my own experience, Fannie Mae takes this mission seriously and does not hesitate to step up to bat when they are needed.

Mr. Speaker I would like to submit the attached article by Rachelle Garbarine from the June, 23, New York Times.

MORE ENTER FIELD AFTER FANNIE MAE  
RELAXES MORTGAGE GUIDELINES  
(By Rachelle Garbarine)

The sign in one window of the Chemical New Jersey bank branch in Fort Lee reads: "We have co-op loans."

On the face of it that may seem surprising given the fact that nearly one-third of the state's 27,000 co-op units are in Bergen County, and most of them are in Fort Lee.

But the reality is that until recently there were just two lenders offering potential unit owners mortgages for co-ops in Northern New Jersey. That along with restrictive bank rules on co-op mortgages adopted largely because of the excesses in the co-op market in the 80's and local banks lack of knowledge of the market made it difficult for prospective buyers to get such financing.

Mortgages for unit owners are known as "end loans." They are different from the co-op's underlying mortgage which is the building-wide loan that is repaid from a portion of the monthly maintenance fees shareholders pay to the corporation. While financing for these loans is tight there are considerably more lenders available.

Now Chemical is one of nine lenders from banks to mortgage companies offering end loans. And recently the National Cooperative Bank with offices in New York and Washington has also entered the scene to finance underlying mortgages.

A key element in the banks return to offering end loans was a program begun last October by the Federal National Mortgage Association or Fannie Mae. Fannie Mae a Congressionally chartered company purchases loans made by lending institutions and combines them with other such loans in pools that are sold to investors—and therefore strongly influences the underwriting standards used by lenders. Altering the standards on these loans, Fannie Mae made it easier to buy apartments in buildings carrying a relatively higher level of debt in relation to market value.

Previously, end loans would be granted only when the unit's proportionate share of the underlying mortgage on the building was no more than 30 percent of the buyer's debt burden—the total of the underlying debt and the end loan itself. Thus, if the underlying debt was \$15,000, the buyer could get a loan to purchase a \$35,000 unit (\$15,000 being 30 percent of the combined \$50,000 debt). Under the new standard, even if the underlying debt has risen to \$18,500 the buyer can still get a \$35,000 sale price (\$18,900 is 35 percent of a total \$54,000 debt).

The result is that the sales market has apartments in buildings with a higher debt burden in relation to market value should improve. That in turn should raise prices and make it still easier to get loans.

Last year Representative Robert G. Torricelli, Democrat of Hackensack, taking a cue from New York City elected officials, became a force in getting Fannie Mae to ease its standards on purchasing the end loans. That in turn has brought more lenders into the marketplace and made it easier for shareholders to refinance their individual loans or further a sale.

The underwriting revisions were designed to meet the needs of the 12,000 co-op unit shareholders in Mr. Torricelli's district, which includes parts of Bergen and Hudson Counties, and help investigate the sluggish co-op market. Fannie Mae said it would apply the North Jersey standards to shareholders across the state on a case-by-case basis and has waived the \$100 project review fee assessed to co-op corporations.

Before the change "people were prisoners in their homes," said Philip Goldberg, a spokesman for Representative Torricelli.

"For many people these co-ops represent a good portion of their savings," Mr. Torricelli said in a statement. "We needed to help them preserve this investment."

This was not the first time that Fannie Mae had eased its policies in response to co-op problems in the New York areas. In 1993 New York City officials, notably Queens Borough President Claire Schulman and Representative Charles E. Schumer, Democratic of Brooklyn, sought help in resolving some issues, chiefly the proportion of units that must be owner occupied. That October Fannie Mae liberalized its guidelines for co-op lending in the city.

Important changes include the reduction of the required percentage of units sold to owner occupants to 51 percent from 80 percent, counting sublets as owner-occupied units and increasing the pro-rata share from 30 to as much as 40 percent.

In New Jersey, which did not have the same level of sponsor defaults as in New York City or the same difficulty in owner-occupancy levels, the problem was the pro-rata share issue.

From 1989, when the housing market collapsed, to 1993 the resale value of co-ops in Bergen and Hudson Counties, as in most of

the state, declined by as much as 40 percent. That caused the pro-rata share to exceed the 30 percent limit. Buyers couldn't buy and sellers couldn't sell, further depressing the market and value of units, said Fred Heller, president of the co-op board at the 235-unit Century Tower on Parker Avenue.

"The bigger the bargain the more all cash buyers were needed to buy the units," said Randy Ketive a partner at Oppler-Ketive Realtors in Fort Lee, which specializes in co-ops. "Most everyone else was locked out of the market because they couldn't get loans." That led Mrs. Ketive, Mr. Heller and Lou Verde, a Fort Lee real estate lawyer who represents the 270-unit Northbridge Park Co-op, to let Representative Torricelli know of their concerns.

In October, Fannie Mae announced the New Jersey Co-op Program.

To participate in the program, eligible co-ops, among other things, must have 80 percent of its units owner-occupied and no more than 10 percent of its owners more than a month behind on the monthly payment. But Fannie Mae says that exceptions will be considered on a case-by-case basis.

While all those involved in the co-op problem acknowledge that the program is not a panacea, they say it is a good start and will make it easier to buy and sell in the future. As sales increase, prices will also adjust, said Mrs. Ketive.

This has clearly not yet happened. In the first six months of this year 99 co-ops were sold in Bergen County, compared to 101 for the same period last year. According to he Bergen County Multiple Listing Service.

But Mr. Heller said that he pro-rata share problem at his building had disappeared. And Mrs. Ketive, who called the program "a shot in the arm," said it had helped remove many of the inexpensive units from the market. She added that prices are not stabilized.

Two-bedroom units in high-end co-ops, depending on size and location, cost \$100,000 to \$450,000 in Bergen County and \$75,000 to \$300,000 in Hudson County, Mrs. Ketive said. Those priced from \$80,000 to \$150,000 are most in demand, but there is an oversupply of studios and one-bedrooms, she added.

The changes have also drawn more lenders into the market and the competition has made mortgage rates more competitive.

Chemical has been offering share loans in New Jersey since late last year. "If not for the changes we could not have been able to sell the loans on the secondary market and that would have increased the risk on our loan portfolio," said Robert Brown, vice president of residential mortgages at Chemical Bank New Jersey with offices in Princeton and Fort Lee. "We see Fort Lee as a rich market," he said, adding that his bank had made 10 loans a month there.

Even in recent years, Dale Mortgage Corporation had continued offering co-op end loans. Marc Sovelove, vice president at Dale in Fairfield said through May his company did 50 end loans in New Jersey up from 31 from the same month last year. "There are still other deterrents, but we see opportunities in the market," he said.

The program is also important because an active market for share loans returns liquidity to the markets and makes lenders of underlying mortgages more secure.

Since the start of the year the New York office of the National Cooperative Bank has refinanced the underlying loans on two co-op buildings in Fort Lee and is working on a third in East Orange, said Paulette Bonanno, vice president at the bank.

"The deals out there are now easier to make," said Charles Oppier of Oppier-Ketive Realtors. But, he added, the market, still hampered by buyer uncertainties over the economy and job security, now has to catch up with the program.