

On behalf of the city of Chicago and the State of Illinois, I want to offer my State's hearty congratulations to Coach Jackson and the entire Bulls organization for winning 70 games in the 1995-96 regular season, a record that may never be equaled.

#### CONGRATULATING NATIONAL PEOPLE'S ACTION ON 25 YEARS OF ACCOMPLISHMENT AND THEIR 25TH NATIONAL NEIGHBORHOODS CONFERENCE

Ms. MOSELEY-BRAUN. Mr. President, on Saturday, April 27, National People's Action (NPA), a national network of more than 300 community organizations, churches, and senior citizen groups from 38 States across the country, will open its 25th national neighborhoods conference here in Washington, DC.

I want to call the Senate's attention to this conference, because National People's Action represents America at its best—people from neighborhoods working together to improve their neighborhoods. The hundreds of organizations and the thousands of people from all walks of life who make up National People's Action are committed to their communities. They know that neighborhoods are critically important. They know that neighborhoods with good housing, neighborhoods that are safe, and neighborhoods with access to good jobs are places where families can achieve their own piece of the American dream. And perhaps most importantly, they know that by putting fundamental American values to work—by working hard to make those values an everyday part of life in their neighborhoods—they are making a real difference in their communities and in our country.

National People's Action is known as the first voice of our Nation's neighborhoods. This people's organization has, from its inception, spoken out for investing in neighborhoods, ending redlining by financial institutions, expanding the stock of good, affordable housing, implementing community-based approaches to crime prevention and policing, and expanding economic opportunity and the access to good jobs at good wages that are so essential to healthy communities.

NPA is a grass roots movement with an enviable record of accomplishment. I would like to take just a moment to highlight a few of those many successes. First, NPA played a key role in making the Community Reinvestment Act, the primary Federal tool for expanding access to capital, a reality, and NPA has used that tool to obtain over \$25 billion worth of CRA lending agreements. These agreements mean access to mortgage money, home rehabilitation money, and economic development money for hard-working people living in hard-pressed neighborhoods that have all too often been cut off from capital in the past.

NPA created the lease-to-purchase mortgage product, the first of its kind

in the United States. This innovative approach allows people who may not have the money to make a downpayment on a home to have a real opportunity to achieve perhaps the single most important element of the American dream—owning their own home.

And NPA, working with Freddie Mac, created an ingenious new type of mortgage for buildings with two-to-four units, thereby helping to revitalize this kind of housing, which is so important to so many cities and neighborhoods, and making it possible for neighborhood residents to become homeowners and landlords. The result of this resourceful approach are more homeowners in neighborhoods, and a better stock of rental housing.

While NPA's successes are varied, however, they all have the same theme. They are all about people, about making it possible for people in the neighborhoods and communities around our Nation to build a better life for themselves. NPA is a quintessentially American organization. It accomplishes a huge amount with very little money. It is nonbureaucratic. And it works right at the neighborhood level. It doesn't tell people what to do. Rather, it brings people together so that, by working together, they can make their neighborhoods better places to live for themselves and for their families.

National People's Action, and its national chairperson Gale Cincotta, deserve the Senate's commendation. As I stated at the beginning of my remarks, this organization embodies the essence of American values. NPA puts the values on which this Nation was founded to work for all of its people. I am therefore glad to have the opportunity to bring NPA's 25th annual neighborhoods conference to the Senate's attention, and I hope every Member of the Senate will attend this important event.

Mr. President, I ask unanimous consent that a complete list of NPA's major prouneighborhood accomplishments be printed in the RECORD.

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

#### NPA'S MAJOR ACCOMPLISHMENTS REINVESTMENT

Spearheaded enactment of the Home Mortgage Disclosure Act (HMDA) and the Community Reinvestment Act (CRA) which protect urban areas and minorities from loan discrimination.

Provided technical assistance to community groups which directly led to over \$25 billion in NPA assisted CRA lending agreements.

Developed 10 city pilot affordable housing programs with the secondary market and private mortgage insurers which led to a nationwide low-downpayment program called the Community Homebuyers Program. The development of the CHBP has resulted in industry-wide changes in the standards for conventional lending and millions of home loans to low income families.

Coordinated the Chicago Reinvestment Alliance, which in 1984 developed a \$363 million Neighborhood Lending Program. The program has been renewed twice, and to date,

over \$500 million have been lent and over 14,000 units of affordable housing and businesses have been created or rehabilitated in Chicago.

Coordinated the NPA/Aetna Neighborhood Investment Program, which provided over \$100 million in loans for rehabilitation or construction of over 10,000 affordable housing units in 14 urban neighborhoods throughout the country.

Brought the Neighborhood Housing Services (NHS) to Chicago and has continued to support its expansion by developing new loan programs and funding sources.

Successfully advocated for increases in Community Development Block Grant (CDBG) funding and for increases in the targeting of CDBG funds to low and moderate income neighborhoods.

Created the Lease-to-Purchase mortgage product, the first-of-its-kind in the nation. This product allows individuals to enter the home as tenants and after a 2-3 year lease period become the homeowner, having accumulated a 10-15% downpayment to purchase. Lease-to-Purchase has become a standard affordable housing option.

Successfully advocated for performance oriented goals for Government Sponsored Enterprises (GSEs) requiring 30% of mortgages to be purchased in underserved markets and from low and moderate income families.

Created a unique low downpayment mortgage product for 2-4 unit buildings with Freddie Mac that allows for 75% of rental income to be used to qualify the applicant, thus creating an opportunity for homeownership for low income people.

Developed in conjunction with the Mortgage Guaranty Insurance Corporation (MGIC) the first ever purchase and default counseling training for community based counselors.

#### FEDERAL HOUSING ADMINISTRATION

Through a national advocacy campaign, stopped abusive lending practices that resulted in catastrophic FHA foreclosures in the 1970s.

Secured 518(b) and (d) Payback Programs for buyers of defective FHA homes which provided funds for repair of major systems and structural defects.

Developed Repair and Sell Programs that rehabilitated vacant FHA homes in blighted neighborhoods.

Spearheaded the development of the FHA Assignment Program which provides assistance to those behind in their mortgage in order to prevent foreclosure.

Continued to research FHA lending practices and uncover abuses, such as illegal minimum loan amounts imposed by some FHA lenders.

Negotiated a HUD demonstration program that allows not-for-profit developers to obtain vacant, foreclosed properties at a 30% discount. Over 600 homes have been rehabilitated for low income families. This pilot program has become a permanent HUD program.

Successfully advocated for public disclosure by HUD of FHA lending activity and loan failure rates by mortgage company and census tract. Analysis of data has uncovered high default rates far exceeding HUD's definition of trouble areas.

#### CRIME AND DRUG PREVENTION

Developed 1976 community anti-crime program with the law Enforcement Assistance Administration which redirected LEAA funds to local community groups for local anti-crime programs.

Changed Illinois policy regarding the distribution of Asset Forfeiture funds to allow \$500,000 to be returned to communities for crime prevention programs.

Coordinated along with the Chicago Police Department a Nuisance Abatement Program in four police districts that resulted in closing 1,000 drug houses during the first year of operation.

Provided 387 community groups, 42 police departments, and state and local government agencies with technical assistance to develop community based anti-crime and drug strategies.

Coordinated a national day of Reclaiming Our Neighborhoods in which 38 cities participated February 14, 1994.

Won change in Asset Forfeiture Regulations nationally, allowing communities to receive 15% of seized drug money and real property.

Was awarded \$1.2 million cooperative agreement from the Bureau of Justice Assistance, U.S. Department of Justice to coordinate a demonstration program (1992-1995) in 13 cities across the country. Communities in Action to Prevent Drug Abuse.

Was awarded cooperative agreement from the Bureau of Justice Assistance—Department of Justice and the Department of Labor to coordinate Communities in Action to Prevent Drug Abuse II—Reclaiming Our Communities (1995-1997) in 10 cities across the country.

#### TRAINING

Was awarded a three year national VISTA grant in 1978 which resulted in training of almost 100 community staff in 48 community organizations.

Provided technical assistance and seed funding to 131 community groups since 1980 through the Mott Foundation's Strengthening Citizen Initiatives at the Local Level Program.

Provided training on financial management to community groups in 8 cities through a program developed with Allstate.

Offered week-long training courses since 1974 that have trained over 3,000 participants in community advocacy skills.

Provided on-site consultations that have resulted in development of dozens of new community organizations across the country.

Provided on-site training for at least 40 organizations a year.

Have coordinated national conferences on Housing, CRA, Jobs, Insurance and Drugs providing an area for all the players to come together to discuss their concerns. Each conference attracted over 500 participants.

#### ENERGY

Provided training and consulting for 147 community groups on natural gas deregulation in the late 1970s and early 1980s.

In the mid 1980s, founded the Affordable Budget Coalition to address the rash of utility shut-offs plaguing Illinois. The ABC became independent in 1987.

Assisted community groups to intervene in utility rate cases before the Illinois Commerce Commission, resulting in almost \$2 billion in refunds.

Has been an expert witness in telephone and electric utility cases and performed an analysis of Currency Exchange rates charged to cash government benefit checks for use in rate investigation of the Illinois Department of Financial Institutions.

Currently working with community groups and participating in policy forums on the deregulation of the electrical utility industry in Illinois.

Working with community groups, government agencies and electric and natural gas utility companies to establish a long-term solution to the low income residential energy crisis and the decline of federal energy assistance funding.

Providing training for Community Action Agency's low income board members across the country in cooperation with the Illinois Community Action Agency under a contract from the U.S. Department of Health and Human Services.

#### INSURANCE

Developed new urban property insurance products and increased urban investments with leading companies, including Allstate and State Farm as a response to NPA advocacy against insurance redlining.

### THE HEALTH INSURANCE REFORM ACT OF 1995

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the following items with regard to S. 1028 be included in the RECORD.

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

#### COST ESTIMATE

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, September 22, 1995.

Hon. NANCY LANDON KASSEBAUM,  
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR MADAM CHAIRMAN: The Congressional Budget Office [CBO] has reviewed S. 1028, the Health Insurance Reform Act of 1995, as ordered reported by the Senate Committee on Labor and Human Resources on August 2, 1995. CBO estimates that enactment of S. 1028 would not significantly affect the federal budget. (Each state's insurance commissioner would ensure that the requirements of this legislation are carried out by health insurance carriers in their state; CBO has not attempted to estimate the amount by which state government spending could be changed.) Pay-as-you-go procedures would apply because the bill could affect direct spending and receipts. The estimated change in direct spending and receipts, however, is not significant.

This bill would create uniform national standards intended to improve the portability of private health insurance policies. For example, these standards would allow workers with employment-based policies to continue their coverage more easily when changing or leaving jobs. Because most private insurance plans require a waiting period before new enrollees become eligible for coverage, especially for preexisting medical conditions, workers with chronic conditions or other health risks may face gaps in their coverage when they change jobs. Alternatively, such workers may be hesitant to change jobs because they fear the temporary loss of coverage, a situation known as "job-lock."

S. 1028 would reduce the effective length of exclusions for preexisting conditions by crediting enrollees for continuous coverage by a previous insurer. Insurance companies would be prohibited from denying certain coverage based on the medical status or experience of individuals or groups and would be required to renew coverage in most cases. Insurers could not deny coverage to individuals who have exhausted their continuing coverage from a previous employer. This bill would allow individuals to change their enrollment status without being subject to penalties for late enrollment if their family or employment status changes during the year. To the extent that states have not already implemented similar rules, these changes would clarify the insurance situation and possibly reduce gaps in coverage for many people.<sup>1</sup>

Because the bill would not regulate the premiums that plans could charge, the net number of people covered by health insurance and the premiums that they pay would continue to be influenced primarily by current market forces. In other words, although insurance would become more portable for

some people under this bill, it would not become any more or less available in general.

S. 1028 could affect the federal budget in two primary ways. First, if the bill changed the amount of employer-paid health premiums, total federal tax revenues could change. For example, if the amount employers paid for premiums rose, cash wages would probably fall, thereby reducing income and payroll tax revenues. If individuals paid more for individually-purchased insurance, they could increase their itemized deductions for health expenses. Second, if the bill caused people insured by Medicaid or government health programs to purchase private coverage, then federal outlays for those programs could change.

According to the General Accounting Office [GAO], 38 states have enacted legislation to improve the portability and renewability of health plans among small employers.<sup>2</sup> The state laws do not apply to employees of larger firms with self-funded insurance plans, however, and the GAO report finds that state laws generally do not apply to the market for individually-purchased insurance.

Because many insurance reforms have already been implemented by the states, GAO assumes that the new national standards created by S. 1028 would not significantly change the insurance market for most people. Although the national standards created by S. 1028 would improve the portability of health insurance for some additional groups or individuals, GAO assumes that the incremental change in the insurance marketplace would be minor. Any changes to overall insurance coverage or premiums caused by the bill would probably be small, and the direction of the change is uncertain. Most people subject to the new insurance rules would have had coverage under the old rules, so their total health spending would probably not be noticeably different. Therefore federal revenues would be unlikely to change.<sup>3</sup>

CBO estimates that federal outlays for Medicaid would not change because any persons eligible for free coverage from Medicaid under current law would also seek out Medicaid coverage if S. 1028 was enacted. CBO also estimates that the bill would cause no appreciable changes to federal outlays for Medicare, Federal Employees Health Benefits, or other federal programs.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jeff Lemieux.

Sincerely,

JAMES L. BLUM  
(For June E. O'Neill, Director).

#### FOOTNOTES

<sup>1</sup>For additional discussion, see GAO testimony "Health Insurance Regulations, National Portability Standards Would Facilitate Changing Health Plans," July 18, 1995, before the Senate Committee on Labor and Human Resources.

<sup>2</sup>Health Insurance Regulation: Variation in Recent State Small Employer Health Insurance Reforms (GSO/HEHS-95-161FS, June 12, 1995).

<sup>3</sup>CBO cooperates with the Joint Committee on Taxation to produce estimates of revenue changes under proposals that would change the private health insurance market. Following CBO's estimate that S. 1028 would not significantly change spending for private health insurance, the Joint Committee assumes that federal revenues would not change.

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, March 22, 1996.

Hon. NANCY L. KASSEBAUM,  
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR MADAM CHAIRMAN: The Congressional Budget Office has prepared the enclosed