

minute and to revise and extend her remarks.)

Ms. NORTON. Madam Speaker, what do President Clinton, Secretary of State Madeleine Albright, Cokie Roberts, and the singing group, Sweet Honey in the Rock have in common? They are part of the all-star line up this evening when the Women's Caucus celebrates 20 years of incredible achievements for women and families.

Originally 15, we are now 50 strong. Almost all of the women of the House are Members. We are bipartisan and proud of it. At 7 tonight at Mellon Auditorium we will celebrate extraordinary legislative achievements that range from the Pregnancy Discrimination Act to the Family Medical and Leave Act. The Women's Caucus has given shape and focus to women's issues and we have a lot to show for it. Tonight, though, we will just show off.

#### CONGRESSIONAL GOLD MEDAL CEREMONY

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

Mr. PAPPAS. Madam Speaker, I just attended the Congressional Gold Medal presentation ceremony in the rotunda of this building in which that was presented to His All Holiness Patriarch Bartholomew of the Greek Orthodox Church. It was a real honor to be there and be a Member of this House that made that possible in recognition for his leadership, not just as a religious leader, but as someone who is a defender of freedom around the world.

I decided to come here and just take this moment to draw attention to the people around our country that this has taken place and that we in this country are very, very fortunate to be able to speak freely of our religious beliefs and, yes, even the U.S. Government through the U.S. Congress recognizes the importance that religion plays in our world and certainly in our Nation.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. EMERSON). Pursuant to the provisions of clause 5 of rule I, the Chair announces that she will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules but not before 5 p.m. today.

#### EMERGENCY STUDENT LOAN CONSOLIDATION ACT OF 1997

Mr. McKEON. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2535) to amend the Higher

Education Act of 1965 to allow the consolidation of student loans under the Federal Family Loan Program and the Direct Loan Program, as amended.

The Clerk read as follows:

H.R. 2535

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Emergency Student Loan Consolidation Act of 1997".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

#### SEC. 2. LOAN CONSOLIDATION PROVISIONS.

(a) DEFINITION OF LOANS ELIGIBLE FOR CONSOLIDATION.—Section 428C(a)(4) (20 U.S.C. 1078-3(a)(4)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C) made under part D of this title, except that loans made under such part shall be eligible student loans only for consolidation loans for which the application is received by an eligible lender during the period beginning on the date of enactment of the Emergency Student Loan Consolidation Act of 1997 and ending on October 1, 1998;"

(b) TERMS OF CONSOLIDATION LOANS.—Section 428C(b)(4)(C)(ii) is amended—

(1) in subclause (I), by inserting after "consolidation loan" the following: "for which the application is received by an eligible lender before the date of enactment of the Emergency Student Loan Consolidation Act of 1997, or on or after October 1, 1998,";

(2) by striking "or" at the end of subclause (I);

(3) by inserting "or (II)" before the semicolon at the end of subclause (II);

(4) by redesignating subclause (II) as subclause (III); and

(5) by inserting after subclause (I) the following new subclause:

"(II) by the Secretary, in the case of a consolidation loan for which the application is received by an eligible lender on or after the date of enactment of the Emergency Student Loan Consolidation Act of 1997 and before October 1, 1998, except that the Secretary shall pay such interest only on that portion of the loan that repays Federal Stafford Loans for which the student borrower received an interest subsidy under section 428 or Federal Direct Stafford Loans for which the borrower received an interest subsidy under section 455; or"

(c) NONDISCRIMINATION IN LOAN CONSOLIDATION.—Section 428C(b) is amended by adding at the end the following new paragraph:

"(6) NONDISCRIMINATION IN LOAN CONSOLIDATION.—An eligible lender that makes consolidation loans under this section shall not discriminate against any borrower seeking such a loan—

"(A) based on the number or type of eligible student loans the borrower seeks to consolidate;

"(B) based on the type or category of institution of higher education that the borrower attended;

"(C) based on the interest rate that is authorized to be collected with respect to the consolidation loan; or

"(D) with respect to the types of repayment schedules offered to such borrower."

(d) INTEREST RATE.—Section 428C(c)(1) is amended—

(1) in the first sentence of subparagraph (A), by striking "(B) or (C)" and inserting "(B), (C), or (D)"; and

(2) by adding at the end the following new subparagraph:

"(D) A consolidation loan for which the application is received by an eligible lender on or after the date of enactment of the Emergency Student Loan Consolidation Act of 1997 and before October 1, 1998, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the rate specified in section 427A(f), except that the eligible lender may continue to calculate interest on such a loan at the rate previously in effect and defer, until not later than April 1, 1998, the recalculation of the interest on such a loan at the rate required by this subparagraph if the recalculation is applied retroactively to the date on which the loan is made."

(e) AMENDMENTS EFFECTIVE FOR PENDING APPLICANTS.—The consolidation loans authorized by the amendments made by this section shall be available notwithstanding any pending application by a student for a consolidation loan under part D of title IV of the Higher Education Act of 1965, upon withdrawal of such application by the student at any time prior to receipt of such a consolidation loan.

#### SEC. 3. ADMINISTRATIVE EXPENSE REDUCTIONS.

Section 458(a)(1) (20 U.S.C. 1087h(a)(1)) is amended by striking "\$532,000,000" and inserting "\$507,000,000".

#### SEC. 4. TREATMENT OF TAX BENEFITS.

(a) FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.—

(1) PARENTS' AVAILABLE INCOME.—Section 475(c)(1) is amended—

(A) by striking "and" at the end of subparagraph (D);

(B) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(F) the amount of any tax credit taken by the parents under section 25A of the Internal Revenue Code of 1986."

(2) STUDENT CONTRIBUTION FROM AVAILABLE INCOME.—Section 475(g)(2) is amended—

(A) by striking "and" at the end of subparagraph (C);

(B) by striking the period at the end of subparagraph (D) and inserting "; and"; and

(C) by inserting after subparagraph (D) the following new subparagraph:

"(E) the amount of any tax credit taken by the student under section 25A of the Internal Revenue Code of 1986."

(b) FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.—Section 476(b)(1)(A) (20 U.S.C. 1087pp(b)(1)(A)) is amended—

(1) by striking "and" at the end of clause (iv); and

(2) by inserting after clause (v) the following new clause:

"(vi) the amount of any tax credit taken under section 25A of the Internal Revenue Code of 1986; and"

(c) FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—Section 477(b)(1) (20 U.S.C. 1087qq(b)(1)) is amended—

(1) by striking "and" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(F) the amount of any tax credit taken under section 25A of the Internal Revenue Code of 1986."

(d) TOTAL INCOME.—Section 480(a)(2) (20 U.S.C. 1087vv(a)(2)) is amended—

(1) by striking "individual, and" and inserting "individual,"; and

(2) by inserting "and no portion of any tax credit taken under section 25A of the Internal Revenue Code of 1986," before "shall be included";

(e) OTHER FINANCIAL ASSISTANCE.—Section 480(j) is amended by adding at the end the following new paragraph:

"(4) Notwithstanding paragraph (1), a tax credit taken under section 25A of the Internal Revenue Code of 1986 shall not be treated as estimated financial assistance for purposes of section 471(3)."

The SPEAKER pro tempore. Pursuant to the rule the gentleman from California [Mr. McKEON] and the gentleman from Michigan [Mr. KILDEE], each will control 20 minutes.

The Chair recognizes the gentleman from California [Mr. McKEON].

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

Madam Speaker, I rise in support of the Emergency Student Loan Consolidation Act of 1997 and urge its immediate passage.

Madam Speaker, this bill is the first in a series of education bills that Members of our party will bring to the floor this week. Already this year the House Republicans have passed bills that will make our schools safer, train Americans for high-paying jobs and educate disabled children and make college more affordable.

Now, over the next 2 weeks, Americans will see the House of Representatives vote on a series of innovative education bills introduced by Republicans. These are dramatic efforts, not old, tired Federal programs from Washington. Our bills will help children read, send dollars directly to the classroom, and assist families in saving for the high cost of education. Our bills also will empower low-income families with new parental choice, scholarships and launch new innovative charter schools.

The bill I support today will help college students and recent graduates who are caught in a credit crunch created by the U.S. Department of Education. On September 24, 1997, when I, along with the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Ohio [Mr. BOEHNER] introduced this legislation, the Department of Education was facing a backlog of more than 80,000 applications for Direct Student Loan consolidations, and had stopped accepting new applications for loan consolidations altogether. Many of these borrowers had waited months for their applications to be processed. Today, over 30,000 are still waiting and another 35,000 have simply given up and been dropped out of the process.

Countless thousands more need to consolidate their student loan debt but have been told to wait until the Department begins accepting applications again.

The legislation before us today will provide these borrowers with immediate relief. The Emergency Student Loan Consolidation Act will allow borrowers to consolidate direct student

loans into FFEL consolidation loans. The interest rate for all new consolidation loans will be identical to the rate in the Direct Loan Program and borrowers who consolidate subsidized loans will not lose their deferment benefits simply because they consolidate their loans.

In addition, thanks to an amendment offered in committee by our colleague, the gentleman from Michigan [Mr. KILDEE], and our colleague, the gentleman from Missouri [Mr. CLAY], this legislation makes urgently needed technical changes to the need analysis provisions found in the Higher Education Act. These changes will ensure that low- and middle-income families who receive the benefits of the education tax credits provided for in the Taxpayer Relief Act of 1997 will not be penalized with respect to their eligibility for financial aid in future years.

Making these changes now will allow the Department of Education to begin the process of revising its forms and procedures for the 1999 academic year well in advance so that students and families will not encounter delays in the processing of their applications for financial aid.

While many of us still have doubts about the long-term viability of the Direct Student Loan Program and the Department's ability to manage it, this legislation is not about direct loans or guaranteed loans or which program is better. It is about helping students who are currently unable to obtain a consolidation loan through the Direct Loan Program.

These are students who may pay hundreds or even thousands of dollars in additional interest costs, who may have serious difficulty in securing other credit such as a mortgage, and who may even default on their student loans if we do not act now to offer them an alternative to the Direct Loan Program.

The alternative offered under the Emergency Student Loan Consolidation Act will also take some of the pressure off of the Department of Education. We do not want the Department to hastily try to fix the current system problems only to cause more delays and problems in the future.

One graduate from the Boston University School of Law was delighted to have received a Direct Consolidation Loan after 8 months of waiting. However, when the direct loan servicing center began sending her bills and charging her interest on a \$57,000 consolidation loan when it should have been a \$37,000 consolidation loan, she was not too happy. Mistakes such as this will continue to occur if the Department attempts to hurriedly process all the pending applications without first ensuring that the applications are being processed correctly.

This is emergency legislation, so these changes will only remain in effect until September 30, 1998. However, I want to assure lenders that step in to help students and the Department dur-

ing this crisis that we realize that every time we change the law, it also requires changes in the way we do business. We will be reviewing the changes included in this legislation for inclusion in our authorization of the Higher Education Act.

The cost of this legislation will be paid for by reducing the section 458 administrative funds available to the Department of Education and for the Direct Loan and the FFEL programs by \$25 million in fiscal year 1998. Statements made by the Assistant Secretary for Postsecondary Education and others at the Department about being unable to administer the Direct Loan Program without the \$25 million are very troubling.

The Department's fiscal year 1998 budget proposal for section 458 requested an increase of \$41 million with 75 percent of the increased funds or \$30 million needed as a result of the growth in the Direct Loan Program. However, with the net gain of only one school participating in the fourth year of the program, it is difficult to imagine why the Department would need another \$30 million in order to manage this program.

I would also note that the administration has expressed concerns that private sector lenders might discriminate against some borrowers when making these loans. I want to point out that the legislation before us today contains antidiscrimination provisions. This is a change from the legislation reported from the committee to specifically address these concerns.

Unfortunately, for many students, this bill does not go far enough. It does not require the Department and its contractor to reimburse students for the additional interest they have been charged while waiting for this mess to be resolved. The Secretary should look into that possibility. The Secretary should also look into the quality of the information being provided to students. The students who testified at our hearing expressed a total lack of confidence in the Department's ability to provide quality customer service and accurate information.

Additionally, a while back I spoke with a constituent, David Higbee, a recent law school graduate. He had written me a letter about his concerns with the direct loan consolidation process. In the letter he said, "we quickly received an estimate from Sallie Mae on the portion of our student loans we were refinancing there. The Department of Education was slow and refused every reasonable suggestion to expedite its inadequate customer service process."

I am inclined to believe David and the other students who testified before us. I am inclined to help them and others like them with their similar stories. This bill will provide these borrowers with immediate emergency relief, which is the right thing to do.

Finally, I want to thank my colleagues on both sides of the aisle for

supporting this effort. I particularly want to thank the gentleman from Ohio [Mr. BOEHNER], for his active participation in addressing this problem. I also want to thank the gentleman from Missouri [Mr. CLAY], and the gentleman from Michigan [Mr. KILDEE], for their efforts in bringing a bipartisan bill before the committee and the gentleman from New Jersey [Mr. ANDREWS], for his recommendation that we specifically ensure that the students caught in the current delays have the final say in deciding whether they obtain a consolidation loan. I am happy that we were able to address his concern in the committee.

I urge my colleagues to support this emergency legislation and provide immediate relief to student loan borrowers trapped by the shutdown of the direct student loan consolidation process. I urge a "yes" vote on this Emergency Student Loan Consolidation Act of 1997.

Madam Speaker, I reserve the balance of my time.

□ 1230

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

Madam Speaker, I believe that speedy enactment of H.R. 2535 is necessary for one reason, to help students, and to my mind no other reason need be offered.

Suspension of the Direct Loan Consolidation Program initially left more than 84,000 students without the ability to consolidate their student loans. These are not simply numbers, they are real people who suddenly faced additional costs and difficulties in paying off their student loans. This crisis is something they should not have had to endure.

While I believe the Department must bear the responsibility for suspension of this program, I applaud the progress it has made in approving the consolidation for almost 22,000 students since the program was suspended. I remain deeply concerned, however, that almost 34,000 students have withdrawn or have had their consolidation applications deactivated, and that another 30,000 students will continue to await approval of their applications.

I have been informed that the Department expects to renew operation of its Loan Consolidation Program by December 1 of this year, and I am very hopeful that they will reach that target. I would caution officials at the Department, however, to prepare for a potential avalanche of new consolidation applications that has been building in the period since the current program suspended operation in August. We cannot afford another crisis for our students.

I believe that broadening loan consolidation in the Federal Family Education Loan Program provides more choices for students to consolidate their outstanding student loans. I am especially encouraged that this will be done, to the extent possible, on terms

that are the same as those now provided in the Direct Loan Consolidation Program. Especially important is the provision in this legislation that will enable students participating in loan consolidation in the FFEL program to receive a lower interest rate on the consolidated loans than they now enjoy.

The other important provision of H.R. 2535 involves an amendment that I offered on behalf of the gentleman from Missouri [Mr. CLAY] and myself, and which was unanimously accepted during full committee consideration of this bill. It would make sure that the receipt of a HOPE scholarship would not count against a student's eligibility for other Federal student aid.

When we enacted the HOPE scholarship program as part of the tax bill, we intended to make sure that the receipt of a HOPE scholarship would not adversely affect a student's eligibility for a Pell grant and other student aid. Financially needy students need all the help they can get if they are to pay for a college education, and pitting a HOPE scholarship against a Pell grant or other student aid was certainly something we never intended.

In order to avoid this situation, changes in the need analysis provisions of the Higher Education Act are necessary. Without this amendment, some 69,000 students will annually lose an estimated \$125 million in Federal student aid.

I would also point out that this provision is very time sensitive. While changes in the new tax law regarding the HOPE scholarship will not take place until 1999, my understanding is that this change is already included in the CBO baseline for the Pell Grant Program. Failure to make the changes included in this legislation will result in the removal of those assumptions from the baseline. Restoring them at any time other than the current calendar year will, as I understand it, result in the cost of at least \$120 million a year.

Madam Speaker, this legislation is worthy of strong bipartisan support, the same support it had in committee. The need for its enactment is immediate, and I urge my colleagues to join me in supporting its passage.

Madam Speaker, I reserve the balance of my time.

Mr. MCKEON. Madam Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. GOODLING], the chairman of the Committee on Education and the Workforce.

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

Mr. GOODLING. Madam Speaker, this would be a good time to say I told you so, if it were not for the fact that probably 100,000 students and former students are dangling in the wind. But I have repeated, since 1991 or earlier, what my predecessor, Chairman Ford, would say over and over again, "There is no way under the sun that the De-

partment of Education can become the effective largest bank in the world." But I learned something. If one wants to get a program named after oneself, make sure it does not work, and then one will succeed.

At any rate, we have a problem. Leo created it. He was the lion and he wanted to make very sure that the private sector would be put out of business as far as student loans were concerned, and he did everything under the sun to make sure that that would happen, that only direct lending would be allowed. And some of the things he did, of course, was say, well, we will give reduced interest rates, we will give subsidized deferments, knowing that the private sector could not do that. And of course that brought all these wonderful applicants to consolidate loans at these good offers that Leo the lion was making.

And of course all of a sudden they discovered, well, now we are 84,000 behind, so we will just shut down the operation and let the rest of the students wonder what is going to happen.

Now of the 84,000, we understand there has been some reduction in the number, but most of it has been done because they just gave up and dropped out or others the Department decided just not to consider. So we have a serious problem, and it is the students we are interested in, the former students, not what will work or will not work.

So I am happy to be here today to say that in a bipartisan way we have done the right thing in the name of honoring those students who were tricked into what appeared to be what the Government so many times promises, something wonderful for nothing that never happens.

Today we can take a bipartisan step with an overwhelming vote and we can help all of those students and maybe send a message to the Department, to the departed lion, Leo, that we told him so. We knew he could not do it. Did not matter which administration, he never did very well managing anything, and, obviously, he could not become the biggest bank in the world.

So let us pass it unanimously, help the students.

Mr. CLAY. Madam Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Missouri.

Mr. CLAY. Madam Speaker, the gentleman is speaking about bipartisanship and he has had a frontal attack on the former chairman of this committee, Bill Ford, who has had an outstanding record of supporting education in this committee, and I do not know how the gentleman can stand there—

Mr. GOODLING. Madam Speaker, reclaiming my time, I did not attack Bill Ford at all. Bill Ford and I are very good friends.

Mr. CLAY: It sounds like the gentleman and Mr. Ford are very good friends.

Mr. GOODLING. I merely repeated what Bill Ford said time and time

again, when the gentleman from Wisconsin [Mr. PETRI] would try to move direct lending. It was the gentleman from Wisconsin who was moving it, and Bill Ford would say over and over again that is a silly idea, that is a crazy idea, that cannot work, the Department is not capable of doing that. And, of course, I have just repeated what he said over and over again.

Mr. KILDEE. Madam Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. CLAY], the ranking Democratic member of the full committee.

Mr. CLAY. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, I am supporting the bill before us today because, on balance, it provides some students an additional option to consolidate their loans. While this serious problem with loan consolidation cannot be minimized, I am pleased to hear that the Department of Education is making good progress in eliminating the backlog of loan consolidation applications. I believe Secretary Riley has a strong commitment to eliminate this backlog and to prevent future problems.

Madam Speaker, I remain confident about the quality of service direct lending provides in originating student loans, and there continues to be substantial support in the use of direct lending in the education community. It is indisputable that by providing competition, direct lending has brought great improvement to the whole student loan program.

Finally, Madam Speaker, I am pleased that this bill includes an amendment I offered, along with the gentleman from Michigan [Mr. KILDEE], that will ensure that students who receive HOPE scholarship credits will not have their Pell grants or other student aid reduced. Without this amendment, some 69,000 students would lose an estimated \$125 million annually.

Madam Speaker, I recommend that the Members of this House support this bill.

Mr. MCKEON. Madam Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER], the chairman of our Republican conference, a member from this committee, who is on leave of absence with the leadership.

Mr. BOEHNER. Madam Speaker, we have spent the past several years knocking down the status quo barriers to our children's future, but nowhere is the status quo still more evident than in the Federal education establishment, a bureaucracy built on empty promises to our young people.

Not long ago an Education Department official bragged that the direct loan program, and I will quote, "provides a simpler, more automated, and more accountable system," to its student customers. But last month American students learned the harsh truth: That the Government cannot handle the job.

If you're looking for proof that the education bureaucracy hurts our kids' future,

the consolidation meltdown offers some good examples—84,000 examples, to be exact. That's the number of students left in the lurch while the education bureaucracy tries to get its act together. That's the number of students being told to put their financial futures on hold until their government figures out how to deliver its promises.

The Education Department has made students an offer that sounds too good to be true, and it is. The truth is, for students hoping to consolidate their direct loans, their government has sold them a lemon. For many who grew up in the era of big Government, it is just the latest empty promise from Washington.

I have two daughters, a 19-year-old and a 17-year-old. People have labeled that generation Generation X, implying that they are disillusioned or unsure of who or what they can believe in. Madam Speaker, if this is the way their government treats their hopes for the future, who can blame them for being disillusioned?

Today, the House will take action to help give students caught up in this bureaucratic nightmare a way out by allowing the consolidation of the direct loans to occur through private lenders. The hard work of my colleagues on the committee, the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from California [Mr. MCKEON], certainly the gentleman from Michigan [Mr. KILDEE], and the gentleman from Missouri [Mr. CLAY] should be commended. I urge all my colleagues to vote for this bill today.

Mr. KILDEE. Madam Speaker, I yield 1 minute to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Madam Speaker, I thank the gentleman for yielding me this time.

To my thinking, this bill addresses a crisis and also addresses over 1 year an inequality which needs to be addressed.

The crisis is the Federal Government's loan consolidation program offered as part of the Department of Education's Direct Lending effort. With a backlog of over 80,000 loan consolidation requests, that part of the system clearly is in crisis. This is simply not fair to the students, and the bill helps address that.

I am confident that the private lenders of the Guaranteed Student Loan Program will meet the challenge we give them in this bill. Rather than delays, backlogs, and shutdowns, students will have the service they have a right to expect.

As to the fairness issue, I am glad that the private sector will be allowed a loan consolidation role like the Government's loan program for the next year. I hope this becomes permanent in future legislation. If we are to have two student loan programs, one run by the Government yet one made available through the private sector, let us give them equal range. Let us give permanently to the private sector this loan consolidation opportunity.

Mr. MCKEON. Madam Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. THUNE].

Mr. THUNE. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, this is an issue with which I have some experience because it was not all that long ago that my wife and I were in the process of repaying the loans, the money that we borrowed to finance our college education.

I believe that this is a very commonsense approach to dealing with an issue that is so important to ensuring that our young people have an opportunity to pursue a higher education.

It has already been noted there is a backlog of some 84,000 applications for consolidation. The Department of Education has stopped accepting any future applications, and that means there are tens of thousands of students waiting to even submit their application, trying to seek a way to solve their financial problems and with no other way to solve them.

□ 1245

This bill encourages students to do business with the private sector instead of the Federal Government. I do not think we want people to depend upon the Government to handle their personal financial matters. Consolidation will allow students to make lower payments, thus reducing the number of defaults. In the long run that is going to mean better credit ratings, which means students will have a better chance to secure credit in the future, especially when it comes time to apply for things like a mortgage.

I would encourage all our colleagues, and I am delighted to hear the bipartisan support for this approach today, to put the private sector on a level playing field with the Federal Government and to assist the thousands of students who need to consolidate their loans. In my view, this is something that is very much win-win. It is very pro student, pro consumer and user of government programs. It is also something that is very pro taxpayer in that it gives us a more efficient mechanism with which to deal with the student loan program. And so I credit those who have worked on it on both sides of the aisle, and I would encourage all my colleagues here to support this important move toward better efficiency in government.

Mr. KILDEE. Madam Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Madam Speaker, I thank the gentleman for yielding me this time. I thank my former committee colleagues, the two chairmen, for their kind and great work on this bill. H.R. 2535 is very similar to section 8 of a bill that I introduced in both this Congress and the last Congress, this Congress it is H.R. 2140, the Federal Accountability and Institutional Reform and Education Act, or FAIR Ed Act, which would make commonsense reforms to the student loan program.

The bill that we are talking about today, H.R. 2535, deserves a positive

vote from Members on both sides of the aisle. It is going to provide students with the ability to consolidate loans either from the Federal Student Loan Program or the Federal Family Education Loan Program into a single student loan. This is going to allow students to better manage their student loan debt and avoid defaults. That is going to be good for the students, it is going to be good for the schools, and it is going to be good for the Federal Government.

It is unfortunate under the current circumstances that this has to come forward as an emergency bill, but this is a great first step in the process of reauthorizing the Higher Education Act. I urge my colleagues to vote "yes."

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

Mr. KILDEE. Madam Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. GORDON], who has worked very hard on this whole question of loans.

Mr. GORDON. Madam Speaker, I thank the gentleman from Michigan [Mr. KILDEE] for allowing me the opportunity to express my strong support for H.R. 2535, the Emergency Student Loan Consolidation Act. I want to begin by commending the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from California [Mr. MCKEON], the gentleman from Missouri [Mr. CLAY] and the gentleman from Michigan [Mr. KILDEE] for their leadership on this issue.

When talking about student financial assistance, more specifically about student loans, there is one thing that we as Members of Congress can all agree upon. We want what is in the best interests of students by making available the means to pay for higher education. Each year that goes by, the cost of higher education climbs more and more, as does student debt. A major component for students as they graduate and enter into repayment of their loans is to consolidate their multiple loans into one manageable debt that has monthly payments. Unfortunately, the Federal Government, after providing students with loans, has failed those same students in need of consolidating their previous loans into one manageable sum.

These recent graduates are trying to start their lives, start their families and buy homes. Unfortunately, more than 87,000 students throughout the country are now having trouble making ends meet, balancing their checkbooks and getting a mortgage because they cannot consolidate their student loans. I think it is clear that Congress needs to take action and correct this problem. This bill will accomplish two things in regard to loan consolidation. First, it will allow them to consolidate their loans now. Second, it will level the playing field between our two distinct loan programs, allowing students more choices in dealing with their finances.

I would like to once again commend my colleagues and the committee staff

for their hard work and for addressing this issue quickly and in a timely bipartisan manner.

Mr. KILDEE. Madam Speaker, I yield myself such time as I may consume. I believe it is very important that we recognize the staff for their good, hard work that they put into this legislation. In particular, I want to thank Mr. David Evans, Mr. Mark Zuckerman, Ms. Sally Stroup, Mr. George Conant and Mr. Jeff Andrade for their efforts. Their work has been very, very helpful. They work back and forth between the chairman and I, and we certainly appreciate their efforts.

Mr. CUNNINGHAM. Mr. Speaker, I rise in strong support of H.R. 2535, the Emergency Student Loan Consolidation Act.

Millions of American college students and graduates depend on the Nation's student financial aid system to work reliably for them. Unfortunately, the bureaucracy at the U.S. Department of Education is letting down our students and graduates time and time again. And Congress must act to remedy the Clinton administration's failure.

The most recent problem is that the U.S. Department of Education's Direct Lending Consolidation Loan Program has collapsed. In August, it stopped accepting applications from students and graduates to consolidate their direct student loans. Loan consolidations allow students with multiple loans to simplify their finances by combining their many monthly loan payments into a single loan. Often, students can consolidate at a preferred rate that lowers their monthly payments. At the end of August, some 84,000 student borrowers found their consolidation applications delayed by as much as 10 months. And since then, when this crisis first broke, the U.S. Department of Education bureaucracy has made headway on a mere 12,000 consolidation applications.

In San Diego, this failure is having a significant and negative impact. We are working very hard to encourage young people to advance their education in institutions of higher learning. Our local, high technology economy depends on a growing stream of qualified graduates. But the failure of the direct lending consolidation system causes students to question whether their system will work for them. Is it causing students to reconsider whether they will pursue their college education? I hope not, but the failure of the U.S. Department of Education to keep its promises may cause people to make that decision. This collapse is forcing student borrowers to pay more, and undergo more hassle, for no good reason, just because the Clinton bureaucracy failed.

Now, what does this mean in practical terms for American student borrowers? Students typically participate in several student loan programs at once, as their education institutions prepare individual packages of financial aid involving grants and many types of loans. Simply put, thousands of American students and graduates are in a credit crunch. They expected consolidations that the Department's bureaucracy failed to deliver. They are having to make several student loan payments every month, instead of just one. They are paying higher rates of interest than they need to. In all the confusion, some students face damage to their credit ratings, jeopardizing their ability to buy a home or a car.

All of this has occurred because the bureaucratic U.S. Department of Education has failed to do its job, again.

One may reasonably ask: Can't students consolidate their loans elsewhere? The answer is that some can. But in 1993, the Clinton administration and the Democrat Congress passed a Washington-knows-best type of law. It requires students that use the Direct Lending Program—in which student loans are made directly by the U.S. Department of Education and not by private sources—to use only the U.S. Department of Education to consolidate their loans. Because educational institutions, not students, often make the choice in what loan programs to offer, this choice was not the students' to take. As a result, students whose schools are direct lending have simply been led off the edge of a cliff. And that's wrong.

The Clinton administration has failed to adequately remedy this situation. Congress must act. And we do today, by moving H.R. 2535.

H.R. 2535 simply allows direct lending borrowers to consolidate their loans using a private sector student loan provider. It was approved on a unanimous, bipartisan 43-0 vote in committee. And now, it falls to use in the House to promptly adopt their legislation today.

Mr. Speaker, the Clinton administration's U.S. Department of Education has time and time again let America's students and our children down. Its bureaucracy is failing our young people, burdening our schools with paperwork and needless regulation, and costing us too much money for too little good.

Let the record show that this Republican Congress will continue to fight for better education for our young people. We will work to bring accountability and good management to those programs that are important, and to eliminate wasteful programs that are failing. We will fight for the bottom line: better student achievement, better results, better teacher training, better technology, and less bureaucratic overhead. We have already made progress in this area by enacting HOPE scholarships and other incentives for citizens to expand their education, and by moving my 21st Century Classrooms Act to expand private investment of technology in our schools.

If we do nothing, our young people and our country will suffer. We can and will act. We will put our citizens, our students, and our children first—ahead of big government bureaucracy, ahead of the status quo special interests, and ahead of partisan political agendas. The American people demand nothing less. This Emergency Loan Consolidation Act is just one more step in our long journey forward.

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

Mr. MCKEON. Madam Speaker, I want to second the remarks of the gentleman from Michigan [Mr. KILDEE] in thanking the staff for their good work, especially on an emergency bill which takes very quick movement and good cooperation.

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

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the motion offered by the gentleman from California [Mr. MCKEON] that the House suspend the rules and pass the bill, H.R. 2535, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. McKEON. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2535.

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

There was no objection.

#### CARLOS J. MOORHEAD POST OFFICE BUILDING

Mr. MCHUGH. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 681) to designate the U.S. Post Office building located at 313 East Broadway in Glendale, CA, as the "Carlos J. Moorhead Post Office Building."

The Clerk read as follows:

H.R. 681

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. DESIGNATION.

The United States Post Office building located at 313 East Broadway in Glendale, California, shall be known and designated as the "Carlos J. Moorhead Post Office Building".

#### SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in section 1 shall be deemed to be a reference to the "Carlos J. Moorhead Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. MCHUGH] and the gentleman from Pennsylvania [Mr. FATTAH] each will control 20 minutes.

The Chair recognizes the gentleman from New York [Mr. MCHUGH].

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

Madam Speaker, H.R. 681 was introduced by the gentleman from Illinois [Mr. HYDE]. As has been noted, the legislation designates the U.S. Post Office building located at 313 East Broadway in Glendale, CA, as the Carlos J. Moorhead Post Office Building and honors a colleague with whom many of us in this body were very familiar.

Madam Speaker, though the sponsor of the bill, Mr. HYDE, is from Illinois, the measure did receive, as required by the committee rules, the support of the entire House delegation from the State of California, where the office is located, and many other friends and colleagues of Mr. Moorhead.

Madam Speaker, Mr. Moorhead, as we all know, represented and served in this body with distinction from 1972 until he retired in 1997. Mr. Moorhead was a member of the Committee on the Judiciary and then became chairman of

the Subcommittee on Courts and Intellectual Property. He is a native Californian, having been born in Long Beach and attending public school in Glendale, receiving a B.A. from UCLA and a J.D. from the University of Southern California School of Law in Los Angeles. Former Representative Moorhead is a veteran of World War II and a retired judge advocate lieutenant colonel.

Madam Speaker, I have a longer statement that I will submit for the RECORD. I will end my comments at this time by saying I am very pleased that the gentleman from Illinois [Mr. HYDE] has acted to honor a dear friend and a very distinguished colleague, Congressman Moorhead. Those of us who had the opportunity and the privilege of serving with him knew him as a hard-working legislator, an honorable man and a good friend. I think this is the kind of tribute that this House makes that is so appropriate and so fitting.

Madam Speaker, I reserve the balance of my time.

Mr. FATTAH. Madam Speaker, I yield myself such time as I may consume. Let me join with the gentleman from New York in support of this measure. I think it is appropriate and fitting that this House take notice of the fine work of our colleague in this manner. I want to congratulate the gentleman from Illinois [Mr. HYDE], the chairman of the Committee on the Judiciary, for offering this legislation.

Madam Speaker, I reserve the balance of my time.

Mr. MCHUGH. Madam Speaker, let me first acknowledge and express my appreciation to the ranking member, the gentleman from Pennsylvania, as always for his leadership and his assistance in this and all matters involving the subcommittee. I deeply appreciate his support and his hard work.

Madam Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. COBLE] for some comments about a friend and colleague.

Mr. COBLE. Madam Speaker, I thank the gentleman for yielding me this time. I also express my appreciation to the gentleman from Illinois [Mr. HYDE] of the Committee on the Judiciary for having introduced this bill and the committee of jurisdiction for having expeditiously handled it.

During my time in the Congress, a little over a decade now, I served with Carlos Moorhead and with the gentleman from Illinois [Mr. HYDE], the chairman, on the Committee on the Judiciary and served with Carlos Moorhead during the years that he was the ranking Republican and during the term when he served as chairman of the Subcommittee on Courts and Intellectual Property. Oftentimes, Madam Speaker, when one refers to a man, a male, a boy, or a man, as being gentle, sometimes that is perceived as being soft or being vulnerable. Carlos Moorhead was neither soft nor vulnerable, but he was, indeed, gentle. He was a

gentle man. He loved this House, and he loved the Committee on the Judiciary, and for that matter the Subcommittee on Courts and Intellectual Property.

I think it is very fitting, I say to those who have handled the bill and I say to my friend the gentleman from Illinois [Mr. HYDE], I think it is very fitting that this bill be introduced and enacted and that that Post Office in Glendale, I have never been to Glendale, CA, one day I may ride by there and look with pride as it, is identified as the Carlos J. Moorhead Building.

Mr. FATTAH. Madam Speaker, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Madam Speaker, being here on the floor, I would just like to rise and pay tribute to the distinguished past chairman and also pay tribute to the gentleman from Illinois [Mr. HYDE], the current chairman, for having brought this legislation. Mr. Moorhead was a great member, a good friend. He helped a lot of people like myself and others. I just want to rise and associate myself with the remarks of the previous speaker and add my little 2 cents in commending Mr. Moorhead and congratulating him on this.

Mr. MCHUGH. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. HYDE], the primary sponsor of this legislation, the distinguished chairman of the Committee on the Judiciary.

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

Mr. HYDE. I thank the gentleman for yielding me this time. Madam Speaker, I have a prepared statement here which I will try to get through, but I just want to say this. I, in a long life have never met a nicer person than Carlos Moorhead. He was a gentleman. He had a sense of patriotism. He loved this country, he loved the law, he loved the Committee on the Judiciary, and we loved him back.

Today I rise to pay tribute to a man who dedicated his professional life to the service of this country and to the people of California. Most Members are familiar with Congressman Moorhead who served this body with distinction until his retirement at the conclusion of the 104th Congress. He was born in Long Beach, CA. He was a veteran of World War II, a retired judge advocate lieutenant colonel. Carlos was first elected to Congress in 1972 to represent the 27th District of California, which includes his hometown of Glendale where this post office is located, along with Pasadena, Burbank, La Crescenta, and San Marino.

As a member of the Committee on the Judiciary and later chairman of the Subcommittee on the Courts and Intellectual Property, Carlos led some of the most controversial and important legislative debates that we have ever had in Congress. Throughout his 24 years of service to the people of California, Carlos typified the very best of what the House has to offer, vigorous