

my colleagues on both sides of the aisle to renew and extend our commitment to higher education.

By Mr. D'AMATO (for himself, Mr. FAIRCLOTH, Mr. BENNETT, Mr. SARBANES, Mr. DODD, Mr. KERRY, Mr. BRYAN, Mrs. BOXER, Ms. MOSELEY-BRAUN, Mr. JOHNSON and Mr. REED):

S. 562. A bill to amend section 255 of the National Housing Act to prevent the funding of unnecessary or excessive costs for obtaining a home equity conversion mortgage; to the Committee on Banking, Housing, and Urban Affairs.

THE SENIOR CITIZEN HOME EQUITY PROTECTION ACT

Mr. D'AMATO. Mr. President, I rise today to introduce legislation which will protect our Nation's senior citizens from exploitation by fraudulent operators who are manipulating the Department of Housing and Urban Development's [HUD] Federal Housing Administration [FHA] home equity conversion mortgage program.

I commend the cosponsors of this legislation and thank them for their support of this essential initiative: Senator LAUCH FAIRCLOTH; Senator ROBERT BENNETT; Senator PAUL SARBANES; Senator CHRISTOPHER DODD; Senator JOHN KERRY; Senator RICHARD BRYAN; Senator BARBARA BOXER; Senator MOSELEY-BRAUN; Senator TIM JOHNSON; and Senator JACK REED.

I am pleased to announce a bicameral, bipartisan response to this injustice. Identical companion legislation is being introduced today by Representative RICK LAZIO, chairman of the House Banking Subcommittee on Housing and Community Opportunity. I salute Congressman LAZIO for his swift response in condemning this outrageous practice and for proposing a legislative solution. I pledge to work side-by-side with him on this important issue until our companion bills become law.

This legislation has been endorsed by the administration. I would like to commend HUD Secretary Andrew Cuomo for recognizing this serious problem, bringing these abuses to our attention, and acting courageously to prohibit their continued occurrence.

The FHA home equity conversion mortgage program offers elderly homeowners the opportunity to borrow against the equity in their homes. This effective program assists our senior citizens who have substantial equity in their property but have incomes too low to meet ordinary or extraordinary living expenses. A program recipient can receive cash through this reverse mortgage in the following ways: a lifetime guaranteed monthly payment; a line of credit; a combination of monthly payment and line-of-credit options; or a lump sum. These mortgages are originated by FHA-approved lenders, insured by the FHA and purchased by the secondary mortgage market.

Since the program's inception, approximately 20,000 loans have been made. The median age of borrowers is 76 years old and the median income is

\$10,400. This reverse mortgage program represents an ideal public/private partnership in which needy, very-low income Americans are aided without cost to the Federal Government.

Unfortunately, unscrupulous middlemen, posing as service providers or estate planners have taken advantage of seniors by charging unnecessary and excessive fees to assist them in obtaining a home equity conversion mortgage. These predators have charged elderly homeowners fees ranging from 6 to 12 percent of the loan amount. In hundreds of cases, very low-income seniors have been manipulated into paying several thousand dollars in return for ministerial and often meaningless services. The Department of Housing and Urban Development provides information on applying for a reverse mortgage at no cost.

These abuses must be stopped at once. Such exploitation is absolutely unconscionable. The elderly who are being preyed upon are some of the most vulnerable in our society. Reverse mortgage proceeds are generally used by the homeowner to maintain a decent standard of living and pay for essentials like property taxes, medical bills, and groceries.

The legislation we are introducing today will assist HUD with its efforts to ensure that our senior citizens are protected. We must ensure that not even one recipient of a HUD reverse mortgage is charged any unnecessary or excessive costs for obtaining that mortgage.

The bill provides two important safeguards to achieve this purpose. First, it provides a requirement that the mortgagor has received a full disclosure of all costs of obtaining the mortgage, including any costs of estate planning, financial advice or other related services. Second, it clarifies that the HUD Secretary has authority to impose restrictions to ensure that the mortgagor is not charged any unnecessary or excessive costs for obtaining a reverse mortgage.

The legislation requires the HUD Secretary to implement the above described safeguards in an expeditious manner by interim notice. Within 90 days of the date of enactment of this Act, the Secretary shall issue final regulations after providing notice and opportunity for public comment. The terms of the interim notice shall not be effective after the final regulations are in place.

I urge all my colleagues to support this vital legislation and look forward to its speedy passage by the Senate. The Senate, the House of Representatives and the administration must work together quickly to ensure that our Nation's most vulnerable homeowners are no longer victimized.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 562

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Senior Citizen Home Equity Protection Act".

SEC. 2. DISCLOSURE REQUIREMENTS; PROHIBITION OF FUNDING OF UNNECESSARY OR EXCESSIVE COSTS.

Section 255(d) of the National Housing Act (12 U.S.C. 1715z-20(d)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (B), by striking "and" at the end;

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following:

"(C) has received full disclosure of all costs to the mortgagor for obtaining the mortgage, including any costs of estate planning, financial advice, or other related services, and";

(2) in paragraph (9)(F), by striking "and";

(3) in paragraph (10), by striking the period at the end and inserting "; and"; and

(4) by adding at the end the following:

"(11) have been made with such restrictions as the Secretary determines to be appropriate to ensure that the mortgagor does not fund any unnecessary or excessive costs for obtaining the mortgage, including any costs of estate planning, financial advice, or other related services."

SEC. 3. IMPLEMENTATION.

(a) NOTICE.—The Secretary of Housing and Urban Development shall, by interim notice, implement the amendments made by section 2 in an expeditious manner, as determined by the Secretary. Such notice shall not be effective after the date of the effectiveness of the final regulations issued under subsection (b).

(b) REGULATIONS.—The Secretary shall, not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, issue final regulations to implement the amendments made by section 2. Such regulations shall be issued only after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2) and (b)(B) of such section).

ADDITIONAL COSPONSORS

S. 197

At the request of Mr. ROTH, the name of the Senator from Kansas [Mr. BROWNBACK] was added as a cosponsor of S. 197, a bill to amend the Internal Revenue Code of 1986 to encourage savings and investment through individual retirement accounts, and for other purposes.

S. 257

At the request of Mr. LUGAR, the names of the Senator from Illinois [Ms. MOSELEY-BRAUN] and the Senator from Illinois [Mr. DURBIN] were added as cosponsors of S. 257, a bill to amend the Commodity Exchange Act to improve the Act, and for other purposes.

S. 302

At the request of Mr. CHAFEE, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 302, a bill to amend title XVIII of the Social Security Act to provide additional consumer protections for Medicare supplemental insurance.

S. 318

At the request of Mr. D'AMATO, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of S. 318, a bill to amend the Truth in Lending Act to require automatic cancellation and notice of cancellation

rights with respect to private mortgage insurance which is required by a creditor as a condition for entering into a residential mortgage transaction, and for other purposes.

S. 356

At the request of Mr. GRAHAM, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 356, a bill to amend the Internal Revenue Code of 1986, the Public Health Service Act, the Employee Retirement Income Security Act of 1974, the title XVIII and XIX of the Social Security Act to assure access to emergency medical services under group health plans, health insurance coverage, and the Medicare and Medicaid Programs.

S. 370

At the request of Mr. GRASSLEY, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 370, a bill to amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for nurse practitioners and clinical nurse specialists to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 371

At the request of Mr. GRASSLEY, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 371, a bill to amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 492

At the request of Mr. SARBANES, the names of the Senator from Washington [Mrs. MURRAY], the Senator from Maryland [Ms. MIKULSKI], the Senator from Hawaii [Mr. INOUE], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 492, a bill to amend certain provisions of title 5, United States Code, in order to ensure equality between Federal firefighters and other employees in the civil service and other public sector firefighters, and for other purposes.

S. 494

At the request of Mr. KYL, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 494, a bill to combat the overutilization of prison health care services and control rising prisoner health care costs.

S. 509

At the request of Mr. BURNS, the name of the Senator from Wyoming [Mr. ENZI] was added as a cosponsor of S. 509, a bill to provide for the return of certain program and activity funds rejected by States to the Treasury to reduce the Federal deficit, and for other purposes.

S. 511

At the request of Mr. CHAFEE, the name of the Senator from Missouri

[Mr. BOND] was added as a cosponsor of S. 511, a bill to require that the health and safety of a child be considered in any foster care or adoption placement, to eliminate barriers to the termination of parental rights in appropriate cases, to promote the adoption of children with special needs, and for other purposes.

S. 525

At the request of Mr. KENNEDY, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 525, a bill to amend the Public Health Service Act to provide access to health care insurance coverage for children.

At the request of Mr. BENNETT, his name was withdrawn as a cosponsor of S. 525, supra.

S. 528

At the request of Mr. CAMPBELL, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of S. 528, a bill to require the display of the POW/MIA flag on various occasions and in various locations.

S. 537

At the request of Ms. MIKULSKI, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 537, a bill to amend title III of the Public Health Service Act to revise and extend the mammography quality standards program.

SENATE JOINT RESOLUTION 11

At the request of Mr. LOTT, the name of the Senator from Michigan [Mr. ABRAHAM], the Senator from Missouri [Mr. ASHCROFT], the Senator from Mississippi [Mr. COCHRAN], the Senator from Texas [Mrs. HUTCHISON], and the Senator from Florida [Mr. MACK] were added as cosponsors of Senate Joint Resolution 11, a joint resolution commemorating "Juneteenth Independence Day," June 19, 1865, the day on which slavery finally came to an end in the United States.

At the request of Mr. KOHL, his name was added as a cosponsor of Senate Joint Resolution 11, supra.

SENATE CONCURRENT RESOLUTION 13

At the request of Mr. SESSIONS, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Concurrent Resolution 13, a concurrent resolution expressing the sense of Congress regarding the display of the Ten Commandments by Judge Roy S. Moore, a judge on the circuit court of the State of Alabama.

SENATE RESOLUTION 69

At the request of Mr. MCCAIN, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of Senate Resolution 69, a resolution expressing the sense of the Senate regarding the March 30, 1997, terrorist grenade attack in Cambodia.

AMENDMENT NO. 27

At the request of Mr. COVERDELL his name was added as a cosponsor of Amendment No. 27 proposed to S. 104, a bill to amend the Nuclear Waste Policy Act of 1982.

SENATE CONCURRENT RESOLUTION 20—RELATIVE TO THE INVESTIGATION OF THE BOMBING OF THE ISRAELI EMBASSY IN BUENOS AIRES IN 1992

Mr. BROWNBACK (for himself, Mr. ROBB, Mr. HELMS, and Mr. BIDEN) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 20

Whereas on March 17, 1992, the Israeli Embassy in Buenos Aires, Argentina, a school, and several nearby buildings were destroyed by a powerful suicide car bomb blast in which 29 innocent children, women, and men lost their lives and an additional 252 innocent people were injured;

Whereas the victims of this terrorist attack included employees of the Israeli embassy and their families, children from a nearby Roman Catholic primary school, women and men from a nearby Roman Catholic church shelter, a Roman Catholic priest, and people from across the spectrum of Argentine society;

Whereas Argentina's Jewish community, which numbers 300,000 and is the largest Jewish community in Latin America, has suffered severe anti-Semitism during periods of military rule and feels particularly vulnerable to assault from certain radical Islamic groups and from indigenous far right extremists in Argentina;

Whereas Islamic Jihad claimed responsibility for the bombing of the Israeli Embassy and praised the name of the alleged suicide bomber, Abu Yasser, by calling him a "martyr struggler";

Whereas Islamic Jihad is a terrorist organization that is supported by Iran and, according to Department of State officials, Iranian diplomats collected information to plan the bombing;

Whereas the failure of Argentine and international efforts to bring the perpetrators of the embassy bombing to justice made Argentina a prime target for a second devastating terrorist attack on July 18, 1994;

Whereas the second bombing destroyed the Asociacion Mutual Israelita Argentina (AMIA) Jewish Community Center, killing 86 people and injuring over 200 people; and

Whereas the investigation of the Israeli Embassy bombing has been hampered by the inefficiency of having the entire membership of the Supreme Court of Argentina in charge of the investigation: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) notes that as of March 17, 1997, 5 years after the bombing of the Israeli Embassy and 2½ years after the bombing of the AMIA Jewish Community Center, Argentinean police and judicial authorities have not identified and initiated prosecution of the perpetrators of these 2 barbarous acts of terrorism;

(2) urges the Supreme Court of Argentina to designate a single investigative judge to conduct the investigation of the terrorist bombing of the Israeli Embassy in order to improve the efficiency of the inquiry;

(3) urges Argentinean judicial authorities to aggressively investigate the bombing of the AMIA Jewish Community Center and the possible connection between that bombing and the bombing of the Israeli Embassy in Buenos Aires;

(4) urges Argentinean authorities to acknowledge publicly the reports submitted by Argentinean, United States, and Israeli experts, that the explosion at the Israeli Embassy took place outside the walls of the embassy;