

The Food and Drug Administration ensures that whether a consumer uses a drug by its brand name, such as Zantac, or a drug that goes by the generic name, such as Ranitidine, they will receive the same active ingredients and the same health benefits. To quote FDA Commissioner Jane Henney, "If the FDA declares a generic drug to be therapeutically equivalent to an innovator drug, the two products will provide the same intended clinical effect."

This is important, Mr. Speaker, because if we ever hope to bring health care inflation under control, we have to understand that brand drugs and generic drugs are truly interchangeable. Through greater use of high quality, less costly generic drugs, we can have truly affordable and effective medicine.

If we check our medicine cabinets, we find that there are more affordable generics available for many of these expensive prescriptions.

#### ADMINISTRATION HAS FAILED TO RESOLVE OIL CRISIS

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, first let me say the Federal Reserve has done a great job in keeping our economy strong and growing. Unfortunately, the Clinton-Gore administration's lack of a coherent energy policy threatens that very economic prosperity.

As I speak, fuel prices around the Nation and around the world are skyrocketing as the price of oil tops \$37 per barrel. Rising fuel prices affect every sector of the economy and eventually every American.

Airlines are increasing fares; truckers, who deliver our food, medicine, and virtually everything else are straining to meet their contractual obligations and pay for fuel that is now costing an average of \$1.62 cents a gallon. As consumer prices rise, consumer spending will decrease, leading to sluggish sales, larger inventories and slower growth.

So, Mr. Speaker, what is the administration's answer to the pending crisis? Well, instead of using the 8 years they had in office to develop an energy policy which would have prevented this crisis, the Clinton-Gore administration squandered those opportunities and now is only offering last-minute solutions, like begging Saudi Arabia to increase oil production.

For an administration that has not been ashamed to take all the credit for the current economy, I hope they do as much to solve this crisis than just admit, as they did in the spring, that they fell asleep at the switch.

#### BLUE RIBBON PANEL SHOULD BE FORMED TO PROTECT RIGHTS AND LIBERTIES OF ALL AMERICAN CITIZENS

(Mr. GEORGE MILLER of California asked and was given permission to ad-

dress the House for 1 minute and to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, at the time that Wen Ho Lee was first arrested, I met with the Chinese-American Political Association of the greater San Francisco Bay area. Many in that community raised their concerns that he was the target of selective prosecution, of racial profiling, and prosecutorial abuse. As we now see, as that case has started to come to a conclusion with the plea bargain, in fact many of the concerns raised by the Chinese community turned out to be true.

All Americans should be deeply disturbed by the prosecutorial abuse that was raised in this case and used against Wen Ho Lee. This does not suggest that Wen Ho Lee did not have some serious transgressions of the current law and policy, but what his government did to him should cause concern by all Americans.

All Americans are entitled to an impartial review of the actions by all parties to that prosecution. Unfortunately, the congressional committees, the FBI, the intelligence agencies, and all the rest participated in the feeding frenzy at the time of the arrest.

I think maybe we ought to have a national, impartial blue ribbon commission to look at the Wen Ho Lee case and see how we can better safeguard the rights and liberties of all American citizens.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LINDER). Pursuant to the provisions of clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on motions 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 6 of rule XX.

Any record vote on the Debt Relief and Retirement Security Reconciliation Act of 2000, together with such other votes as may have been postponed to that point, will be taken after the debate has concluded on that motion.

Record votes on remaining motions to suspend the rules will be taken later today.

#### APPOINTMENT OF CONFEREES ON H.R. 4919, SECURITY ASSISTANCE ACT OF 2000

Mr. GILMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4919) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to make improvements to certain defense and security assistance provisions under those Acts, to authorize the transfer of naval vessels to certain foreign countries, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment,

and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York? The Chair hears none and, without objection, appoints the following conferees:

Messrs. GILMAN, GOODLING, and GEJDENSON.

There was no objection.

#### FHA DOWNPAYMENT SIMPLIFICATION EXTENSION ACT OF 2000

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (5193) to amend the National Housing Act to temporarily extend the applicability of the downpayment simplification provisions for the FHA single family housing mortgage insurance program, as amended.

The Clerk read as follows:

H.R. 5193

*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 "FHA Downpayment Simplification Extension Act of 2000".

##### SEC. 2. EXTENSION OF APPLICABILITY OF DOWNPAYMENT SIMPLIFICATION PROVISIONS.

Subparagraph (A) of section 203(b)(10) of the National Housing Act (12 U.S.C. 1709(b)(10)(A)) is amended by striking "executed for insurance in fiscal years 1998, 1999, and 2000" and inserting "closed on or before October 30, 2000".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAFALCE) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

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

Mr. Speaker, H.R. 5193, the FHA Downpayment Simplification Extension Act of 2000 would extend existing statutory provisions in the National Housing Act that provides for the manner and method of calculating downpayments by new homeowners closing on mortgage loans insured by the Federal Housing Administration.

This simplification is merely a technical change that rewrites and clarifies downpayment requirements that, over time, have been amended in such a manner that are now unclear and difficult to understand. A simplified or streamlined method would provide savings to homebuyers and a calculation method uniformly understood by the mortgage industry and consumers.

This calculation method would reduce from a three-tiered approach to a two-tiered approach. Its effect would also decrease the amount of downpayments necessary. For example, this streamlined approach will save borrowers of a typical \$150,000 home loan approximately \$1,000 to \$2,000 at closing.

In the 105th Congress this body passed similar legislation. Originally,

the legislation was extended through a demonstration project to Hawaii and Alaska. In last year's VA-HUD appropriations act, this body extended the legislation to the rest of the country.

The current legislation will expire September 30. This bill's extension through October 30 accomplishes two goals. First, the extension will allow this committee more time to complete its work and pass the comprehensive housing conference report on H.R. 1776, the American Homeownership and Economic Opportunity Act of 2000. H.R. 1776 overwhelmingly passed the House on April 6 by a 417 to 8 vote and includes permanent authorization to simplify the manner of FHA downpayment calculations.

Secondly, and more important, this extension will eliminate any confusion that now exists in the mortgage finance market for the next few weeks where some borrowers would face uncertain downpayments requirements at closing.

Let me close by stressing that the extension of a technical change to the law reflects sound policy and allows creditworthy families greater homeownership opportunities.

I would also like particularly to express my appreciation for the work of the gentleman from New York (Mr. LAZIO), the gentleman from California (Mr. KUYKENDALL), and the gentleman from New York (Mr. LAFALCE) for their leadership in this area.

Mr. Speaker, I am submitting for the RECORD a letter received in support of this legislation by the National Association of Home Builders.

NATIONAL ASSOCIATION OF HOME BUILDERS,

Washington, DC, September 18, 2000.

DEAR REPRESENTATIVE: On behalf of the 200,000 members of the National Association of Home Builders, I am writing to express our support for H.R. 5193, the "FHA Downpayment Simplification Extension Act," which is scheduled to come before the full House of Representatives tomorrow under suspension of the rules. The bill provides a fifteen-day extension of the Federal Housing Authority's (FHA) downpayment simplification. We very much appreciate your consideration of our views.

NAHB is very supportive of FHA's downpayment simplification process. It has been hugely successful in enabling more low-income households to purchase their first home. Given such successes, we support Congress' action to provide a short-term extension until a more appropriate venue—namely through the authorization process—may be utilized and further, that at that time, the downpayment simplification be made permanent.

The simplification is a technical change that rewrites and clarifies downpayment requirements, that over time had been amended in such a manner that makes them unclear and difficult to understand. A simplified or streamlined method provides savings to the homebuyer and a calculation method uniformly understood by the mortgage industry and consumers. This calculation method is reduced from a three-tiered approach to a two-tiered approach. Its effect decreases the amount of downpayments necessary where the borrower is otherwise creditworthy.

Finally, as you may be aware, the issue of extending the FHA downpayment simplification is addressed in H.R. 1776, the "American Homeownership and Economic Opportunity Act," which passed in the U.S. House of Representatives on April 6, 2000 by an overwhelming and bipartisan vote of 417 to 8. Considering the strong support of this housing proposal within the House of Representatives, we continue to urge the Senate to consider H.R. 1776 and either bring it to the floor for a vote, or move to a formal conference with S. 1452, the Senate's manufactured housing legislation as soon as possible.

Thank you for the opportunity to express our views on this important housing issue. We appreciate your continued support for the home building industry and look forward to working with you during the remaining days of the 106th Congress, and into the 107th Congress, as we seek to provide safe, affordable housing for all Americans.

Sincerely,

WILLIAM P. KILLMER.

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

Mr. LAFALCE. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of this bill.

Mr. Speaker, I strongly support this 30-day technical extension of the FHA downpayment simplification formula. The bill makes sure that in the event of a VA-HUD appropriations bill not being signed into law by October 1, that FHA borrowers and lenders may continue to use the current simplified downpayment formula in anticipation of a permanent biennial or annual extension of this formula.

This bill is the second development over the last few months which clearly illustrates the folly of the current approach of interim extensions of the FHA downpayment simplification formula. Two years ago, Congress applied this formula nationwide to all 50 States for a period of 2 years ending October 1 of this year. Yet just a few months ago, confusion set into the mortgage markets as many lenders were concerned about the technical language of the 2-year application; whether the effective cutoff date was the day a loan closed or the day that HUD insured it.

□ 1030

We were in the ridiculous situation in which lenders all over the country might have had to revert to the old formula for a month or two, potentially raising down payment levels, creating confusion, and killing home purchases.

Fortunately, both congressional leaders and HUD concurred that Congress' intent was to refer to the closing date and HUD issued a clarification to that effect, and today's bill explicitly uses this approach.

The second development is today's bill, which highlights the possibility that we will not enact a VA-HUD bill by October 1. This once again raises the very real possibility that an interim extension for down payment simplification could expire unintentionally.

The obvious conclusion is that anything less than a permanent extension of the down payment formula runs the

risk that we will be in the same position a year or so from now, facing expiration of the new formula.

Moreover, the approach of a permanent extension was taken in H.R. 1776, the homeownership bill, which passed the House earlier this year. This approach of a permanent extension was taken with overwhelming bipartisan support.

So I think our course should be clear. We should make this formula permanent through whatever legislative vehicle is available in the next few weeks.

Unfortunately, there is a real risk that through inadvertence the down payment simplification formula could lapse for an extended period of time, thereby forcing FHA borrowers and lenders to revert to the old, confusing, anti-consumer formula. This risk was highlighted by an action the other body took last week where a 1-year extension of the down payment formula was put into the VA-HUD bill in subcommittee but then was inexplicably stripped by the majority in full committee.

Thus, the real risk is that, as we simultaneously consider both the fiscal year 2001 VA-HUD appropriations bill and potentially a conference on H.R. 1776, down payment simplification could fall through the cracks, especially in the confusion of the last week or so of this Congress.

That would be a terrible result for the hundreds of thousands of home buyers that use FHA.

Therefore, I ask the chairman of our Committee on Banking and Financial Services that, however these various bills are considered, that we work to ensure that down payment simplification either permanently, as in H.R. 1776, or as an extension, is included in some bill that the President signs into law. And if it is an extension, I hope it will be a long-term extension, although I support the 30-day in today's bill.

Mr. LEACH. Mr. Speaker, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Speaker, let me say to the gentleman, I concur in everything the gentleman has just said, and it is one of the reasons I am so strongly supportive of getting H.R. 1776 made into public law.

Mr. LAFALCE. Mr. Speaker, reclaiming my time, I thank the Chair for changing this bill from 15 days to 30 days.

Mr. LEACH. Mr. Speaker, if the gentleman will continue to yield, in any regard, I will say to the gentleman that the scenario that he has laid out of possible problems is a credibly unfortunate scenario that could occur, and it is the intent of the Chair to be as vigilant as possible to ensure that it does not occur.

Mr. LAFALCE. Mr. Speaker, I thank the chairman of the committee, and I thank the chairman of the full committee for their comments. I ask all to support this bill.

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

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

The SPEAKER pro tempore (Mr. LINDER). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 5193, 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. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and that I may include extraneous material on H.R. 5193.

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

There was no objection.

#### HOMEOWNERS FINANCING PROTECTION ACT

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3834) to amend the rural housing loan guarantee program under section 502(h) of the Housing Act of 1949 to provide loan guarantees for loans made to refinance existing mortgage loans guaranteed under such section, as amended.

The Clerk read as follows:

H.R. 3834

*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 "Homeowners Financing Protection Act".

#### SEC. 2. GUARANTEES FOR REFINANCING LOANS.

Section 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h)) is amended by adding at the end the following new paragraph:

"(13) GUARANTEES FOR REFINANCING LOANS.—Upon the request of the borrower, the Secretary shall, to the extent provided in appropriation Acts, guarantee a loan that is made to refinance an existing loan that is made under this section or guaranteed under this subsection, and that the Secretary determines complies with the following requirements:

"(A) INTEREST RATE.—The refinancing loan shall have a rate of interest that is fixed over the term of the loan and does not exceed the interest rate of the loan being refinanced.

"(B) SECURITY.—The refinancing loan shall be secured by the same single-family residence as was the loan being refinanced, which shall be owned by the borrower and occupied by the borrower as the principal residence of the borrower.

"(C) AMOUNT.—The principal obligation under the refinancing loan shall not exceed an amount equal to the sum of the balance of the loan being refinanced and such closing costs as may be authorized by the Secretary, which shall include a discount not exceeding

2 basis points and an origination fee not exceeding such amount as the Secretary shall prescribe.

The provisions of the last sentence of paragraph (1) and paragraphs (2), (5), (6)(A), (7), and (9) shall apply to loans guaranteed under this subsection, and no other provisions of paragraphs (1) through (12) shall apply to such loans."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAFALCE) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

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

Mr. Speaker, H.R. 3834, the Homeowners Financing Protection Act, would allow borrowers under the Rural Housing Service (RHS) single-family program to refinance their mortgages to take advantage of lower interest rates with new RHS-guaranteed loans.

Under the current law, RHS borrowers, under the direct or guarantee program, are precluded from refinancing their existing loan with a new RHS-guarantee loan. This anomaly affects low- and very-low-income families who originally qualified for RHS direct mortgage loans.

While the direct loans were meant to provide temporary credit in some circumstances, borrowers were unable to successfully apply for mortgage credit without a government guarantee even though their financial condition had modestly improved.

H.R. 3834 would remove the statutory prohibition from refinancing direct single-family housing loans using the guaranteed program. According to the General Accounting Office, as of May 31, 2000, approximately 9,100 RHS loans exist with an interest rate of 13 percent or higher; 65,000 loans exist with an interest rate of at least 9½ percent. It is clear that these borrowers would benefit from refinancing using the guaranteed program by lower interest rates and, therefore, lower monthly payments.

At the same time, the Federal Government would maximize its resources by providing a more cost-efficient mechanism to ensure homeownership for those sectors of our community that are unable to obtain private-sector financing and insurance.

In conclusion, I would like to thank my friend and colleague, the gentleman from New York (Mr. LAZIO), who is chairman of the subcommittee, the gentleman from Nebraska (Mr. BEREUTER), the gentleman from New York (Mr. LAFALCE), and particularly the gentleman from New Jersey (Mr. ANDREWS) for their work in this area.

CBO has advised the committee that the bill is budget neutral.

Mr. Speaker, I include for the RECORD the following letter from the Housing Assistance Council:

HOUSING ASSISTANCE COUNCIL,  
Washington, DC, August 18, 2000.

Representative RICK LAZIO,  
Chairman, Subcommittee on Housing and Community Opportunity, U.S. House of Representatives, Washington, DC.

Attn: Joe Ventrone & Clinton Jones

Re: Title V Rural Housing

DEAR CHAIRMAN LAZIO: The Housing Assistance Council (HAC) writes you to support a proposal by Rep. Robert E. Andrews to amend Section 502(g) to permit refinancing of certain Rural Housing Service (RHS) direct loans with guarantees under Section 502(h) in Title V in the Housing Act of 1949. Currently, there is no refinancing authority for the 502 loan guarantees. Rep. Andrews' request is supported by a General Accounting Office report, "Shift to Guaranteed Program Can Benefit Borrowers and Reduce Government Exposure" (GAO/RCED/ALMD-95/63). We are informed that a change could possibly be moved on the suspension calendar.

HAC earlier responded favorably to the GAO report in a letter to Associate Administrator Czerwinski. We believe that the issue is one that should be addressed by Congress and can be done with very little budget impact. The adversely affected families now have higher incomes and can afford payments at current market rates, but are trapped in a situation not foreseen when the legislation was enacted, and which is beyond their control. It is difficult to justify interest payments to the government at rates up to 13 percent when private market rates are so much lower. The affected families had low incomes when RHS helped them attain home ownership. The very program which once helped them now causes them to make excessive mortgage payments.

It is our opinion that mitigating this problem is the right thing for the government to do and that the issue is not partisan in nature. We urge you to include a corrective amendment in legislation you may be developing which includes, or can include, Title V rural housing additions or changes.

Sincerely,

MOISES LOZA,  
Executive Director.

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

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

Mr. Speaker, I rise in support of H.R. 3834, the Homeowners Financing Protection Act, and I pay particular attention and give particular credit to the gentleman from New Jersey (Mr. ANDREWS) for highlighting this difficulty for the Congress and for initiating legislative action on this bill.

The bill gives homeowners with existing Rural Housing Service guaranteed and direct single-family loans the opportunity to refinance such loans under the RHS guaranteed loan program.

Permitting such loans would enable homeowners with high interest-rate mortgage loans, in some cases as high as 13.5 percent, to lower mortgage rates and therefore their monthly mortgage payments by a substantial amount.

This is also good for the Federal Government since reduced mortgage payments reduce the default risk on such loans, thereby reducing the risk of foreclosure and payout by the Federal Government.

The bill is drafted with a number of protections for both the homeowner