

*Estimated impact on the private sector**Mandates*

H.R. 333 would impose new private-sector mandates on bankruptcy attorneys, creditors, bankruptcy petition preparers, debt-relief agencies, and credit and charge-card companies. Consumer bankruptcy attorneys would be required to make reasonable inquiries to confirm that the information in documents they submit to the court or to the bankruptcy trustee is well grounded in fact. Creditors would be required to make disclosures in their agreements with debtors and provide certain notices to courts and debtors. Bankruptcy petition preparers and debt-relief agencies would also be required to provide certain notices to debtors. Credit and charge-card companies would be required to disclose specified information in monthly billing statements, new account introductory rate offers, and internet-based solicitations. CBO estimates that the direct costs of these mandates would exceed the annual threshold established by UMRA (\$109 million in 2000, adjusted annually for inflation).

Section 102 of the bill would make bankruptcy attorneys liable for misleading statements and inaccuracies in schedules and documents submitted to the court or to the trustee. To avoid sanctions and potential civil penalties, attorneys would need to verify the information given to them by their clients regarding the list of creditors, assets and liabilities, and income and expenditures. Completing a reasonable investigation of debtors' financial affairs and, for chapter 7 cases, computing debtor eligibility, would require attorneys to expend additional effort. Information from the American Bar Association indicates that this requirement would increase attorney costs by \$150 to \$500 per case. Based on the 1.59 million projected filings under chapter 7 (liquidation) and chapter 13 (rehabilitation), CBO estimates that the direct cost of complying with this mandate would be between \$240 million and \$790 million in fiscal year 2002. With a rise in projected filings over the next three years, annual direct costs would reach a peak in fiscal year 2004 at between \$280 million and \$950 million and remain in that range through fiscal year 2006. The additional costs for attorneys would most likely be passed on to debtors.

The bill would require certain notices to be disclosed as part of the bankruptcy process. Section 203 of the bill would require a creditor with an unsecured consumer debt seeking a reaffirmation agreement with a debtor to provide certain disclosures. The agreement reaffirms the debt discharged in bankruptcy between a holder of a claim and the debtor.

These disclosures must be made clearly and conspicuously in writing and include certain advisories and explanations. The required disclosures could be incorporated into existing standard reaffirmation agreements. Section 221 would require bankruptcy petition preparers who are not attorneys to give the debtor written notice explaining that the preparer may not provide legal advice. Section 228 would require a debt-relief agency providing bankruptcy assistance to an assisted person to give certain written notices to the person and to execute a written contract. Such agencies also would be required to supply certain advisories and explanations regarding the bankruptcy process. Most attorneys and debt-relief counselors currently provide similar information. Based on information from bankruptcy practitioners, CBO estimates that the direct costs of complying with these mandates would fall well below the annual threshold established by UMRA.

H.R. 333 also requires credit lenders to provide additional disclosures to consumers. Credit and charge-card companies would be required to include certain disclosures in billing statements with respect to various open-end credit plans regarding the disadvantages of making only the minimum payment. Other disclosures would be required to be included in application and solicitation materials involving introductory rate offers, internet-based credit card solicitations, and for late payment deadlines and penalties. Based on information from credit lenders, CBO estimates that the direct costs of these disclosure requirements would fall below the annual threshold.

Other impacts

H.R. 333 also contains many provisions that would benefit creditors. Most significant for creditors are provisions that would shift debtors from chapter 7 to chapter 13 and provisions that would expand the types of debts that would be nondischargeable. By expanding the types of debts that are nondischargeable, some creditors would continue to receive payments on debts that would be discharged under current law. Means-testing in the bankruptcy system would result in more individuals being required to seek relief under chapter 13 rather than chapter 7. Because chapter 13 requires debtors to develop a plan to repay creditors over a specified period, the total pool of funds available for distribution for creditors would likely increase. As long as the likelihood of repayment by debtors and the pool of funds increases by an amount greater than the cost to creditors of administering the new bankruptcy code, creditors would be made better off under the bill.

Under UMRA, duties arising from participation in voluntary federal programs are not mandates. The bankruptcy process is largely voluntary for debtors, and debtor-initiated bankruptcies are equivalent to participation in a voluntary federal program. Consequently, new duties imposed by the bill on individuals who file as debtors do not meet the definition of private-sector mandates, and additional cost for debtors would not be counted as direct costs for purposes of UMRA.

Estimate prepared by: Federal Costs: Lanette J. Walker and Ken Johnson; Revenues: Erin Whitaker; Impact on State, Local, and Tribal Governments: Shelley Finlayson; Impact on the Private Sector: Paige Piper/Bach.

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THE DECEPTIVE STORM OF GREED
AND PETTINESS

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 2001

Mr. OWENS. Mr. Speaker, In his inaugural address President Bush left us with one profound image: the specter of an "Angel in the Whirlwind" guiding the fate of our nation. Democracy in America has survived and expanded despite the numerous whirlwinds and storms. At several critical periods our ship of state could have been blown off course and been wrecked on the rocks: from the challenges of Aaron Burr and Jefferson Davis, to the grabbing greed which spawned the de-

pression and the racist totalitarian threat of Hitler's Nazism. Always, in the past, the churning American political process has produced the leadership capable of conquering crises. But now we are confronted with a new kind of subtle and invisible emergency. We are confronting an enemy that has no guns. Internal smugness, arrogance, and the lack of empathy and compassion are attacking the moral spinal cord of the nation. In a previous inaugural address President Clinton correctly identified America as the "indispensable nation." Will the "Angel in the Whirlwind" guide us to new leaders who will know how to use our great wealth and power to fulfill this mission? At critical and pivotal points in our past, that great "Angel in the Whirlwind" has delivered saviors: Thomas Jefferson with his bold ideas and actions; Abraham Lincoln, frontier toughness with compassion far beyond any of his peers; Franklin Roosevelt with the vision and decisiveness that ended depression hardships and defeated Hitler. Now prosperity has brought the United States to a different kind of pivotal point in history. The question is, shall a nation with the unprecedented means to enhance survival and the resources to facilitate a less difficult pursuit of happiness for all of its people; shall such a nation at this critical moment choke on its own pettiness and greed thus rendering itself morally disabled forever. We pray for deliverance by the "Angel in the Whirlwind."

ANGEL IN THE WHIRLWIND

Angel in the whirlwind,
Tell us where you've been;
Come steer us through the storm,
Halt all this public sin.
Angel in the whirlwind
Blow forth great truths;
All men are born equal,
Some men die great;
Profiles in courage
Never come too late.
Lincoln in the whirlwind
Blew powerful justice down;
Emancipation proclamation,
Magnificent sensation,
Plain ordinary people
Transformed to noble creations.
Sailors in the whirlwind
Forsake all ease,
Typhoons still lurk near,
Patriots must not fear.
Angel in the whirlwind,
Jefferson at your side,
Ships ashore at Normandy,
In every boat you ride,
Protect our future fate,
Martin King's posterity
Is waiting at the gate.
Angel in the whirlwind
Wrestle with the terror:
Tornado twisted greed;
Volcanoes belching
Ashes of indifference;
Human kind's highest hope
Strangling on a golden rope;
Merciful empire
That might've been,
Critically infected now
By the virus of public sin;
Giant graves reserved for midget men.
Angel in the whirlwind
Stay to save the brave and free,
Bring back judicial integrity,
Point us toward eternity,
Come steer us through new storms,
Angel in the whirlwind.

PERSONAL EXPLANATION

HON. ROGER F. WICKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 2001

Mr. WICKER. Mr. Speaker, on Rollcall No. 16 Tuesday, February 27, I was detained due to being with the official delegation honoring the 10th anniversary of the liberation of Kuwait. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 2001

Mr. PALLONE. Mr. Speaker, on Rollcall No. 16, H. Con. Res. 39, Tuesday February 27, 2001, had I been present, I would have voted "yea."

PRASAD CHILDREN'S HEALTH PROGRAM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 2001

Mr. GILMAN. Mr. Speaker, February has been Children's Health Month. Today, on the last day of the month, it is an appropriate time to reflect on how important the health of our young people is to the future of our Nation. A strong, vibrant citizenry is the very keystone to our future. Today, in the wealthiest economy in the history of the world, there is no excuse to put the health of our boys and girls on the back burner.

I have been made familiar with a program which performs such exemplarily health service that it is an appropriate model for health programs throughout the United States.

The PRASAD Children's Dental Health Program (CDHP) voluntarily serves all the young people in Sullivan County, New York. It provides health education, fluoride with parental consent, and restorative care through a mobile clinic that travels to every school district in Sullivan County.

The outstanding volunteers of PRASAD Children's Dental Health Program go into the schools to educate the children, provide free

toothbrushes, and help fight the scourge of tooth decay and gum disease.

The program is targeted to children who qualify for the free lunch program, have Medicaid or Child Health Plus for their insurance, or who have no dental insurance. The health education and fluoride prevention aspects of the program are available to all children, regardless of parental income.

PRASAD CDHP has been in existence for five years and is supported wholly with private donations.

Mr. Speaker, tooth and gum disease is the number one chronic health problem of children in our nation. It is five times more common than asthma, and seven times more common than hay fever. It is estimated that 18 million school hours are lost each year by children due to dental problems.

I am greatly impressed by the outstanding service performed by the PRASAD Children's Dental Health Program. Dyan Campbell who is the national Program Director, is seeking the wherewithal to expand the program nationwide. I believe that Ms. Campbell and her program are deserving of our support and our kudos.

Mr. Speaker, I invite all of our colleagues to join with me in saluting this truly outstanding program—a role model for our nation's children's dental health.