are a problem in our society, when in reality it is the mixing of many cultures that make this Nation strong.

As minorities grow in numbers and influence our country, we have not forgotten our roots or the pain or discrimination of being ignored or left behind. Minorities seek and demand the same high quality education as the rest of the society. This exclusionary action lessens the quality and promotes ignorance.

I join my fellow colleagues today to let our voice be heard, our presence be known.

SEPARATE BUT EQUAL IS NOT ACCEPTABLE IN AMERICA

(Ms. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. McCOLLUM. Mr. Speaker, today, I am giving my first speech on the House floor. It is a great privilege to be here. I was sent to Congress to fight for equality and justice for Minnesota families and all American families.

Today I am speaking out against the inequality and injustice that only can be corrected by the majority on the Committed on Education and the Workforce.

Separating historically black colleges from other higher education institutions is a disgrace. Separating tribal colleges is unconscionable. Separating Hispanic-serving institutions is an injustice.

We are one Nation. Separate but equal is not acceptable in America, and it must not be acceptable in Congress.

I call upon the Republican leadership to unite all institutions of higher education into one subcommittee and treat all of our children with dignity and equality.

IN THE 21ST CENTURY, ALL SCHOOLS DESERVE LEVEL PLAYING FIELD

(Ms. SOLIS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SOLIS. Mr. Speaker, I rise to express my dismay with the plan put forth by my Republican colleagues which would hurt our Nation's important minority-serving higher education institutions. This plan would remove Hispanic-serving institutions, historically black colleges and universities, and tribal colleges from the consideration of the Subcommittee on 21st Century Competitiveness, which deals with higher education and, instead, places them in a select Committee on Education and the Workforce which deals with juvenile crime and child abuse.

What kind of message are we sending when we exclude minority-serving institutions from our consideration of higher education? Why should schools like Cal State Los Angeles and East Los Angeles College located in my district be treated differently than any other college in our country?

Two of my heroes in government were educated there in East Los Angeles College. I am talking about Gloria Molina, the first Latina ever elected as Los Angeles County Supervisor, and a former colleague, Congressman Esteban Torres, who was a Member of this body.

Do we want to send a message that these schools and their graduates are somehow less than any other college or university? I do not think so. I urge Republicans to rethink this proposal and to send the right message; that, in the 21st century, all schools deserve a level playing field.

PROVIDING FOR CONSIDERATION OF H.R. 333, BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2001

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 71 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 71

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 333) to amend title 11, United States Code, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. After general debate the bill shall be considered for amendment under the five-minute rule. The amendments recommended by the Committee on the Judiciary now printed in the bill shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment under the five-minute rule and shall be considered as read. All points of order against provisions in the bill, as amended, are waived. No further amendment to the bill shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. Upon receipt of a message from the Senate transmitting H.R. 333 with Senate amendments thereto, it shall be in order to consider in the House a motion offered by the chairman of the Committee on the Judiciary or his designee that the House disagree to the Senate amendments and request or agree to a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. QUINN). The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), my colleague and my friend; pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the legislation before us today is a fair and structured rule, providing for the consideration of H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001. The rule waives points of order against consideration of the bill and provides for 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Judiciary.

The rule also provides that the amendments recommended by the Committee on Judiciary now printed in the bill shall be considered as adopted in the House and in the Committee of the Whole and that the bill, as amended, shall be considered as the original bill for the purpose of further amendment and shall be considered as read.

The rule waives all points of order against provisions in the bill as amended and makes in order only those amendments printed in the Committee on Rules report accompanying the resolution. It provides that amendments made in order may be offered only in the order printed in the report and may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report divided equally and controlled by the proponent and opponent, shall not be subject to amendment, and shall not be subject to a demand for the division of the question in the House or in the Committee of the Whole.

The rule also waives all points of order against the amendments printed in the Committee on Rules report.

Finally, the rule provides one motion to recommit with or without instructions and provides authorization for a motion in the House to go to conference with the Senate on the bill, H.R. 333.

□ 1030

Mr. Speaker, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001 will fundamentally reform the existing bankruptcy system into a needs-based system. I am proud of the tireless efforts of the House Committee on the Judiciary under the leadership of the gentleman from Wisconsin (Mr. SENSENBRENNER) to address this issue and to ensure that our bankruptcy laws operate fairly, efficiently, and free from abuse.

We must end the days when debtors who are able to repay some portion of their debt are allowed to game the system to take advantage of those laws. Instead, this bill is crafted to ensure the debtor's rights to a fresh start while protecting the system from flagrant abuses from those who can pay their bills.

This should not be a controversial issue because Congress has spoken many times on this issue before today. Two Congresses ago, in the 105th Congress, the House and the Senate passed different versions of bankruptcy reform legislation. The House agreed to the conference report that was negotiated on October 9, 1998, by a vote of 300 to 125.

During the 106th Congress, both the House and the Senate overwhelmingly approved bankruptcy reform legislation, also on a bipartisan basis. The House passed H.R. 833 by a vote of 313 to 108 in May of 1999 and later passed the conference report by voice vote on October 12, 2000. Each time the bankruptcy reform legislation has received overwhelming support from both sides of the aisle. The Senate also voiced its strong support and passed the conference report by a vote of 70 to 28. Unfortunately, President Clinton chose to pocket veto this bill.

That is why we are here again today, Mr. Speaker. The legislation that we consider today is virtually identical to the conference report that passed the House in the 106th Congress.

There is a great need for this bill now. According to statistics released by the Administrative Office of the United States Courts, bankruptcy filings reached an all-time high of more than 1.4 million in 1998. The debts that remain unpaid as a result of those bankruptcies cost each American family that did pay their bills on time $400 a year in the form of higher cost for credit, goods and services. Unfortunately, much of the debt that was eventually passed on to consumers last year was debt that bankruptcy filers could have afforded to pay. They simply did not because of the current opportunities under the law. That is why it is so important for us today to pass real bankruptcy reform.

Without serious reform of our bankruptcy laws, these trends promise to continue growing, as they have every year, costing business and consumers even more in the form of losses and higher costs of credit. As we debate and vote today, we should keep in mind two important tenets of the bankruptcy reform: number one, the bankruptcy system should provide the amount of debt relief that an individual needs, no more and no less; and, number two, bankruptcy should be the last resort and not a first resort to financial crisis. It should not become a way of life.

Opponents of this bill have tried to divert the discussion away from the merits of the bill and claim it would make it more difficult for divorced women to obtain child support and alimony payments. However, nothing could be further from the truth. This bankruptcy reform bill protects the financial security of women and children by giving them higher priority than today's law. The legislation closes loopholes that allow some debtors to use the current system to delay, or even evade, child support and alimony payments. The bill recognizes that no obligation is more important than that of a parent to his or her children.

Currently, child support payments under today's law are the seventh priority behind such things as attorney's fees. Make no mistake about this, H.R. 333 puts women and children first at the top of the list. We should provide greater protection to families who are owed child support, and this bill will do just that.

One important part of this legislation is known as the ''homestead provision.'' Protection of one's home is something that is very important to myself, the gentleman from Texas (Mr. FROST), who will be speaking in just a minute on behalf of the minority, and also our constituents in Texas. The homestead provision maintains the long-held standard that allows the States to decide if homestead should be protected, yet stops those who purchase a home before filing bankruptcy as a means to evade creditors.

The bill also addresses other problems, including needs-based bankruptcy. The heart of this legislation is a needs-based formula that separates filers into chapter 7 or chapter 13 based upon their ability to pay. While many families may face job loss, divorce, or medical bills and, therefore, legitimately need protection provided by the bankruptcy code, research has shown that some chapter 7 filers actually have the capacity to repay some of what they owe. Needs-based reform says that if someone can reasonably repay some of their debts, they should. This does not mean that the debtor cannot declare bankruptcy, but merely that the debtor needs to use chapter 13 rather than chapter 7 to repay some of the debt if he or she is able to do so.

This bill also recognizes the need for consumer education and protection. It includes education provisions that will ensure that debtors are made aware of their options before they file for bankruptcy, including alternatives to bankruptcy, such as credit counseling. And the bill cracks down on bankruptcy mills, law firms, and other entities that push debtors into bankruptcy without fully explaining the consequences.

Finally, the bill also imposes new restrictions and responsibilities upon creditors with the goal of preventing borrowers from getting in over their heads. For example, the bill requires creditors to disclose more about the effect of paying only the minimum payment and establishes new creditor penalties designed to encourage good-faith bankruptcy settlements with debtors.

Mr. Speaker, I am proud of this bill. This resolution will bring bankruptcy reform to the House of Representatives. The rule allows for full and fair debate on the underlying measure, as well as adequate opportunity for those who oppose the legislation to offer amendments. I urge my colleagues to support this rule and H.R. 333.

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

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

Mr. Speaker, I have long been a supporter of bankruptcy reform, and I support the bill before us today. I am, however, concerned that the Committee on Rules majority has started the year by denying Democratic Members the opportunity to offer amendments to this significant legislative proposal. Granted, the bill before us is identical to the bill vetoed by the President last year; but at the same time, we do have a deliberate process in this body that is being stifled by the majority. Just as the majority is intent on considering massive tax cuts before we even have received a real budget from the President, much less before we have a budget debate on the Hill, the majority has once again subverted the process.

Mr. Speaker, as I said, I am a supporter of this bill, but there are issues that deserve to be heard and debated. This rule makes in order six amendments. Democrats are grateful the Republican majority has at least seen fit to give us a substitute, but other significant amendments offered in the Committee on Rules yesterday are not included in this list of six.

For example, the gentleman from Michigan (Mr. CONYERS), the ranking member of the committee, offered an amendment, along with the gentlewoman from New York (Ms. SLAUGHTER), who is a member of the Committee on Rules. This amendment relates to the issue of payment of child support and alimony by debtors, which has long been an issue that has given many Members pause when considering whether or not to support reform of the bankruptcy system. Mr. Speaker, many believe the provisions in the bill adequately address these concerns. However, it is an issue that deserves to be heard and the Conyers-Slaughter amendment should have been made in order.

Mr. Speaker, it is not as if we have been extraordinarily busy in the weeks since the 107th Congress convened. Perhaps giving us an extra hour or two of debate time might be too taxing, considering the schedule we have kept so far this year, and that is the reason we will not be able to debate the Conyers-Slaughter amendment or other amendments submitted by Democratic Members; but if we are to have the change of tone in Washington the President is seeking, it seems to me that there should be a little more collegiality on the part of the Republican leadership when it comes time to parcel out amendments to bills the House is to debate.

Mr. Speaker, Democrats are not here to subvert the process. We have constituencies to represent and real problems to address. We can only hope in the coming months that we will be allowed to do that as we consider legislation that is vital to our country and to the people we represent.

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

Mr. SESSIONS. Mr. Speaker, I yield 1½ minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the Committee on the Judiciary.

Mr. SENSENBRENNER. Mr. Speaker, I rise in strong support of this resolution, an order of business resolution, providing for the consideration of H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001.

I want to commend the gentleman from Texas (Mr. SESSIONS); the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules; and all the members of the Committee on Rules for reporting a fair, balanced, and appropriate rule for consideration of this important bankruptcy reform bill.

Mr. Speaker, this rule is not unlike rules passed in the 105th and 106th Congress providing for the consideration of bankruptcy reform bills. This structured rule provides ample time for debate and consideration of opposing views. It makes in order one minority substitute and provides one hour of debate on that substitute. It also makes in order a technical amendment which I will be offering which will make some minor technical corrections in the bill.

Mr. Speaker, this is a good rule and I urge the Members to support this resolution.

Mr. FROST. Mr. Speaker, I yield 7 minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

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

Mr. Speaker, this bill represents an ill-considered change in public policy that totally advantages some creditors, particularly large credit card issuers, over families that seek bankruptcy relief because of financial catastrophes caused by major medical expenses, divorce, job loss, death of the family bread winner and the like. In fact, it was the former chairman of the Committee on the Judiciary, the gentleman from Illinois (Mr. HYDE), that pointed out last year during the course of this debate that there were 75 consumer creditor enhancements in this bill. It also advantages the sophisticated debtor who has accumulated so-called ''exempt assets,'' to the detriment of the unsophisticated debtor who has no assets and is earning $40,000, $45,000, or $50,000 a year trying to put bread on the family table.

The American people should know that a debtor can live in a mansion in Florida worth millions, have an individual retirement account of up to $1 million, have annuities worth additional millions of dollars, receive a nice big fat pension and not worry, because these assets are exempt and creditors cannot touch them.

□ 1045

But if you do not have any so-called exempt assets and are barely making it and genuinely need bankruptcy relief, woe is you. Those credit card companies will be able to chase you forever. Just imagine how this different treatment of debtors will appear to the American people. You can properly call this not a tax break for the wealthy but bankruptcy protection for the rich. Every fair-minded American should find this offensive and unconscionable. We are in the process of establishing different classes of debtors.

Now, proponents are concerned, justifiably, about the dramatic increase in the number of personal bankruptcy filings that peaked in 1998, as my friend from Texas indicated. I share his concern and their concerns. It is just that this bill is not the answer. It is not the panacea they claim. They predicted that unless we adopted an earlier version of this bill, those filings would continue to escalate. The original bill was introduced in 1997. Well, they were dead wrong. The bankruptcy rate declined by more than 9 percent in 1999 and further declined 6 percent in the year 2000. That represents 170,000 fewer filings in the year 2000 than in 1998. That is what they are not telling you, Mr. Speaker. That is a 2-year decline of greater than 15 percent in the bankruptcy rate. No doubt if the bill had passed when introduced in 1997, the sponsors would be taking bows for this positive trend. But it would have been undeserved. I have no doubt that they sincerely believe that the spike in the number of personal bankruptcies was caused by debtors, as I have heard the term, gaming the system, that bankruptcy was becoming a financial planning tool and that there was no longer a social stigma associated with bankruptcy and that the current Bankruptcy Code encouraged debtors to file for bankruptcy. Again in large measure they were wrong. Maybe they never carefully examined the evidence, because every independent analysis concluded that there was no data, no empirical research, no hard evidence that supported that theory. Let me add when I say independent analysis, I mean studies that were not bought and paid for by the credit card industry.

Government agencies agreed with those independent experts. To note a few, a CRS report issued in 1998 states, ''There is a dearth of empirical data to support or refute the hypothesis.'' The CBO issued a report last year. One sentence sums it all up, and I am quoting: ''The available research casts a dim light on the causes of personal bankruptcy and its consequences for the cost and availability of credit.''

Myself and others proposed amendments, Mr. Speaker, that would have added some balance to the bill, that would have equaled the relationship between creditors and debtors. But unfortunately they were not made in order.

Mr. Speaker, I hope that the rule is rejected and that the underlying bill is defeated.

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

Our previous speaker, who is a very good friend of mine, was speaking about credit card debts, was speaking about who would and would not get relief under this bill. I would like to just state that the purpose of this bill is to allow all Americans the opportunity to file bankruptcy. The gentleman indicated that credit card companies would stay after that little guy for forever. But, in fact, that is not true. Because if the little guy that was in reference to, unless they had a nondischargeable debt, meaning that they took on this credit card debt fraudulently, immediately upon filing for bankruptcy they would get the relief, just like anyone else in this country.

We are not after the little guy. We are trying to do the right things for everybody. And so whether you did have a pension or whether you were a little guy, we would offer that same protection.

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

Mr. SESSIONS. I yield to the gentleman from Massachusetts.

Mr. DELAHUNT. Mr. Speaker, again let me be very, very clear. The priority that is now given to credit card debt under this proposal is vastly different and much of that debt will become nondischargeable and we will be chasing people for $80 a month while others are living, with these exempt assets, the life of luxury. That is totally wrong and unconscionable.

Mr. SESSIONS. I appreciate the gentleman's help. In fact, I believe that a nondischargeable debt, as most of them are, would simply be given relief, and so it would not be cost effective to chase after $80 for forever, nor would it be appropriate and right. Nor would it be allowed under this law.

Mr. Speaker, I yield 2½ minutes to the gentleman from Palm Bay, Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001. In recent years despite the trends downward, bankruptcies remain too high. I remain deeply troubled by this. I am very concerned that filing for bankruptcy continues to be much higher than it should be, and I believe that today many Americans are filing for bankruptcy again as a financial planning tool.

Filing for bankruptcy should be reserved for Americans who have been generally responsible but have gotten in over their heads primarily for circumstances that they could not control, such as the loss of a job, high

medical bills, a disability in the family that puts a tremendous strain on the family budget, and other such circumstances.

Earlier this week, I had the members of the credit unions in the State of Florida come into my office. As we all know, credit unions are membership-owned financial institutions, owned by working people. They support this bill. Why is that the case? Because they are increasingly seeing bankruptcies of convenience, bankruptcies used as a financial planning tool. These are people who have been often irresponsible in their spending habits.

And who picks up the tab for these bankruptcies of convenience? All of the other members of the credit union, through higher interest rates and reduced benefits. Just to cite as an example what the credit unions are telling me that they are seeing more and more often is people who run up large credit card bills at places like Disney World, on trips to theme parks and trips to very, very nice hotels in the days and weeks prior to them filing for bankruptcy. Meanwhile, thousands of other hardworking Americans in those credit unions do not go to those kinds of places simply because they cannot afford it. But nonetheless they are paying for those trips by those people.

I realize that this is a very difficult issue, but I believe that the bill that we have on the floor today strikes the proper balance. It is a good bill. It protects consumers. That is what we should be primarily concerned about. It protects all Americans fairly. I encourage all my colleagues to support this rule, which is a very, very fair and good rule, and support the underlying bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. Mr. Speaker, I rise in opposition to this rule. During committee consideration, I offered several amendments to correct oversights in the bill. These amendments were of a relatively minor character. The first would provide that when someone, for example, is legally separated from their spouse and files individually for bankruptcy, that we would not consider the separated spouse's income in determining whether the person filing for bankruptcy met the means test. As a practical matter, if someone is legally separated and has no access to the assets of the other spouse and yet that other spouse's assets are considered in the means test, they will not qualify for chapter 7. That is not appropriate. I am really astounded that this provision was taken out of the manager's amendment. During the committee hearing, the sponsor of the bill indicated that he thought that there was likely merit to this amendment.

The second that I offered would provide for a GAO study to determine the impact on child support, whether this will make it more difficult for people to collect child support. That was also rejected, a mere study of the issue. I do not know what we are afraid of. If we have a study of the issue and it finds, as the proponents of the bill say, that this has no net adverse impact on women trying to collect child support, then great, we know that. But if a year goes by and the study is conducted and it finds there are problems, we can then address them. What are we afraid of? Why are we afraid to find out the answer to those questions?

I am hoping this bill comes back from conference with the Senate in a different form. Many of us would like to support this bill. This bill has many important bankruptcy reforms in it. Many of us believe bankruptcy reform is vital. There are some positive things on child support in this bill, like relief from the automatic stay. But if even these minor issues that could ultimately be very important are rejected out of hand as they are in this rule, then the House is essentially delegating to the Senate to do the meaningful work on the bill. We are delegating to the Senate to decide what amendments should be taken and what not, what the form of the bill ought to be. I hope that this pattern would not persist with other legislation as well or we will really be delegating our responsibility to the other House.

In conclusion, Mr. Speaker, I would urge opposition to this rule and in the future would hope that where there are amendments that are acknowledged in committee as probably having merit, where suggestions such as a study are made, that they would be considered in order. I thank the Members for their consideration.

Mr. SESSIONS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Columbus, Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, I thank my good friend from Texas and my colleague on the Committee on Rules for yielding me this time.

I rise in strong support of this balanced rule and for the underlying legislation.

Mr. Speaker, we have before us a fair and evenhanded rule that will allow us to consider important legislation to reform our Nation's bankruptcy system. This bankruptcy reform legislation will remedy weaknesses in existing law that allow higher income taxpayers to escape their responsibilities even when they are able to repay a portion of what they owe. This bill will take steps to eliminate what we call the bankruptcy of convenience. At the same time, the legislation will protect those who are truly needy and in need of a second chance to maintain their ability and obtain a fresh start.

Further, the legislation contains important protections for children and spouses who are owed child support and alimony. By equipping State child support collection agencies with the necessary tools and codifying the importance of child support and alimony obligations, this legislation will increase our commitment to children and families and will hold parents, husbands and wives to their responsibilities.

Mr. Speaker, the American public has indicated their desire for bankruptcy reform and, in fact, the Congress just last year demonstrated its strong support in passing very similar bankruptcy legislation reform, with 313 bipartisan votes. Today, we build upon our past success and take an important step forward toward finally enacting these needed reforms into law.

The administration has already stated its support for this overall package and recognizes the need to curb many of the abuses of the current bankruptcy protections. I urge my colleagues to support this fair and balanced rule as well as passage of this important legislation.

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

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

In closing today, I would like to say that the Bankruptcy Review Commission was created in 1994 and filed its report in 1997. It was composed of people who were on the front lines, not only bankruptcy judges but also trustees from all across the country as well as those who were interested in small business, consumers and others. They have provided us feedback that we have included in this bill today. Today I had an opportunity to speak with the trustee of the Northern District of Texas and the Eastern District of Texas, Bill Neary.

□ 1100

Mr. Neary provided me information and feedback that, in fact, he believed that the most complete, up-to-date opportunities that they are seeing in the marketplace today are included within this bill.

This rule that we are talking about is fair. It is doing the right thing. It will support the underlying legislation.

Mr. SENSENBRENNER. Mr. Speaker, at the request of the Committee on Financial Services, I hereby submit for the RECORD correspondence between that Committee and the Committee on the Judiciary relating to the Financial Services Committee's agreement to waive its consideration of H.R. 333, the ''Bankruptcy Abuse Prevention and Consumer Protection Act of 2001.''

COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, February 21, 2001.

Hon. F. JAMES SENSENBRENNER, Jr.,
Chairman, Committee on the Judiciary, Rayburn House Office Building, Washington, DC.

DEAR JIM: On February 14, 2001 the Committee on the Judiciary ordered reported H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001. As you know, the Committee on Financial Services was granted an additional referral upon the bill's introduction pursuant to the committee's jurisdiction under Rule X of the Rules of the House of Representatives over banks and banking, credit, and securities and exchanges.

Because of your willingness to consult with the Committee on Financial Services

regarding this matter, your continuing support for our requested changes, and the need to move this legislation expeditiously, I will waive consideration of the bill by the Financial Services Committee. By agreeing to waive its consideration of the bill, the Financial Services Committee does not waive its jurisdiction over H.R. 333. In addition, the Committee on Financial Services reserves its authority to seek conferees on any provisions of the bill that are within the Financial Services Committee's jurisdiction during any House-Senate conference that may be convened on this legislation. I ask your commitment to support any request by the Committee on Financial Services for conferees on H.R. 333 or related legislation.

I request that you include this letter and your response as part of your committee's report on the bill and the Congressional Record during consideration of the legislation on the House floor.

thank for your attention to these matters.

Sincerely,

MICHAEL G. OXLEY,
Chairman.

COMMITTEE ON THE JUDICIARY,
Washington, DC, February 22, 2001.

Hon. MICHAEL G. OXLEY,
Chairman, House Committee on Financial Services, Rayburn House Office Building, Washington, DC.

DEAR MIKE: This letter responds to your letter dated February 21, 2001, concerning H.R. 333, the ''Bankruptcy Abuse Prevention and Consumer Protection Act of 2001'' which was favorably reported by the House Committee on the Judiciary on February 14, 2001.

I agree that the bill contains matters within the Financial Services Committee's jurisdiction and appreciate your willingness to be discharged from further consideration of H.R. 333 so that we may proceed to the floor.

Pursuant to your request, a copy of your letter and this letter will be included in the report of the Committee on the Judiciary on H.R. 333.

Sincerely,

F. JAMES SENSENBRENNER, Jr.,
Chairman.

Mr. LAFALCE. Mr. Speaker, I rise in opposition to the Rule. I had hoped that the House would have had an opportunity to debate the amendment sponsored by myself and Representatives KANJORSKI, NADLER, and JACKSON-LEE, that would have addressed the very serious problem of misleading and deceptive credit card practices. It is extremely disappointing that the Rule only provides for a handful of amendments. But, the Rule is thereby consistent with the history of this legislation, for H.R. 333 is the product of a shadow conference, not full congressional deliberations, where issues important to consumers and working families could have been seriously considered. The Financial Services Committee never even availed itself of the opportunity to review the bill, although it contains significant changes to the Truth In Lending Act.

The bill is not balanced. H.R. 333 attempts to deal with the results of the increasing level of consumer bankruptcies. But the bill fails to deal adequately with one of the principal causes. That cause is the aggressive promotion of consumer debt by credit card companies, without any attention to reasonable underwriting standards, and increasingly targeted at vulnerable populations that can neither afford it nor, often, repay it. As policymakers, we cannot expect consumers to willingly assume the greater financial responsibility contemplated under this bill unless we also simultaneously protect them from abusive practices which unfairly trap them into debt they can ill afford.

Our amendment addresses credit card company practices that directly contribute to the increasing level of consumer debt and the rise in consumer bankruptcies. It goes beyond the traditional emphasis on disclosure and provides stronger protections for all consumers against credit card company practices that are at the very least misleading and, often, intentionally deceptive. In particular, it addresses the concerns of populations which have proven to be most vulnerable. People in their twenties are the fastest growing group filing for bankruptcy. To a large degree, that is the result of aggressive targeting of students and young people just starting out in life by credit card companies that trap them into a cycle of debt before they have adequate income to sustain it.

The few provisions in H.R. 333 that attempt to address this issue are inadequate and may turn out to be illusory because their effective date could be delayed indefinitely through a mandatory regulatory process.

The credit card industry is asking Congress for relief from allegedly inadequate bankruptcy statutes. Congress should not consider such relief unless it also relives vulnerable consumers of the burden of abusive credit card company practices. We must do a better job of bringing balance to this bill, and ensuring that credit card issuers take responsibility for their own actions that have helped to create the consumer debt problems that America faces today.

I urge that my colleagues vote against this Rule, and let the Committees do their job and hold full and fair hearings on these issues.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. QUINN). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 281, nays 132, not voting 19, as follows:

[Roll No. 22]

YEAS—281

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Cardin
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Crowley
Cubin
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Davis, Tom
DeLay
DeMint
Diaz-Balart
Dicks
Dooley
Doolittle
Dreier
Duncan
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Ferguson
Flake
Fletcher
Foley
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Holt
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
John
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kind (WI)
King (NY)
Kirk
Kleczka
Knollenberg
Kolbe
LaHood
Langevin
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Matheson
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
McKeon
Menendez
Mica
Miller (FL)
Miller, Gary
Moakley
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Ney
Northup
Nussle
Ortiz
Osborne
Ose
Otter
Oxley
Pallone
Pastor
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Roukema
Royce
Rush
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Simmons
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stearns
Stenholm
Strickland
Stump
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Traficant
Turner
Upton
Velazquez
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—132

Abercrombie
Allen
Andrews
Baca
Baldacci
Baldwin
Barrett
Becerra
Berman
Blagojevich
Blumenauer
Borski
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Doggett
Doyle
Engel
Eshoo
Evans
Farr
Fattah
Filner
Frank
Gephardt
Green (TX)
Gutierrez
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Honda
Hooley
Israel
Jackson (IL)

Jackson-Lee (TX)	McGovern	Sabo
Jefferson	McNulty	Sanchez
Johnson (CT)	Meehan	Sanders
Johnson, E. B.	Meek (FL)	Sawyer
Jones (OH)	Meeks (NY)	Schakowsky
Kanjorski	Millender-McDonald	Schiff
Kaptur	Miller, George	Scott
Kildee	Mink	Serrano
Kilpatrick	Mollohan	Sherman
Kucinich	Murtha	Slaughter
LaFalce	Nadler	Solis
Lampson	Napolitano	Stark
Lantos	Neal	Stupak
Lee	Oberstar	Thompson (CA)
Levin	Obey	Thompson (MS)
Lewis (GA)	Olver	Thurman
Lipinski	Owens	Tierney
Lofgren	Pascrell	Udall (CO)
Lowey	Payne	Udall (NM)
Luther	Pelosi	Visclosky
Markey	Phelps	Waters
Mascara	Pomeroy	Watt (NC)
Matsui	Rangel	Waxman
McCarthy (MO)	Rodriguez	Weiner
McCollum	Roybal-Allard	Wexler
		Woolsey

NOT VOTING—19

Ackerman	Edwards	Ros-Lehtinen
Baird	Hoyer	Rothman
Bonior	Inslee	Snyder
Cramer	Kingston	Toomey
Cummings	McDermott	Towns
Deal	McKinney	
Dunn	Norwood	

□ 1123

Ms. SOLIS, Mrs. NAPOLITANO, Mr. POMEROY, Mrs. MEEK of Florida, Mr. FARR of California, Mrs. DAVIS of California, Mr. LAMPSON, Mr. GEPHARDT and Ms. MILLENDER-McDONALD changed their vote from ''yea'' to ''nay.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 333.

The SPEAKER pro tempore (Mr. QUINN). Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF MEMBERS TO PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER pro tempore. Without objection, and pursuant to clause 11 of rule X and clause 11 of rule I, the Chair announces the Speaker's appointment of the following Members of the House to the Permanent Select Committee on Intelligence:

Mr. BISHOP of Georgia,
Ms. HARMAN of California,
Mr. SISISKY of Virginia,
Mr. CONDIT of California,
Mr. ROEMER of Indiana,
Mr. HASTINGS of Florida, and
Mr. REYES of Texas.

There was no objection.

BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2001

The SPEAKER pro tempore (Mr. WALDEN of Oregon). Pursuant to House Resolution 71 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 333.

□ 1125

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 333) to amend title 11, United States Code, and for other purposes, with Mr. QUINN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Michigan (Mr. CONYERS) each will control 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I rise in support of H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001.

Mr. Chairman, this bill is a bipartisan, balanced, and comprehensive package of reform measures pertaining to both consumer and business bankruptcy cases. The purpose of the bill is to improve bankruptcy law and practice by restoring personal responsibility and integrity in the bankruptcy system, and to ensure that the system is fair to both debtors and creditors.

With respect to its consumer provisions, H.R. 333 responds to several significant developments. One of these developments was the dramatic increase in consumer bankruptcy filings during the 1990s and the losses associated with those filings. Based on data released by the Administrative Office of the United States Courts, bankruptcy filings increased by more than 72 percent between 1994 and 1998. Mr. Chairman, for the first time in our Nation's history, bankruptcy filings exceeded 1 million in 1996. In calendar year 1997 alone, bankruptcy filings increased by more than 19 percent over the prior year. By 1998, the number of bankruptcy filings, according to the AO, reached an all-time high of more than 1.4 million cases. Although the most recent reporting periods indicate the filings have somewhat decreased, the Administrative Office states they remain well above the 1 million mark. Paradoxically, this dramatic increase in bankruptcy filing rates has occurred during a period when the economy was generally robust, with relatively low unemployment and high consumer confidence.

Coupled with this development was the release of a study estimating that financial losses attributable to bankruptcy filings in 1997 exceeded $44 billion. The committee received testimony in the last Congress stating that this figure, when amortized on a daily basis, amounts to a loss of at least $110 million a day.

Please note, those of us who pay our bills as we have agreed end up having to absorb these losses through higher costs and bank fees and interest rates.

Various other studies which thereafter became available concluded that some bankruptcy debtors can in fact repay a significant portion of their debts.

The heart of H.R. 333's consumer bankruptcy provisions is the implementation of an income-expense screening mechanism, usually referred to as a means-based or means test reform.

□ 1130

These provisions are designed to ensure that debtors repay creditors the maximum they can afford.

In addition, the bill institutes significant consumer protection reforms, including mandatory credit counseling requirements and specific disclosures in connection with certain credit transactions.

The reforms are aimed to help debtors understand their rights and obligations with respect to reaffirmation agreements are also included in the legislation.

In addition, the legislation substantially expands the debtor's ability to exempt certain tax-qualified retirement accounts and pensions. It also creates a new provision that allows a consumer debtor to exempt certain education IRA and State tuition plans for his or her child's postsecondary education from the claims of creditors.

Most importantly, H.R. 333 requires debtors to participate in credit counseling programs before they file for bankruptcy relief, unless special circumstances do not permit such participation. The legislation's credit counseling provisions are intended to educate consumers about the consequences of bankruptcy, such as the potentially devastating effect it could have on their credit rating, and to provide them with guidance about how to manage their finances so that they can avoid future financial difficulties.

Mr. Chairman, the bill also makes extensive reforms pertinent to business bankruptcies. Many of these provisions are intended to heighten administrative scrutiny and judicial oversight of small business bankruptcy cases. In addition, the bill includes provisions designed to reduce systemic risk in the financial marketplace and to clarify the treatment of tax claims in bankruptcy cases. H.R. 333 also creates a new form of bankruptcy relief for transnational insolvencies and includes provisions regarding family farmer debtors and health care providers.

It should be noted that this bill is a product of more than 3 years of congressional consideration of bankruptcy reform legislation. As reported, H.R. 333 is virtually identical to the conference report on H.R. 2415, the Gekas-Grassley Bankruptcy Reform Act of