

lived her life guided by the motto, "See something that needs to be done and do it."

Sheila was a Captain in the U.S. Army Nurse Corps, serving as a Civic Action Officer during the Vietnam War. Her service was rewarded with the U.S. Army Commendation Medal, the U.S. Army National Defense Medal and the Vietnam Campaign Medal.

For nearly 30 years, Sheila has devoted her life to working to improve the quality of life in the Napa Valley through a variety of positions including the Napa Valley Unified School District Board of Trustees, Board of Directors for the Volunteer Center of Napa County, the Queen of the Valley Hospital Board of Directors and volunteering for countless other civic causes.

For the past 11 years Sheila has worked closely with juveniles who suffer from drug and alcohol addictions. In 1997 Sheila implemented an outpatient substance abuse program for teenagers in Napa County. She was the driving force behind the creation of the Napa Tattoo Taboo program, which helps former gang members shed the symbols of their past by removing gang related tattoos.

In recognition of her contributions Sheila Daugherty is to be honored with the Salvation Army Napa Corps' "Other's Award" on September 16, 2005.

Mr. Speaker and Colleagues, it is appropriate today that we join in thanking Sheila Daugherty for her unwavering dedication to and love for our community. On behalf of the House of Representatives, I am proud to extend our heartfelt congratulations and best wishes to Sheila, her husband Lewis, sons Eugene and Matthew and two granddaughters Cecilia and Frances.

**13TH ANNUAL DR. MARTIN LUTHER KING, JR., DAY IN FLOWER MOUND, TEXAS**

**HON. MICHAEL C. BURGESS**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 24, 2005*

Mr. BURGESS. Mr. Speaker, I rise today to recognize the 13th annual Dr. Martin Luther King, Jr., Day commemorative event in Flower Mound, TX, my home town.

As a leader in non-violent resistance, Dr. Martin Luther King, Jr. strongly advanced human rights with hope to end racial prejudice in the United States. In 1986, Martin Luther King Day was established as a U.S. national holiday in honor of Dr. Martin Luther King, Jr. Today, this honored memorial is observed on the third Monday of January each year, around the time of King's birthday. On January 18, 1993, for the first time, Martin Luther King Day was officially observed in all 50 U.S. states.

To honor the efforts of Dr. Martin Luther King, Jr., the Bahá'ís of Flower Mound, joined with the Town of Flower Mound, the Tau Rho Omega chapter of Alpha Kappa Alpha and other supporters, are sponsoring events commemorating and celebrating Dr. King's inspirational work. This celebration is intended to influence and educate young minds about the significance of freedom, liberty, and the acceptance of all individuals regardless of race, gender, national origin, religion, or social stratum. This year's events include Art and Essay

contests among local middle and high school students. Twenty-eight prizes of \$75 to \$150 each will be awarded to winners. In addition, world-class runner, Gilbert Tuhabonye of Austin, will give the keynote address.

Mr. Speaker, it is with great honor today that I recognize this 13th annual event commemorating Dr. Martin Luther King, Jr. in Flower Mound. Education and inspiration are a few of the most important gifts we can give our children, and I believe this event honors a man who showed such vision and wisdom.

**PROTECTION OF LAWFUL COMMERCE IN ARMS ACT**

**SPEECH OF**

**HON. EARL BLUMENAUER**

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 20, 2005*

Mr. BLUMENAUER. Mr. Speaker, I am opposed to S. 397, the Gun Manufacturers Liability Protection Act. It is hard to imagine how people who have lived through the sniper experience in Washington, DC, and those who deal with potential terrorist acts in the United States would want to specifically weaken potential sanctions against people who abuse their business of selling firearms.

This legislation would have given a pass for the infamous Tacoma, WA, gun dealer who "lost" more than 200 weapons, one of which ended up in the hands of the sniper who killed 11 people in Washington, DC. Why anyone would want to shield people for that sort of reckless and illegal behavior is mystifying and it is certainly not worthy of passage by the House of Representatives. Were it not for gun politics, this legislation would never have seen the light of day.

**HONORING CAMERON REEVES OF LAKE COUNTY, CA**

**HON. MIKE THOMPSON**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 24, 2005*

Mr. THOMPSON of California. Mr. Speaker, I rise today to recognize Cameron L. Reeves of Lake County, CA, as he retires after a distinguished 24-year career providing superior legal advice and a profound knowledge of the law to the Lake County Board of Supervisors as the chief county counsel.

Cameron was born and raised in a small, rural town in Oklahoma. After graduating from San Diego State University with a degree in political science, Cameron enlisted in the military. He began his military career in 1966 serving as an Army Security Agency warrant officer working on profile missions involving North Korea and Vietnam.

It was while serving in the armed forces Cameron decided he wanted to attend law school. While balancing a family and his day job with the State government, Cameron earned his law degree from the University of the Pacific, McGeorge School of Law in 1974.

Mr. Speaker, in 1981, Cameron embarked upon what would become an unprecedented 24-year career as the chief county counsel for Lake County. A steadfast, selfless, hard work-

ing man, Cameron sought out Lake County's most challenging problems and faced them head on. When Cameron arrived, there was no formal plan to direct the legal course of action for Lake County. Therefore he created the Legal Lake County General Plan, the first of its kind in this area. He has also worked extensively to harbor a strong relationship with neighboring Yolo County working through very contentious water rights issues between the two counties.

Mr. Speaker, Cameron is highly respected throughout the county and has committed himself to the position of chief county counsel with the desire to better his community. Throughout his career, Cameron has been a constant wealth of knowledge and insight helping to guide and inform 17 Supervisors, enabling them to make the best decisions for the people of Lake County. His fellow colleagues have stated it will be difficult to replace Cameron, a man of extreme integrity and intelligence.

In retirement, Cameron plans on traveling around the U.S. and spending more time with his wife, Sharon, and their four children, Layne, Marcy, Leslie and Brandon.

**IN RECOGNITION OF THE AMERICAN RED CROSS IN GREATER NEW YORK AND ITS CENTENNIAL CELEBRATION HONOREE, FORMER PRESIDENT BILL CLINTON**

**HON. CAROLYN B. MALONEY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 24, 2005*

Mrs. MALONEY. Mr. Speaker, I rise to salute the American Red Cross in Greater New York (ARC/GNY), which held its centennial celebration on October 20, 2005. At this wonderful event, the ARC/GNY honored former President Bill Clinton for his leadership of humanitarian efforts in war and disease-ravaged areas throughout the world. I trust that the members of this chamber will join me in recognizing the tremendous efforts of both the New York Red Cross and our former President to relieve suffering both here in the United States and in the international community.

Though the International Red Cross has roots that stretch back to the mid-nineteenth century, the first Red Cross Chapter in New York City was established in Brooklyn in 1905. Since its founding, the New York Red Cross has played a leadership role in many of the most significant events of our time. In 1911, a fire destroyed the Triangle Shirtwaist Factory in Manhattan, killing 145 workers. Fortunately, the New York Red Cross was there to provide support and financial assistance to victims and their families. The following year, Red Cross volunteers assisted hundreds of survivors of the Titanic disaster, as well.

New York Red Cross volunteers also played important roles in both World Wars, feeding soldiers traveling to Europe and the Pacific, recruiting nurses and doctors, supplying medical equipment and clothing, and, perhaps most significantly, organizing and staffing hospitals overseas in support of the Army's medical program. In 1959, the American Red Cross in Greater New York was founded,

bringing together Red Cross chapters from each of New York City's five boroughs.

This year, the American Red Cross is leading much-needed efforts to assist those whose lives were upended by Hurricane Katrina. Since the hurricane made landfall, the Red Cross has provided shelter, food and more than \$300 million to nearly 500,000 families. The ARC/GNY, for its part, has sent more than 100 trained staff members and volunteers to the Gulf Coast region, operated the largest Red Cross call center in the nation and sheltered nearly a thousand displaced families. All the while, the ARC/GNY continues to respond to tragedies closer to home: On average, the organization helps New Yorkers recover from eight fires, floods, building collapses and other disasters each day.

It is fitting that the staff, friends and volunteers of the New York Red Cross have chosen to honor another devoted humanitarian, President Bill Clinton. Since leaving office, President Clinton has devoted himself to helping underprivileged people around the world, in particular assisting those afflicted by the HIV/AIDS pandemic in Africa and the Asian tsunami disaster. During his tenure in the White House, Clinton presided over an economy that added 22 million jobs, worked with allies to put an end to ethnic cleansing in Bosnia and Kosovo, and played a major role in securing a meaningful and lasting peace in Northern Ireland.

Mr. Speaker, I request that my colleagues join me in recognizing the work of both the Red Cross in Greater New York and President Bill Clinton to help families displaced by disasters, war and disease. I am delighted to offer the ARC/GNY and President Clinton my very best wishes for many more decades of service to the neediest.

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JOHN LAFALCE CONTINUES WORK  
FOR CONSUMER PROTECTION

**HON. BARNEY FRANK**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 24, 2005

Mr. FRANK of Massachusetts. Mr. Speaker, my predecessor as the ranking Democrat on the Financial Services Committee, John LaFalce, continues to be a very informed, thoughtful advocate of consumer protection within the context of a well-functioning financial system.

On October 11, he wrote to the various bank regulators in support of legislation introduced by myself and Representatives MALONEY, SANDERS, LEE and McCARTHY, H.R. 3449, dealing with abuses in overdraft protection.

Mr. LaFalce's thoughtful analysis of the problem and the reasons for addressing it are very persuasive, and because this is an important issue that we are addressing, I ask that his comments to the Federal regulators be printed here.

The Federal banking agencies recently issued guidelines for the operation of overdraft protection programs, and the Federal Reserve Board recently revised its Regulation DD with respect to the advertising of overdraft protection programs. Although well-intentioned, these new guidelines fall far short of what is needed in this area, and in many ways the recent regulations by the Fed only make matters worse.

I call H.R. 3449 to your attention because I believe that the problems it deals with are enormous, and can and should be dealt with, promptly, by regulation. I shall highlight some of the more significant problems dealt with by H.R. 3449 and urge the bank regulators to address those problems.

**I. BANK CUSTOMERS GENERALLY DO NOT KNOW OF OR CONSENT TO EXPENSIVE OVERDRAFT PROGRAMS**

Overdraft protection has been demonstrated to be the most expensive form of consumer credit, with effective rates of interest far higher than even payday loans. Unlike other forms of consumer credit, however, upfront information about the overdraft programs has not been mandated under Regulation Z because of an arcane exception for banks covering their customers' incidental overdrafts. As a result of this exception, the logic of which no longer applies to today's automated overdraft protection programs, banks have been able to create a very high-cost, short-term credit product without any obligation to inform consumers of how the overdraft protection works and the actual credit costs involved.

Furthermore, many and probably most consumers are automatically and unknowingly being placed into the bank's most expensive overdraft program, when there are often other better and far less costly alternatives. While consumers may wish to take advantage of an overdraft program, they deserve the opportunity to learn about the program other than through the imposition of the most expensive of overdraft fees, and they surely should be informed of less costly alternatives, and given a choice amongst those alternatives.

H.R. 3449 would ensure that consumers know they are signing up for overdraft protection and the actual costs of utilizing the overdraft coverage by requiring: specific written consent by the consumer to the program; disclosure of the fee for the overdraft service; disclosure of the types of transactions that will trigger the fee; disclosure of the time period in which the consumer must cover the overdraft; and disclosure of the circumstances under which an overdraft will not be honored.

The bank regulators should require such consent and disclosure, including information concerning any less costly alternatives offered by the bank, such as overdraft lines of credit or automatic cash transfers from linked accounts. Almost without exception, banks are not doing this.

**II. THE REGULATORS HAVE LITTLE OR NO DATA TO QUANTIFY THE PREVALENCE, MAGNITUDE, OR NATURE OF THIS PROBLEM AND SHOULD COLLECT THIS DATA**

On February 17 and 18, 2005, Sanford C. Bernstein & Co. released a study indicating that it was not uncommon for banks to have a large percentage of their pre-tax income attributable to fees. For example, at Wells Fargo and Wachovia it was 25%, at Mellon it was 30%, at Bank of America it was 33%, at AmSouth it was 42%, at Washington Mutual it was 51%, and at TCF Financial it was 82%. They also concluded that there is a criminal risk in actively marketing bounce protection programs.

On May 2, 2005, a *Business Week* article indicated that "overall, banks raked in \$32 billion in account service fees last year, up from \$21 billion in 1999." They further stated that "fees have become such a powerful source of profits that they exceed earnings from mortgages, credit cards and all other lending combined." Additionally, the article refers to a banking analyst at Sanford C. Bernstein & Co. who said that "the poorest 20% of the country's 135,000,000 checking customers generate 80% of the \$12 billion in annual overdraft fees."

On May 5, 2005, the *American Banker* reported that in a study by one bank it was discovered that individual "customers are spending thousands of dollars on overdraft fees each year. One retail customer paid \$6,800.00 in the first eleven months last year. At roughly \$25.00 an overdraft, that works out to an average of about 22 bounced checks per month. The top business customer paid \$8,825.00 in fees. The smallest total racked up by any of the 300 customers it analyzed was about \$900.00 a year, or roughly three non-sufficient fund charges a month, assuming a \$25.00 average."

On May 26, 2005, the *Center for Responsible Lending* issued a report conservatively estimating that "borrowers pay more than \$10 billion dollars in overdraft loan fees per year." They actually believe the "current amount of overdraft loan fees could be as large as \$22.7 billion."

On June 9, 2005, the *Consumer Federation of America* issued a report indicating that:

(1) "At least 27 of the 33 institutions surveyed (81.8 %) have courtesy overdraft provisions written into the fine print of their account agreements that say that the bank may or may not, at its discretion, cover debts to checking accounts that would overdraw the account. All of these banks allowed depositors to overdraw their accounts at the ATM, 26 (78.8 %) allow overdrafts at point-of-sale debit transactions at merchants, and 17 (51.5 %) allow overdrafts from automated or scheduled electronic payments."

(2) "Twelve of the banks (36.4 %) charge additional fees for not repaying the overdraft within a certain period. These sustained overdraft charges begin on average after the fifth day the account is deficient. Seven banks charge an average \$5.57 per-day sustained overdraft fee and five banks charge an average \$27.50 single sustained overdraft fee."

(3) "Contractual overdraft protection is cheaper than discretionary courtesy overdraft." The fee for a link to a savings account averaged \$7.38; a link to a credit card averaged \$10.00; links to lines of credit averaged \$5.20; and the automatic courtesy overdraft averaged \$28.57.

The five federal banking regulators have a need to know what is happening in the institutions they are regulating. To do that, these agencies should have financial institutions report, on a going-forward basis by month or quarter:

(a) The number of customers charged these fees, distinguishing between accounts where the overdrafts are rejected and unpaid versus accounts where the overdrafts are covered via overdraft protection (and excluding linked credit and deposit accounts, since they are reported elsewhere);

(b) Total fee income, again distinguishing between the total fees on overdrafts that are unpaid (i.e., true NSF fees) versus the total fees on overdrafts that are covered via overdraft protection;

(c) The average number of days overdraft protection funds are outstanding before being repaid; and

(d) The total overdraft amounts which are classified past due, in default or written off during the relevant period. Financial institutions in fact have all of this information, so it should not be a hardship for them to provide this information in call reports. This data will give the regulators important information about the programs and potential safety and soundness exposures.

**III. BANKS ARE ADVERTISING "FREE" CHECKING ACCOUNTS WHILE MAKING ENORMOUS FEES ON OVERDRAFT PROGRAMS; THIS SHOULD BE RESTRICTED**

According to one of the largest overdraft protection program vendors in the country,