

blessed America with your service to our country.

Thank you, Mr. Speaker.

□ 1500

PROVIDING FOR AN ADJOURNMENT OR RECESS OF THE TWO HOUSES

Mr. FRANK of Massachusetts. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 259) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 259

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, November 15, 2007, or Friday, November 16, 2007, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2 p.m. on Tuesday, December 4, 2007, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns on any day from Thursday, November 15, 2007, through Thursday, November 29, 2007, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, December 3, 2007, or such other time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC 2. The Speaker of the House and the Majority Leader of the Senate, or their respective designees, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble at such place and time as they may designate if, in their opinion, the public interest shall warrant it.

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

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

Mr. BOEHNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 214, nays 196, not voting 22, as follows:

[Roll No. 1113]

YEAS—214

Abercrombie	Boswell	Cohen
Ackerman	Boucher	Cooper
Allen	Boyd (FL)	Costa
Altmine	Boyda (KS)	Costello
Andrews	Brady (PA)	Courtney
Arcuri	Braley (IA)	Cramer
Baca	Brown, Corrine	Crowley
Baird	Butterfield	Cuelar
Baldwin	Capps	Cummings
Barrow	Capuano	Davis (AL)
Bean	Cardoza	Davis (CA)
Becerra	Carnahan	Davis (IL)
Berkley	Carney	Davis, Lincoln
Berman	Castor	DeFazio
Berry	Chandler	DeGette
Bishop (GA)	Clarke	DeLauro
Bishop (NY)	Clay	Dicks
Blumenauer	Cleaver	Dingell
Boren	Clyburn	Doggett

Edwards	Lee	Ruppertsberger	Murphy, Tim	Rogers (AL)	Stearns
Ellison	Levin	Rush	Musgrave	Rogers (KY)	Sullivan
Emanuel	Lewis (GA)	Ryan (OH)	Myrick	Rogers (MI)	Tancredo
Engel	Lipinski	Salazar	Neugebauer	Rohrabacher	Tanner
Eshoo	Loebssack	Sánchez, Linda	Nunes	Ros-Lehtinen	Terry
Etheridge	Lofgren, Zoe	T.	Pearce	Roskam	Thornberry
Farr	Lowey	Sanchez, Loretta	Pence	Royce	Tiabrt
Fattah	Lynch	Sarbanes	Peterson (PA)	Ryan (WI)	Tiberi
Filner	Mahoney (FL)	Schakowsky	Petri	Sali	Turner
Frank (MA)	Maloney (NY)	Schiff	Pickering	Saxton	Upton
Giffords	Markey	Schwartz	Pitts	Schmidt	Walberg
Gillibrand	Marshall	Scott (GA)	Platts	Sensenbrenner	Walden (OR)
Gonzalez	Matheson	Scott (VA)	Poe	Sessions	Walsh (NY)
Green, Al	Matsui	Serrano	Porter	Shadegg	Wamp
Green, Gene	McCarthy (NY)	Sestak	Price (GA)	Shays	Westmoreland
Grijalva	McCullum (MN)	Shea-Porter	Pryce (OH)	Shimkus	Whitfield
Gutierrez	McDermott	Sherman	Putnam	Shuler	Wicker
Hall (NY)	McGovern	Sires	Radanovich	Shuster	Wilson (NM)
Hare	McIntyre	Ramstad	Simpson	Smith (NE)	Wilson (SC)
Harman	McNerney	Regula	Smith (NJ)	Smith (TX)	Wolf
Hastings (FL)	McNulty	Rehberg	Smith (WA)	Young (AK)	Young (FL)
Herseth Sandlin	Meek (FL)	Solis	Reichert	Souder	
Higgins	Meeks (NY)	Space	Renzi		
Hill	Michaud	Spratt	Reynolds		
Hinchey	Miller (NC)	Stark			
Hirono	Miller, George	Stupak			
Hodes	Mollohan	Sutton	Blackburn	Emerson	Oberstar
Holden	Moore (KS)	Tauscher	Bono	Hastert	Paul
Holt	Moore (WI)	Taylor	Carson	Hinojosa	Slaughter
Honda	Murphy (CT)	Thompson (CA)	Conyers	Jindal	Waxman
Hooley	Murphy, Patrick	Thompson (MS)	Cubin	Kucinich	Weldon (FL)
Hoyer	Murtha	Tierney	Delahunt	Mack	Weller
Inslee	Nadler	Towns	Doyle	Melancon	
Israel	Napolitano	Tsongas	Ehlers	Moran (VA)	
Jackson (IL)	Neal (MA)	Udall (CO)			
Jackson-Lee (TX)	Obey	Udall (NM)			
Jefferson	Olver	Van Hollen			
Johnson (GA)	Ortiz	Velázquez			
Johnson, E. B.	Pallone	Visclosky			
Jones (OH)	Pascarella	Walz (MN)			
Kagen	Pastor	Wasserman			
Kanjorski	Payne	Schultz			
Kaptur	Perlmutter	Waters			
Kennedy	Peterson (MN)	Watson			
Kildee	Pomeroy	Watson			
Kilpatrick	Price (NC)	Watt			
Kind	Rahall	Weiner			
Klein (FL)	Rangel	Weich (VT)			
Lampson	Reyes	Wexler			
Langevin	Richardson	Wilson (OH)			
Lantos	Rodriguez	Woolsey			
Larsen (WA)	Ross	Wu			
Larson (CT)	Rothman	Wynn			
	Royal-Allard	Yarmuth			

NAYS—196

Aderholt	Davis, Tom	Hunter
Akin	Deal (GA)	Inglis (SC)
Alexander	Dent	Issa
Bachmann	Díaz-Balart, L.	Johnson (IL)
Bachus	Díaz-Balart, M.	Johnson, Sam
Baker	Donnelly	Jones (NC)
Barrett (SC)	Doolittle	Jordan
Bartlett (MD)	Drake	Keller
Barton (TX)	Dreier	King (IA)
Biggert	Duncan	King (NY)
Bilbray	Ellsworth	Kingston
Bilirakis	English (PA)	Kirk
Bishop (UT)	Everett	Kline (MN)
Blunt	Fallin	Knollenberg
Boehner	Feeley	Kuhl (NY)
Bonner	Ferguson	LaHood
Boozman	Flake	Lamborn
Boustany	Forbes	Latham
Brady (TX)	Fortenberry	LaTourette
Brown (GA)	Fossella	Lewis (CA)
Brown (SC)	Foxx	Lewis (KY)
Brown-Waite,	Franks (AZ)	Linder
Ginny	Frelinghuysen	LoBiondo
Buchanan	Gallegher	Lucas
Burgess	Garrett (NJ)	Lungren, Daniel
Burton (IN)	Gerlach	E.
Buyer	Gilchrest	Manzullo
Calvert	Gingrey	Marchant
Camp (MI)	Gohmert	McCarthy (CA)
Campbell (CA)	Goode	McCaull (TX)
Cannon	Goodlatte	McCotter
Cantor	Gordon	McCrary
Capito	Granger	McHenry
Carter	Graves	McHugh
Castle	Hall (TX)	McKeon
Chabot	Hastings (WA)	McMorris
Cole (OK)	Hayes	Rodgers
Conaway	Heller	Mica
Hensarling	Herger	Miller (FL)
Crenshaw	Herger	Miller (MI)
Culberson	Hobson	Miller, Gary
Dicks	Hoeckstra	Mitchell
Davis (KY)	Hulshof	Moran (KS)
Davis, David		

NOT VOTING—22

Blackburn	Emerson	Oberstar
Bono	Hastert	Paul
Carson	Hinojosa	Slaughter
Conyers	Jindal	Waxman
Cubin	Kucinich	Weldon (FL)
Delahunt	Mack	Weller
Doyle	Melancon	
Ehlers	Moran (VA)	

□ 1518

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION TO OFFER AMENDMENT NO. 10 AT ANY TIME DURING FURTHER CONSIDERATION OF H.R. 3915

Mr. FRANK of Massachusetts. Madam Speaker, I ask unanimous consent that during further consideration of H.R. 3915 in the Committee of the Whole, pursuant to House Resolution 825, amendment No. 10 be permitted to be offered at any time.

The SPEAKER pro tempore (Ms. McCOLLUM of Minnesota). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 825 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3915.

□ 1519

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 further consideration of the bill (H.R. 3915) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to establish licensing and registration requirements for residential mortgage originators, to provide certain minimum standards for consumer mortgage loans, and for

other purposes, with Mrs. TAUSCHER (Acting Chairman) in the chair.

The Clerk read the title of the bill.

The Acting CHAIRMAN. When the Committee of the Whole rose earlier today, a request for a recorded vote on amendment No. 16 printed in House Report 110-450 by the gentleman from Georgia (Mr. PRICE) had been postponed.

AMENDMENT NO. 5 OFFERED BY MR. WATT

The Acting CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 110-450.

Mr. WATT. Madam Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. WATT:
Page 60, line 3, strike "or" and insert "and".

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentleman from North Carolina (Mr. WATT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. WATT. Madam Chairman, this amendment, on its face, is very, very simple, although I expect there will be some controversy about it. The amendment simply changes one word. The word is "or." We change the word to "and" in the bill instead. You would think that would be noncontroversial, but let me get into the effect of that.

Currently, if an assignee of a mortgage has policies and procedures not to buy subprime loans that do not meet safe harbor provisions that are in this bill, or if the assignee is willing to cure such loans, the assignee has no liability until you get to a foreclosure situation. That's very complicated, I understand; but that's what the bill provides.

The effect of the amendment would be to require the assignee to have policies and procedures in place and do certain things and be willing to cure the loan to avoid being liable for rescission.

That's important because if you give the option to an assignee of either curing or having policies and practices that are responsible in place, an assignee can then just treat the cure as a cost of doing business, and it becomes an ineffective choice. But if they are obligated to both have the policies and procedures and protections in place, and be willing to cure the loan, then they are not going to exercise the option to do the least onerous one of those things.

It is a simple provision, a simple change, although I understand the arguments against it.

And I will, having created the framework and explained what we are trying to do, reserve the balance of my time.

Mr. BACHUS. Madam Chairman, I rise to claim the time in opposition.

The Acting CHAIRMAN. The gentleman from Alabama is recognized for 5 minutes.

Mr. BACHUS. Madam Chairman, as has been discussed both in committee and on the floor of the House this morning, this legislation is a result of Democrats joining with Republicans. Not all. I mean, many Republicans are opposed to this legislation.

But after 2 years of trying to address the subprime lending crisis, many Members of this body came together to craft legislation. That legislation is not perfect, nor will it be. I have concerns about it.

My Members, many of them, are particularly concerned about the liability provisions. And this amendment fundamentally unravels, at least a consensus that some of us have reached with the other part by gutting the safe harbor contained in the legislation that is critical to the functioning of the secondary mortgage market. Without liquidity provided by the secondary market, the homeownership dreams of millions of Americans, particularly low- and middle-income Americans, will simply not be realized.

If this amendment is enacted, the safe harbor for the secondary market would disappear because notwithstanding the satisfaction of the statutory elements of the safe harbor, securitizers would be required to cure any violations of the bill's minimum standards by a creditor. This would effectively eliminate any benefit from the conduct of due diligence by secondary market participants that this bill is intended to promote. Deprived of that safe harbor, securitizers would simply stop purchasing loans. The effect on the availability of mortgage credit and on the housing market across the country would be devastating.

Madam Chairman, I reserve the balance of my time.

Mr. WATT. Madam Chairman, I reserve the balance of my time.

Mr. BACHUS. Madam Chairman, I yield 2 minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding. I too share great concern about this amendment. I've had concern about assignee liability in this legislation to begin with. But I at least recognized the benefit of having a so-called safe harbor provision.

As I looked at the safe harbor, I was somewhat fearful that there were still some dangerous reefs that were lurking beneath the waves. I'm fearful if this amendment is passed not only will those dangerous reefs be present, but any harbor will have disappeared as well.

Again, we need to step back and decide, on this entire issue of assignee liability, when we look at all the resets that are due to happen in the market, will this legislation add liquidity to the market? Will it subtract liquidity from the market?

For people who are trying to keep their homes, over and above whatever the market is providing, are the actions of us in this body going to exacerbate the situation and dry up even more liquidity?

I think this is a major amendment, that whatever balance was struck in this area completely removes that balance. And I think it will provide for an explosion of liability exposure that could be very, very damaging to the secondary market.

I've heard the distinguished chairman of the committee on a couple of occasions refer to Chairman Bernanke's comments on the subject. And I'm not sure I've seen where he's actually advocated assignee liability, although he has acknowledged that, under certain circumstances, in a very limited situation, it might be helpful.

But I also saw in his testimony before our committee, if I can quote from the chairman: "We've seen from different States different experiences and there have been examples where assignee liability provisions have driven lenders out of the State."

Let's not drive them out of the Nation. Let's reject this amendment.

□ 1530

Mr. WATT. Madam Chairman, I reserve the balance of my time.

Mr. BACHUS. May I inquire as to how much time is remaining?

The Acting CHAIRMAN. The gentleman from Alabama has 1 minute remaining. The gentleman from North Carolina has 2½ minutes remaining.

Mr. BACHUS. Madam Chairman, if this amendment is adopted, it's going to seriously damage this bill. I urge all of my colleagues to resist this amendment.

Madam Chairman, I yield the remaining time to the gentleman from North Carolina.

Mr. McHENRY. I thank the ranking member.

In brief, my colleagues must understand the simplicity of this amendment. What it would say is the secondary market has to give a road map for those who are facing foreclosure for them to get out of their mortgage. In essence, what it says is, if you want out of your mortgage, here's the road map to do it.

I think this would be a destructive influence on the market. It would further undermine the secondary market and the liquidity in the marketplace and would further harm home ownership. I urge my colleagues to oppose it.

Mr. WATT. I yield myself the balance of the time, and I assure you, I won't use it.

The arguments that have been made are absolutely correct with respect to 99 44/100 percent of the people operating in the market. These are not bad people. But this bill was drawn to get at that small percentage of the market that is out of control. And if you give that small percentage of the market the option of either doing some paperwork or curing, as opposed to having to do both of those things, I guarantee you they will take the option that is most cost beneficial to them. And

that's what we've been trying to stop, those people in the marketplace who are out of control. And that's what this amendment is designed to do.

For the rest of the market, it really won't have any impact at all because they're going to put procedures in place and they are going to be willing to cure, if that's the last resort.

So, I think, unfortunately, there are players in this market that have been out of control. This bill is designed to deal with them, and this amendment would help disincentivize them being out of control without harming anybody else. I would encourage my colleagues to support it.

Madam Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. WATT).

The amendment was rejected.

AMENDMENT NO. 10 OFFERED BY MR. PUTNAM

The Acting CHAIRMAN. It is now in order to consider amendment No. 10 printed in House Report 110-450.

Mr. PUTNAM. Madam Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. PUTNAM: Page 79, after line 20, insert the following new section (and amend the table of contents accordingly):

SEC. 214. REPORT BY THE GAO.

(a) REPORT REQUIRED.—The Comptroller General shall conduct a study to determine the effects the enactment of this Act will have on the availability and affordability of credit for homebuyers and mortgage lending, including the effect—

(1) on the mortgage market for mortgages that are not within the safe harbor provided in the amendments made by this title;

(2) on the ability of prospective homebuyers to obtain financing;

(3) on the ability of homeowners facing resets or adjustments to refinance—for example, do they have fewer refinancing options due to the unavailability of certain loan products that were available before the enactment of this Act;

(4) on minorities' ability to access affordable credit compared with other prospective borrowers;

(5) on home sales and construction;

(6) of extending the rescission right, if any, on adjustable rate loans and its impact on litigation;

(7) of State foreclosure laws and, if any, an investor's ability to transfer a property after foreclosure;

(8) of expanding the existing provisions of the Home Ownership and Equity Protection Act of 1994;

(9) of prohibiting prepayment penalties on high-cost mortgages; and

(10) of establishing counseling services under the Department of Housing and Urban Development and offered through the Office of Housing Counseling.

(b) REPORT.—Before the end of the 1-year period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing the findings and conclusions of the Comptroller General with respect to the study conducted pursuant to subsection (a).

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentleman

from Florida (Mr. PUTNAM) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. PUTNAM. Madam Chairman, I have an amendment today that would direct the GAO to conduct a study to determine the effects the enactment of H.R. 3915 will have on the availability and affordability of credit for homebuyers and mortgage lending, and then submit a report to Congress containing the findings and conclusions within 1 year of enactment.

With that, I would yield to my chairman.

Mr. FRANK of Massachusetts. Madam Chairman, on the question of this GAO report, I believe it is a reasonable request because I am confident it will come back in support of our bill. And I think it is entirely reasonable to ask them to start, without waiting for passage of the whole bill in both Houses.

Mr. PUTNAM. So the gentleman would agree that we could join together and request the study even prior to final passage of the bill?

Mr. FRANK of Massachusetts. Yes. Well, actually, final passage of the bill is going to, I hope, happen in a couple of hours in the House; but before it gets to the Senate, without waiting for the Senate, yes.

Mr. PUTNAM. I thank the gentleman. And I look forward to joining him on that request to the GAO.

Madam Chairman, I yield back the balance of my time.

Mr. FRANK of Massachusetts. Madam Chairman, I rise in opposition.

The Acting CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. FRANK of Massachusetts. And I will yield 2 minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Let me thank Chairman FRANK, Chairman WATT, Congresswoman WATERS and all the members of the Financial Services Committee for their leadership and commitment to help Americans who are struggling. And we all know, quite frankly, many, many people are struggling to keep their homes as this mortgage crisis continues to claim victims.

This legislation adds a very important piece of what we're trying to do in terms of the protections, including limiting prepayment penalties, requiring that loans be affordable, and that refinancing provide a net benefit to borrowers. However, I have some concerns about H.R. 3915 that I hope will be addressed as it moves through the process, and I would like to just mention a few of those concerns because I think they're very important to hear. They were forwarded by ACORN, the Center for Responsible Lending, the Consumer Federation of America, Leadership Conference on Civil Rights, the NAACP, Ohio Attorney General Marc Dann, and Opportunity Finance Network. They raised concerns with regard to these issues:

One, the ability to pay. They believe the standard does not apply to all loans, it undercuts agency guidelines, and will not change the markets;

Secondly, the prohibition on steering is weak and upselling of loan rates still possible. Homeowners cannot prevent foreclosure. Some feel, and I know that this is being addressed today, that the preemption is too broad.

So, I know that, as this bill moves through the process, we will look at it. It is a starting point. I urge our colleagues to make sure that it does become stronger because this American Dream of home ownership is, quite frankly, turning to a nightmare for so many people.

I want to thank Chairman FRANK for his leadership and for really trying to put together a bipartisan bill. And also, with regard to the Putnam amendment, the reporting, I think, makes sense.

NOVEMBER 15, 2007.

Hon. BARNEY FRANK,
Chairman, House Financial Services Committee.
Hon. SPENCER BACHUS,
*Ranking Member,
House Financial Services Committee.*

DEAR CHAIRMAN FRANK AND RANKING MEMBER BACHUS: We, the undersigned organizations, write to present our views on H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act of 2007. While we greatly appreciate your efforts to reduce predatory lending and to restore balance to the mortgage market, we believe this bill requires improvements in the areas described below in order for the bill to achieve its goals.

Subprime lending has been a disaster of monumental proportions, shattering hopes of economic progress for millions of families and triggering a devastating chain reaction of losses for communities and businesses. More than two million families will likely lose their homes as a result, and for most families—especially African-Americans and Latinos—their home equity represents the greatest share of their family wealth. Wall Street's demand for risky loans with higher interest rates played a key role in encouraging reckless lending, and brokers delivered whatever loans they could sell.

When H.R. 3915 was introduced, we applauded many of its strongest provisions, such as the originator duty of care and anti-steering rules, the bans on yield spread premiums, prepayment penalties, mandatory arbitration, and single premium credit insurance, and the special protections for extremely high-cost mortgages and for renters.

It is crucial to retain those strong provisions, to improve the remedies and market incentives in the bill, and to avoid preemption of state laws related to these issues. Unfortunately, as the bill has passed through the legislative process, several of the strongest provisions (such as the duty of care and ban on yield-spread premiums) have been weakened, the remedies have been weakened rather than strengthened, and a preemption clause has been added that would eliminate important state claims that help homeowners protect the homes.

Our concerns about the bill fall into four main areas:

“Ability to Pay” Standard Does Not Apply to All Loans, Undercuts Agency Guidance, and Will Not Change Market: The bill requires no ability to pay standards for approximately 90% of the current mortgage market and creates an irrebuttable presumption that any loan below 8.25% is affordable.

This immunity undercuts the existing joint agency guidance that currently sets ability to pay standards for risky loans, especially loans such as payment options ARMs, the majority of which are “qualified mortgages.” Moody’s estimates that monthly payments on \$220 billion of POARMS will reset—in most cases to much higher monthly payments—between 2009 and 2011. Additionally, because there is no requirement that secondary market purchasers conduct due diligence, we fear that the secondary market will continue to purchase abusive loans and choose to absorb the expense of any cures as part of the cost of doing business.

Prohibition on Steering is Weak and Upselling of Loan Rate Still Possible: Rather than prohibiting yield spread premiums, as was originally intended, the bill as amended now essentially authorizes such practices as long as there is disclosure to the consumer. Research shows that disclosure has virtually no effect on preventing abusive lending practices such as steering. We also fear that incorporating Title II into the Title I standards significantly weakens the entire structure, and the permitted damages are insufficient to change the market. Moreover, the damages for violation of the steering provision are too low to change broker behavior.

Homeowners Cannot Prevent Foreclosure: As currently drafted, homeowners have no rights against the actual holder of the loan (in other words, against the entity that will foreclose on them) until a foreclosure has already begun. At that point, not only has the family been traumatized, but the damage to the homeowner’s credit is done, which will likely prevent the use of the rescission remedy. Moreover, even in foreclosure, it is not fully clear that homeowners will be able to reach the holder in the vast majority of situations.

Preemption is Too Broad: Although we appreciate that there is not preemption for the entire bill, the broad preemption in the area of assignee liability would wipe out the many existing state laws, such as UDAP statutes [and UCC protections?], that provide remedies against assignees. Since most loans are sold soon after origination, and since so many originators and creditors are thinly capitalized (assuming they even are still in business), many homeowners will be left without any remedy for unaffordable loans.

Ultimately, unless legislation fundamentally changes the incentive structure both for Wall Street and for mortgage originators, predatory lending is likely to continue in one form or another.

We look forward to continuing to work with the Congress as this bill moves through the legislative process.

Sincerely,

ACORN, CDFI Coalition, Center for Responsible Lending, Consumer Federation of America, Leadership Conference on Civil Rights, NAACP, Ohio Attorney General Marc Dann, Opportunity Finance Network.

Mr. FRANK of Massachusetts. I yield myself 1 minute to comment on what the gentlewoman has said because we’ve agreed to the gentleman’s amendment, so we’re on some other subjects now.

What I would say is this: I would want to stress with regard, for instance, to ability to pay and jeopardizing the right of the homeowner, nothing in this bill in any way diminishes State remedies regarding ability to pay on prime loans. That’s the argument, that we do not deal with the ability to pay on prime loans, et cetera. But the

effect of that is that any remedy a State wants to pursue against the originator of the loan or the lender remains unimpeded. So we did want to make that point.

And just to say also, with regard to the incentive to charge more, the gentleman from North Carolina (Mr. MILLER) and I discussed that. It will be very clear to anybody by the time this bill becomes law that there is no possibility of anyone being given higher compensation in return for getting people into a more expensive loan.

As to preemption, there will be some. There are people who want none at all. I do not think you could have a secondary market if there were no preemption. But we have already, in the manager’s amendment, defined it, and I think reassured people that, for instance, fraud, deception, et cetera, that causes arising out of that will not be preempted.

I now yield the remaining time to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Let me thank the distinguished Chair for yielding the time. And let me acknowledge in this very short time the importance of this legislation, and particularly, its importance to my community in Houston.

The most important point that I would like to emphasize is the issue of the standards being put in place for mortgage brokers. I happen to be very happy that standards are preempting State standards in this instance, because Texas needs that kind of regulation.

Let me also take note of the fact that I know Mr. WATT was intending to bring forward an amendment regarding reverse mortgages, and may submit it or not. But knowing that I just recently dealt with a constituent, an elderly constituent who suffered from a reverse mortgage loan, she utilized the reverse mortgage, and now she can’t find any of those that provided that loan and cannot afford to pay it back and she is about to lose her house. So, with the numbers of homeless in our community and with the numbers of homeless across America, the fact that we are talking about creating a better housing market and also creating jobs as we go forward, this is a constructive bill.

I would ask my colleagues to consider the fact that affordable housing only comes from a regulated and positive market. I like the underlying amendment, but I think it is important to set standards for mortgage brokers and to ensure that there is consumer protection in housing for those most vulnerable.

And I appreciate, in particular, that this bill has created a Office of Housing Counseling to help new homeowners. And might I, as I close, Madam Chairman, just indicate that I support the concerns of ACORN and the NAACP and look forward to those issues being corrected as we make our way to conference.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. PUTNAM).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MR. WATT

The Acting CHAIRMAN. It is now in order to consider amendment No. 6 printed in House Report 110-450.

Mr. WATT. Madam Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. WATT: Page 52, strike lines 13 and 14 and insert the following new subparagraph:

“(B) if such loan is—

“(i) a qualified safe harbor mortgage; or

“(ii) a nontraditional mortgage.”

Page 56, after line 3, insert the following new subparagraph:

“(D) NONTRADITIONAL MORTGAGE.—The term ‘nontraditional mortgage’ means any residential mortgage loan that allows a borrower to defer payment of principal or interest.”

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentleman from North Carolina (Mr. WATT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. WATT. Madam Chair, you may not have to recognize anybody in opposition to this amendment because I plan to offer it and then withdraw it. But I think I would be remiss not to discuss the issue because of two reasons: Number one, it needs to be discussed because of the very difficult, delicate balance that the Chair has been able to walk to get us to this point; and number two, to illustrate once again that when you allow good things to happen in the marketplace, some people in the marketplace will abuse them. And trying to get the right balance to encourage good things to happen in the marketplace and not discourage that from happening opens up, sometimes, the possibility that people who are not well intentioned will engage in activities that need to be prevented. And this is the classic case of that.

Basically, the bill now presumes that we meet the ability to repay a loan and provide net tangible benefit to a borrower if it is not a subprime loan. If it is a prime loan in the marketplace right now, that interest rate is 8.25 percent, so anything below that we presume to be a good loan.

The market now has done this. They’ve made available in the market a loan that defers interest and principal. And that is a good thing for about 90 percent of the people, maybe even more than that, who have the ability to do that. I’m the classic example of that. I have a loan in which I can defer for a period of time both the interest and the principal on the loan. But if you make that kind of loan available to somebody who doesn’t have the income level that is sufficient

to pay it, under this bill, they can't even go back and offer proof that you shouldn't have done that, because we presumed, irrefutably presumed, that this is a good loan. And so the amendment that I was trying to craft and offer would have tried to close that. The problem is, if I close it for the bad people, then I also close it for the good people.

And so, as an alternative to proceeding with the amendment, I have convinced the Chair, I hope, that we will continue to work on this issue and find a way to stop the bad people from making these kinds of loans or abusing the process without penalizing the people who really deserve and should have these kinds of loans, which I acknowledged from the very beginning serve a useful place in the marketplace.

I yield to the chairman of the committee.

Mr. FRANK of Massachusetts. I will say on this, as on a number of other issues, I will say very sincerely that the gentleman from North Carolina has persuaded me. I think he has clearly identified an issue that needs some further work. And as we go forward, ultimately to get this bill done, I would hope that we can work together on this.

Mr. WATT. And that's all I wish to have acknowledged, and to demonstrate to everybody who is listening, really, that this has been a difficult issue, because just about any kind of loan that can be made in the marketplace, somebody can benefit from.

□ 1545

But when you have a loan that is particularly subject to being abused, you have to have rules to constrain it.

Madam Chairman, I ask unanimous consent to withdraw my amendment.

The Acting CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 7 OFFERED BY MR. HENSARLING

The Acting CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 110-450.

Mr. HENSARLING. Madam Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. HENSARLING:

Page 73, after line 25, insert the following new section (and redesignate subsequent sections accordingly):

SEC. 211. LENDER RIGHTS IN THE CONTEXT OF BORROWER DECEPTION.

Section 130 of the Truth in Lending Act is amended by adding at the end the following new subsection:

“(j) EXEMPTION FROM LIABILITY AND RESCISSION IN CASE OF BORROWER FRAUD OR DECEPTION.—In addition to any other remedy available by law or contract, no creditor, assignee, or securitizer shall be liable to an obligor under this section, nor shall it be subject to the right of rescission of any obligor under 129B, if such obligor, or co-obligor, knowingly, or willfully furnished material information known to be false for the pur-

pose of obtaining such residential mortgage loan.”.

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentleman from Texas (Mr. HENSARLING) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. HENSARLING. Madam Chairman, there are clearly many reasons why home loans go delinquent. The number one reason, we all know, is the loss of a job, or other bad luck like long-term illness or disability. Clearly a phenomenon that has been discussed at quite some length in committee and on the floor, predatory lending has played a significant role as well. And many of us have urged very robust antifraud provisions and increased resources for enforcement.

But I think we also shouldn't underestimate the role of another phenomenon in home loans becoming delinquent, and I call that predatory borrowing. People who knowingly take advantage of the system, who game the system, who give false information in their disclosures and their verifications. And making the risk-based analyses that lenders use to determine how much money a person should be responsibly lent makes that impossible. And there are borrowers, there are borrowers all across America who have knowingly exaggerated their incomes. They represented that they used a home for their primary residence, and they didn't. They acted as straw buyers in property-flipping schemes and used other scams to qualify for loans that otherwise they would not have qualified for and loans that they cannot pay back, and to a great extent many other people are now suffering.

And the result of this predatory borrowing is predictable: higher foreclosure rates; reduced availability of credit in the market; fewer homeownership opportunities for those low-income people, those people who may have a checkered credit past but who are honest, who are responsible, and who just need a second chance.

So, Madam Chairman, I think this is a very, very modest amendment today that would simply remove the civil liability of a lender and cancel the right of rescission for a borrower in instances where the borrower knowingly lied on their mortgage loan application.

Borrowers who have done this, who have misled lenders into giving them these loans, should not be able to turn around and then sue the lender and be able to rescind those loans to compound their deception with some kind of financial advantage. I hope that most, if not all, of us would hopefully conclude that that is an absurd and perverse result. One should not profit from their dishonesty.

I certainly appreciate the chairman's willingness to work with me on this amendment. I have been led to believe

that he supports it. And although I respect the views of everybody in this committee, I have clearly said that I do not believe this bill should pass. But if it does pass, if it does pass, there does need to be some minimal acknowledgment of the role of personal responsibility and of predatory borrowing. And I urge the adoption of the amendment.

Madam Chairman, I yield back the balance of my time.

Mr. FRANK of Massachusetts. Madam Chairman, I claim the time in opposition, not in opposition although there is going to be a secondary amendment.

The Acting CHAIRMAN. Without objection, the gentleman from Massachusetts is recognized for 5 minutes.

There was no objection.

Mr. FRANK OF Massachusetts. The gentleman said he had been led to believe that I would be supportive. I wouldn't want the gentleman to be in suspense as to whether or not he had been misled.

I know there have been conversations between him and the gentleman from North Carolina about a secondary amendment. And assuming everything goes as we have all discussed, he has not been misled. The gentleman can sleep easily tonight that people told him the truth, because I am prepared to be supportive of what we have got worked out.

Madam Chairman, I yield back the balance of my time.

AMENDMENT NO. 8 OFFERED BY MR. WATT TO AMENDMENT NO. 7 OFFERED BY MR. HENSARLING

Mr. WATT. Madam Chairman, I have a secondary amendment to the Hensarling amendment at the desk which has been made in order under the rule.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 printed in House Report 110-450 offered by Mr. WATT to amendment No. 7 printed in House Report 110-450 offered by Mr. HENSARLING:

In the amendment, insert “and with actual knowledge” after “willfully”.

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentleman from North Carolina (Mr. WATT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. WATT. Madam Chairman, my good friend Mr. HENSARLING may be surprised to know that we actually agree very much with the spirit of what he is trying to do. And I am not sure that my amendment will absolutely cure all of the concerns we have with it, but it will certainly make it better, and we will continue to work on trying to really address the issue.

We don't want anybody to walk in and give false information on an application for a loan. One of the reasons we fought so hard to protect State laws

and not to preempt all State laws is because that would be fraud and we think it would be outrageous, it would be shyster. But as everything, there is another side to this, and I will illustrate it with a loan that I just recently closed myself, a loan that was made to me.

I submitted the application. I submitted the financial information. And what happened after that was that because the lender wanted their own form, they took my information that I had submitted to them and put it on their own form. They handed it back to me in a stack of forms that I needed to sign, and I signed them.

Now, what has happened in the marketplace much, much more than the gentleman would like to know is that when that second block of papers came back, somebody had put false information on that application because they knew this borrower was not going to qualify for the loan if they didn't fudge the borrower's income, if they didn't fudge the borrower's credit in some way. So it was not the borrower who gave the false information; it was somebody else in the chain. And that is what we have got to guard against. And that's what the basic bill is all about.

Now, we don't have any problem holding people personally accountable for the information that they knowingly provide; but if somebody just sticks some documents in front of me after I have given them the right information and they go back and change the information or put it on another form and I just happened to sign it because I presumed that the lender I am dealing with or the broker I am dealing with is honorable, I shouldn't be held accountable for that. And my second-degree amendment helps to make that clearer. And I hope by the time this bill gets passed, we can make it absolutely clear that what Mr. HENSARLING is trying to accomplish and what I am trying to accomplish get taken into account.

Madam Chairman, I reserve the balance of my time.

Mr. HENSARLING. Madam Chairman, I would like to claim the time in opposition although I am uncertain at this point whether I am actually opposed to the gentleman's second degree amendment.

The Acting CHAIRMAN. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. HENSARLING. Madam Chairman, although it has been many years, I had a short and unillustrious career as an attorney; so I'm somewhat familiar with the term "knowingly" as a legal term of art. I am less familiar with the phrase "with actual knowledge." Hearing the gentleman from North Carolina's explanation, I think we are trying to get at the very same situation. So the only thing that made me somewhat nervous is I am unacquainted with the phrase as a legal term of art. I do believe that the

gentleman and myself are trying to achieve the same thing. Perhaps it's innocuous.

Mr. FRANK of Massachusetts. Madam Chairman, will the gentleman yield?

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

Mr. FRANK of Massachusetts. I would be glad, Madam Chairman, to give the gentleman my assurance. And we can't all, when we see these things, know it's exactly right. If as we go forward, assuming the secondary amendment and the primary amendment are adopted, if the gentleman needs some further clarification of questions that we can deal with between now and the time of the final bill, we are open to continue those discussions.

Mr. WATT. Madam Chairman, will the gentleman yield?

Mr. HENSARLING. I yield to the gentleman from North Carolina.

Mr. WATT. I will give him the same assurance. And I said it in my statement because I just got the gentleman's amendment yesterday or the day before, and I confess that my amendment to his amendment may not accomplish everything that both of us are trying to accomplish either, which is why I said we are going to have to continue to work on this, and I am certainly willing to continue to work with him.

I understand exactly what the gentleman is trying to achieve. We share that objective. But we want to make sure that the concerns I raise don't get washed up in the "knowingly" term that the gentleman used.

Mr. HENSARLING. I appreciate the gentleman's comments. I certainly take the distinguished chairman at his word, and I take the gentleman from North Carolina at his word, and I certainly withdraw any objection that I might have to the second-degree amendment.

Madam Chairman, I yield back the balance of my time.

Mr. WATT. Madam Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. WATT) to the amendment offered by the gentleman from Texas (Mr. HENSARLING).

The amendment to the amendment was agreed to.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING), as amended.

The amendment, as amended, was agreed to.

AMENDMENT NO. 9 OFFERED BY MR. MEEKS OF NEW YORK

The Acting CHAIRMAN. It is now in order to consider amendment No. 9 printed in House Report 110-450.

Mr. MEEKS of New York. Madam Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. MEEKS of New York:

Page 15, line 10, strike "reviewed, approved, and" and insert "reviewed, and".

Page 15, after line 12, insert the following new paragraph:

(3) LIMITATION AND STANDARDS.—

(A) LIMITATION.—To maintain the independence of the approval process, the Nationwide Mortgage Licensing System and Registry shall not directly or indirectly offer pre-licensure educational courses for loan originators.

(B) STANDARDS.—In approving courses under this section, the Nationwide Mortgage Licensing System and Registry shall apply reasonable standards in the review and approval of courses.

Page 15, line 13, strike "and administered".

Page 15, line 14, insert "and administered by an approved test provider" before the period.

Page 17, line 23, strike "reviewed, approved, and" and insert "reviewed, and".

Page 18, after line 14, insert the following new paragraph:

(5) LIMITATION AND STANDARDS.—

(A) LIMITATION.—To maintain the independence of the approval process, the Nationwide Mortgage Licensing System and Registry shall not directly or indirectly offer any continuing education courses for loan originators.

(B) STANDARDS.—In approving courses under this section, the Nationwide Mortgage Licensing System and Registry shall apply reasonable standards in the review and approval of courses.

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentleman from New York (Mr. MEEKS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York.

Mr. MEEKS of New York. Madam Chairman, over the past few years, the Financial Services Committee has been working to strike the right balance between protecting home buyers without eliminating the viability of the subprime mortgage market. Under the leadership of Chairman FRANK, I believe we have struck that balance in a bipartisan manner. This is why I wholeheartedly agree and wanted to be an original cosponsor of this legislation.

Madam Chairman, one of the new requirements of this bill is that all mortgage originators must be licensed to serve the public. The purpose of this requirement is to have a depository of all mortgage originators and hopefully eliminate from the system those loan originators that take advantage of borrowers. I know in my district this has been a real problem. Along with the fingerprinting and the pulling of a credit report, mortgage originators must also participate in 20 hours of education in a program approved by the Nationwide Mortgage Licensing System and Registry which is to be developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators.

Madam Chairman, I am very supportive of this aspect of the legislation. But I am concerned that it leaves open an opportunity for a conflict of interest. The conflict would take place if

the Nationwide Mortgage Licensing System were to decide to offer the education requirement themselves.

Currently, 34 States have mortgage education requirements for loan originators licensed in those respective States. This training is conducted by many small business providers who are approved to offer mortgage education by each State's regulating bodies. My amendment is quite simple. It does the following:

A, to maintain the independence of the approval process, the Nationwide Mortgage Licensing System and Registry shall not directly or indirectly offer educational courses for pre-licensure or continuing education for mortgage originators.

□ 1600

And, B, in approving courses under this act, the Nationwide Mortgage Licensing Systems and Registry shall apply reasonable standards in the review and approval of courses.

Mr. Chairman, to make it simple, I used to be a judge. A judge cannot preside over a case in which he is the litigant. This amendment has been discussed with the Conference of State Bank Supervisors, and they do not object. I think it is a simple amendment.

I reserve the balance of my time.

Mr. BACHUS. Mr. Chairman, I claim the time in opposition although I am not opposed to the amendment.

The Acting CHAIRMAN (Mr. HOLDEN). Without objection, the gentleman from Alabama is recognized for 5 minutes.

There was no objection.

Mr. BACHUS. I want to compliment the gentleman from New York (Mr. MEEKS) for offering this amendment. I know it clarifies the role of the Conference of State Bank Supervisors and the approval process for State license mortgage practitioners and originators. I compliment the gentleman. I know that the Conference has worked with the industry in crafting this amendment. I urge support for it.

Mr. MEEKS of New York. Thank you, Mr. BACHUS.

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MEEKS).

The amendment was agreed to.

AMENDMENT NO. 11 OFFERED BY MS. GINNY BROWN-WAITE OF FLORIDA

The Acting CHAIRMAN. It is now in order to consider amendment No. 11 printed in House Report 110-450.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Ms. GINNY BROWN-WAITE of Florida:

Page 54, line 14, strike "and".

Page 54, line 16, strike the period and insert ";; and".

Page 54, after line 16, insert the following new clause:

"(iv) a mortgage insured under title II of the National Housing Act (12 U.S.C. 1707 et seq.).".

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Florida.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, it is no secret that Americans are facing a growing crisis in the subprime housing market. Subprime mortgage foreclosures have spiked and crashed for the last 6 years. Rates have ranged as high as 9.25 in 2002 for foreclosures and as low as roughly 3 percent in mid 2005. In the first quarter of this year, they crept back up again to 5 percent.

However, foreclosure rates among loans the Federal Housing Administration insures have stayed somewhat consistent throughout that time. Since there has been less than 1 percent fluctuation in these foreclosure rates since 2001, I think it is very imperative that we have this amendment adopted.

This amendment excludes loans insured by FHA from the provisions of this bill. The language is actually very similar to an amendment that I offered and that was accepted in the Financial Services Committee, one that exempted VA loans.

Mr. Chairman, the provisions in this bill will help Americans in the pursuit of owning their own home, many believe, but there are still millions of Americans who without FHA probably would not have had this opportunity. But if VA and FHA are already writing loans that are clearly good for their customers, Congress should leave them alone and let them carry on with their business. Obviously, it is working, and as the old axiom goes, if it's not broke, don't fix it.

Therefore, I urge Members to support my amendment that exempts FHA-insured loans from the provisions of this bill.

I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I claim the time that is set aside for someone in opposition since no one is.

The Acting CHAIRMAN. Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. FRANK of Massachusetts. I appreciate the gentlewoman coming forward. She has on this and other occasions played a very constructive role in helping us work things out. We have already done this for the Veterans Administration, Department of Veterans Affairs. Yes, in fact, it is our hope to get more people into the FHA program as an alternative to subprime. One of the things we've done, and the Senate is now doing it, is to extend the FHA's reach to people with subprime; although I do want to remind my friends

in the Senate, I feel very strongly that when we do that, it would be terrible social policy to make people with weaker credit who are faithfully making their payments pay more than other people, and we will deal with that as we work out the two bills.

But for purposes of this bill, the gentlewoman is absolutely correct. So I intend to support her amendment.

And that leaves me with some extra time, so I would now yield 2 minutes to the gentleman from California, a member of the committee.

(Mr. BACA asked and was given permission to revise and extend his remarks.)

Mr. BACA. Mr. Chairman, I stand in support of this amendment and also rise in support of H.R. 3515. I want to thank Chairman FRANK for his leadership.

The headline from yesterday's San Bernardino Sun, my local paper, read "Area Number 3 in Nation in Foreclosures."

Right now, one in 43 houses in San Bernardino and Riverside Counties are undergoing foreclosure. Our families are being torn apart by this crisis. The American Dream of homeownership has become a nightmare for them.

I had a town hall meeting in my district on foreclosures last weekend. I am glad that I did because we were able to assist a lot of families. These families are scared and need help. They feel hopeless, unless Congress addresses this issue.

Our families said that the teaser rate was resetting to a payment that was more than half of their income. Another said they had to take a second job just to afford the new payments after the rates were adjusted. It was clear that these families were steered into loans that they could not afford.

On the other hand, other constituents told me that the interest rate they received on the loans was higher than what they were told that they would receive. Too many consumers are victims of this type of predatory bait-and-switch practice.

This bill includes an amendment which I offered which requires additional disclosures to provide consumers information before signing. This will help put an end to the abusive practice and ensure that consumers have accurate information about the cost of their loan so that they know what they are buying.

H.R. 3915 will help put an end to predatory lending once and for all. And it prohibits prepayment penalties, outlaws discriminatory steering practices and bans yield spread premiums. It also includes stronger underwriting standards to help stop predatory lenders in their tracks.

I ask my colleagues to support H.R. 3915 and support this amendment.

[From the Sun, Nov. 13, 2007]

AREA NO. 3 IN NATION IN FORECLOSURES
(By Matt Wrye)

If you know 43 homeowners in the area there's a fair chance one of them just lost their house to foreclosure.

In a report to be released today Wednesday, Realty Trac, a real-estate service, said there is one foreclosure for every 43 households in San Bernardino and Riverside counties, according to third-quarter 2007 data.

That puts the region at No. 3 nationwide for home foreclosures. Stockton was at the top of the list, followed by Detroit.

The two-county area saw more than 31,661 foreclosure filings on 20,664 between 20,664 properties between July and September.

That number will drop steadily, but higher-than-normal foreclosure rates will continue until 2009 or 2010, said Jack Kyser, chief economist for the Los Angeles County Economic Development Corp.

"It's catching up to us," he said about the subprime mortgage fallout. "Unfortunately, the trend will continue. It's going to be slowing down, but people forget the size of the Riverside-San Bernardino area."

John Husing, a regional economist based in Redlands, agrees with Kyser.

"There's no question that you have a disproportionately large number of foreclosures and you'll be continuing to have that in the Inland Empire versus other places in the country and Southern California," Husing said. "The trend is going to continue for at least the next year to year and a half because of mortgages that were reset back in 2005 and 2006."

The top 10 was rounded out by Fort Lauderdale, Fla.; Las Vegas; Sacramento; Cleveland; Miami; Bakersfield and Oakland.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield my remaining time to the gentleman from Oregon.

The Acting CHAIRMAN. The gentleman from Oregon is recognized for 2 minutes.

Mr. BLUMENAUER. I appreciate the gentleman's courtesy, as I appreciate watching the legislative process work here. Too seldom in the last 12 years have we watched this unfold in the way that it has, and I congratulate Mr. FRANK, Mr. WATT, Mr. MILLER, the Ranking Member BACHUS, this is how the legislative process should work.

I will tell you, this is not a Sarbanes-Oxley moment, where Congress stalled and stalled and stalled until the problems got so great they exploded. Then Congress rushed to act; actually didn't know in many instances what people were voting on.

This bill has been a deliberate process. It has not been rushed. It has been bipartisan. And I must say that I feel better than at any point in the last 4 or 5 years, as I have been alarmed as Congress has been missing in action on this issue where the regulatory structures have looked the other way.

The big question for me, though, is where we go from here. I am pleased in the Ways and Means Committee we have been able to make some tax adjustments so that people will not be taxed on phantom "profits" if they end up having a loan foreclosed upon.

I am eager to find out if the gentleman, Mr. MILLER from North Carolina, can move forward dealing with fundamental bankruptcy reform so that people who are homeowners get the same protection that would be given to a speculator in an identical home in a subdivision or identical units in a condominium tower. This is extremely critical.

We are talking now not just about the hundreds of thousands of people that will be affected by this legislation. Ultimately, there will be ripple effects throughout the economy, a shaken industry, and millions of innocent homeowners who are going to have their property values drop because regulators were asleep at the switch, because Congress was missing in action, and because abusive practices took place.

H.R. 3915 is a good start. I commend the committee and look forward to working with you as it works its way through for the refinement of this legislation and the next step.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I certainly appreciate the fact that the gentleman from Massachusetts (Mr. FRANK), the chairman of the Financial Services Committee, has worked with me both on the VA and the FHA loan exemption. I think it is the right thing to do, and I would urge my colleagues to support this amendment.

I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from Florida (Ms. GINNY BROWN-WAITE).

The amendment was agreed to.

AMENDMENT NO. 12 OFFERED BY MR. GARRETT OF NEW JERSEY

The Acting CHAIRMAN. It is now in order to consider amendment No. 12 printed in House Report 110-450.

Mr. GARRETT of New Jersey. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. GARRETT of New Jersey:

Page 52, strike line 9 and all that follows through line 15 (and redesignate subsequent paragraphs accordingly).

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentleman from New Jersey (Mr. GARRETT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Jersey.

Mr. GARRETT of New Jersey. Before I begin, let me just recognize and appreciate the work by the ranking member of the committee with regard to this overall underlying piece of legislation for his work to try to improve the legislation. I believe his actions have been done in view of his constituents and their concerns with the primary lending market as we see it today.

Getting to the amendment that is before us, Mr. Chairman, the amendment would simply strike the rebuttable presumption paragraph under section 203 of the manager's amendment text. As currently drafted, section 203 of the bill specifically lists several criteria that lenders must meet when they originate a loan and that loan to be considered a qualified safe harbor mortgage. Qualified safe harbor mortgages are loans

that: one, document consumer income; two, an underwriting process based on fully indexed rate; three, a debt-to-income ratio not greater than 50 percent; four, no negative amortization; and five, six payments for at least 7 years an adjustable rate loan with an APR that varies less than 3 percent over indexed rate.

Now after meeting this prescriptive list of requirements, the loan can be considered a qualified safe harbor mortgage. It is presumed that the mortgage is an appropriate loan. However, section 203 also contains a provision that, even when all these provisions are met, would allow a borrower to rebut this presumption in a court of law and claim that the creditor has made a loan to them in bad faith anyway.

You see, by allowing lenders to still be held legally liable for a loan even after all these conditions have been met, we are creating even more uncertainty for loan originators. This will in turn lead to further tightening of the credit market and keep more people from getting loans.

Mr. Chairman, if a creditor goes through all these requirements as listed, I do not believe that they should still have to worry about being held legally liable if the borrower cannot make their payments. Such a provision undermines the very nature of a safe harbor vision. It undermines the presumption of good faith that the law itself establishes. How can we on one hand tell the lender that they are providing them with a safe harbor from suit and then turn right around and say that safe harbor can be rebutted? I am afraid this will, at the very least, raise the cost of loans, at the worst, keep the loans from being made at all.

Mr. Chairman, I ask you to help the providers, lenders make some sense of the legal clarity and to make this a safe harbor, a true safe harbor. I would ask every Member to support this important amendment.

I reserve the balance of my time.

Mr. WATT. Mr. Chairman, I claim time in opposition to the amendment.

The Acting CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. WATT. Mr. Chairman, once again, Mr. GARRETT has focused on an issue that we talked about earlier in the debate. I offered an amendment and withdrew it, and it related to this general section. Basically, what we have done is allowed the lenders to presume, if they meet certain conditions, that their loan will be considered a safe harbor loan and go into the secondary market without any complications.

In certain kinds of loans, we have made that presumption rebuttable because there is still tremendous opportunity for abuse even if they meet all of the safe harbor requirements. In other instances, we have made the presumption irrebuttable, and it was on the irrebuttable part of that that I offered the amendment and withdrew it. This is on the rebuttable part.

Now, the problem with Mr. GARRETT's amendment is that if you take out this rebuttable presumption, then the presumption becomes irrebuttable for all kinds of loans, those that have risks, and those that don't have risks.

□ 1615

So what does that mean to the average lay person when you create a rebuttable or irrebuttable presumption? An irrebuttable presumption makes it impossible for you ever to rebut it. Because it is irrebuttable, you can't even raise it anymore. A rebuttable presumption makes it possible, even though it is presumed, that you can still go and offer evidence that what is generally a fair loan turned out to be, in your particular case, an unfair loan.

So the effect of Mr. GARRETT's amendment would be to make it impossible ever for anybody to get into court and contest any of these loans. Because if you take out the rebuttable presumption, it becomes an irrebuttable presumption. We don't want that. I mean, that is where the marketplace is now. It is out of control. It has been out of control.

While we are setting up a construct to make the market better, we don't want to pass a law that then sanctions going right back to where we are now. That is how we got here in the first place, the market was out of control. And the construct that we have set up allows people to buy mortgages in the secondary market and presume that they will be okay.

But we don't want to set up a situation where it is impossible for anybody to go into the secondary market or against anybody and say under no circumstances will you be able to get liability. That is what Mr. GARRETT would have you do. I think it would be very, very bad public policy.

With that, I encourage opposition.

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

Mr. GARRETT of New Jersey. Mr. Chairman, the gentleman misstates the case when he says you can never get into court. You can get into court when these five different criteria are not met. But when these five criteria are met, you have a safe harbor. That is the language of the bill. What is a safe harbor for, if not for giving protection to those who are meeting the requirements.

With that, I yield such time as he may consume to the gentleman from Louisiana (Mr. BAKER).

Mr. BAKER. I thank the gentleman for his courtesy. I shall try to be brief. I had hoped at the outset the bill would present a uniform national standard so all those engaged in this practice would have legal certainty as to the behavior that complies with the law, no matter where one might extend credit. Unfortunately, that is not the case in the underlying bill.

I had hoped more clarity in the provisions of enforceability. I am troubled by some of the unclear language, the

way in which some descriptive phrases have been used, as in, for example, the anti-steering provision, which states that loan products which have predatory characteristics, one cannot be sure what constitutes a predatory characteristic. Third, in contract resolution, we had hoped that we would at least avail ourselves of mandatory arbitration, which is a common business practice to resolve differences without the court being involved. Unfortunately, the bill in its current form prohibits mandatory arbitration, which leads us then to the gentleman's very well-thought-out amendment relative to the safe harbor provision.

At least we should have the statement that if you engage in lending practices of a certain type, that there will be legal certainty you will not be sued at some future point for engaging in the honorable profession of extending credit to people trying to buy homes.

On that point, let me quickly add that 95 percent or more of the people engaged in this practice are honorable people, doing a public service, extending credit to people who pay their obligations on time. It is a mischaracterization on this floor to represent that all people engaged in the business of extending credit for this honorable purpose are up to no good. In fact, when foreclosures occur, it actually costs the industry business.

This is not a helpful environment. We would be legislating with certainty, and the bill in the underlying form does not provide that. The gentleman's amendment is excellent, well-constructed. I hope the House will favorably consider it.

Mr. WATT. Mr. Chairman, I yield myself such time as I may consume.

Mr. FRANK of Massachusetts. Will the gentleman yield to me?

Mr. WATT. I yield to the chairman.

Mr. FRANK of Massachusetts. As I said to my friend from Louisiana, I know everybody can't hear everything. He defends against an accusation that was not made when he said, Don't say they are all up to no good. Several of us on this side have explicitly said that we believe the majority are well-intentioned. The problem, I think, is that where there are people who are not well-intentioned, there are no rules to stop them. But we did on several occasions quite say the opposite of what the gentleman said we shouldn't have said.

Mr. WATT. I would just add to that, on the floor today time after time after time, I have said that the great, great, great majority of the lenders are abiding by the rules. It's not those lenders who created this crisis. It is those people who are operating outside the rules, and that is what we are trying to put a construct around that is workable to protect those who abide by the rules of the road without shielding those who will abuse the process. This amendment would allow that to happen.

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

Mr. GARRETT of New Jersey. Mr. Chairman, I would like to point out that this amendment is supported by the Mortgage Bankers Association, the American Financial Services Association, and Financial Services Roundtable. I believe they do that because they realize when a bill sets up the language of presumption of ability to repay and net tangible benefits, as it has done on line 1, page 52, and then defines that as a safe harbor, with the one hand, but then immediately takes it away with the other hand by saying that you can still go into court after the lender has met all the requirements as we defined as what is an ability to repay and tangible benefits, we are creating more uncertainty in the market, as the gentleman from Louisiana indicated, one that will hurt the overall economy and the ability to secure loans.

I ask for a "yes" vote on this amendment.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. GARRETT).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. GARRETT of New Jersey. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from New Jersey will be postponed.

AMENDMENT NO. 13 OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIRMAN. It is now in order to consider amendment No. 13 printed in House Report 110-450.

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. Is the gentleman the designee of the gentleman from North Carolina?

Mr. FRANK of Massachusetts. Yes, I am.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mr. FRANK of Massachusetts:

Page 64, line 12, strike the closing quotation marks and the second period.

Page 64, after line 12, insert the following new paragraphs:

"(10) PATTERN OR PRACTICE OF VIOLATIONS.—

"(A) IN GENERAL.—In addition to any money penalty that may be imposed by any agency referred to in subsection (a) or (c) of section 108 under any provision of law referred to in such section in connection with such agency or any other enforcement action taken by such agency under such section, any creditor, assignee, or securitizer which engages in a pattern or practice of originating, assigning, or securitizing residential mortgage loans that violate subsection (a) or (b) shall forfeit and pay a civil penalty of—

"(i) not less than \$25,000 for each such loan; and

"(ii) \$1,000,000 for engaging in such pattern or practice.

"(B) INFORMATION.—Any person may submit information to any agency referred to in

subparagraph (A) regarding any pattern or practice of violating subsection (a) or (b) and such agency shall promptly bring such complaint to the attention of any other such agency which may have jurisdiction over any person involved in the alleged violation.

“(11) TRUST FUND FOR CONSUMERS WITHOUT REMEDY.—

“(A) IN GENERAL.—Any civil money penalty collected under paragraph (10) shall be transferred to the Secretary of the Treasury to be held in trust in the Consumers Rescission and Cure Remedial Fund for the benefit of borrowers with residential mortgage loans that were originated in violation of subsection (a) or (b) for which the consumers are eligible for rescission or cure but have no party against whom to assert such remedies.

“(B) REGULATIONS.—The Secretary of the Treasury shall prescribe regulations establishing—

“(i) a claims process for consumers described in subparagraph (A) to file claims against the Consumers Rescission and Cure Remedial Fund for rescission or cure of a residential mortgage loan that was originated in violation of subsection (a) or (b);

“(ii) a procedure for administrative determination of claims, and the allowance or disallowance of any such claim, and a review of such determination; and

“(iii) a process for payment of any claim allowed against the Fund to effectuate a rescission or cure as part of a final settlement entered into by the consumer with the Secretary with respect to such claim.

“(C) FINALITY.—Any determination by the Secretary under this paragraph shall be final and not subject to judicial review.”.

The ACTING Chairman. Pursuant to House Resolution 825, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I offer this amendment, but I do not intend to push it today. I will be withdrawing it with the consent of the body. I was not as careful as I should have been in supervising or making clear my intentions in what I wanted. I do believe one of the two most controversial items in this is preemption. Very few people think we have done preemption just right. Fortunately, a lot of us are here. A lot of other people think we have done too much or too little.

The question of preemption is really twofold: one, should you preempt; and, secondly, having preempted, having prevented the State from acting, have you put sufficient rules in there to defer bad behavior. I think we probably didn't, as I read this over. That is, I think we have preempted, as we have clarified it, the right amount: not too much and not too little. But we have not put into the preemption enough in terms of deterrence.

We do have the policies and procedures in the safe harbor exemption. But what I think we should have and what this amendment was meant to embody is the ability of aggrieved parties or representatives, Attorneys General of the States, others, to go to the regulator of the entity in question and say, Look, there's been this pattern of abuse. When we have a pattern of abuse, you act.

We did not want to make the liability for any one violation too heavy. We didn't want to overkill. But we then would run into the problem the gentleman from North Carolina talked about, where violations at a moderate level of penalty could be simply a cost of doing business. So having a pattern and practice approach in here prevents people from treating a moderate penalty from simply being a cost of doing business.

It was drafted more than I had intended. That is my fault. I should have been paying more attention. I do not think originators ought to be covered in this, certainly not with a \$1 million limitation.

So for that reason I am going to offer this and say that I hope to withdraw it now and work on it further.

I would yield to my friend from Colorado who is one of those who brought some of the problems here to my attention.

Mr. PERLMUTTER. Mr. Chairman, I thank the chairman for yielding to me, and I thank the chairman for being willing to work on this particular amendment to zero in on the major players who, in a repeated fashion, time after time, show by pattern and practice an abuse of this predatory lending policy.

I do want to reiterate something that Mr. BLUMENAUER said. I want to congratulate the ranking member and Mrs. BIGGERT and Mrs. CAPITO and a number of the others on the Republican side of the aisle, along with the sponsors of this bill, for working and refining and developing a bill that will deal with the problems that we have seen of predatory lending and subprime loans that have hurt a lot of the people in this country and our financial system.

I also intend to work with the chairman on the eviction piece, the rental piece of this, so we don't harm the single-family, owner-occupied system of FHA and VA-type loans.

Mr. FRANK of Massachusetts. Let me take back my time. The gentleman raised that issue.

The gentleman from Texas (Mr. MARCHANT) raised an issue on renter protection. So you cannot be the homeowner being foreclosed upon and then get the rights of a tenant. The gentleman from Colorado had a further point, which is in those cases where there was a very specific prohibition in the loan against rental, that should not be overcome by what we do.

I would yield the remainder of my time to the gentleman from North Carolina.

The Acting CHAIRMAN. The gentleman from North Carolina is recognized for 2 minutes.

Mr. MILLER of North Carolina. Mr. Chairman, one of my concerns about this bill is the weakness, the inadequacy of the remedies available to the consumer. I have said that earlier today in the debate on this bill that I am very concerned that if industry is

looking at one consumer in 50, or one in 100, or one in 200 who has actually been the victim of illegal practices, brings a claim for very modest remedies, many industries or some in industry may simply view that as a minor cost of doing business, a minor nuisance, and just keep doing what they are doing.

This amendment, while I agree it does need to be tinkered with some, would raise the stakes substantially. It does provide a more substantial penalty, \$1 million plus \$25,000 for each loan. That actually is not that much. Ameriquest, one of the biggest subprime lenders, paid \$425 million in a settlement and just kept doing it. Just kept going. It was the cost of doing business. And their CEO is now the ambassador to one of those small, pleasant countries in Europe that big campaign contributors get appointed to be ambassadors to. It hasn't affected them in the slightest.

This amendment would call the attention of the regulatory agencies, the SEC to pay attention to the securitizers, the Goldman Sachses of the world, the big banks; Bank of America would have to answer to the OCC, their regulatory body, and on and on. Mr. Chairman, those industry groups do not want the attention of their regulator that way. They do not want to be under that kind of scrutiny; they do not want to pay those penalties. And this would substantially raise the stakes for them and encourage them to abide by the law.

Mr. FRANK of Massachusetts. Let me take back the time. The gentleman has underlined an important point. We are going to see this back again in somewhat buffed-up form. It goes to the regulators, so this isn't going to lead to court. It is not an explosion of litigation. It would allow a range of people to bring it, including State Attorneys General, but it would be brought to the regulator, someone familiar with that business model and an entity able to discriminate between good and bad practices.

I ask unanimous consent to withdraw the amendment.

The Acting CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 14 OFFERED BY MR. AL GREEN OF TEXAS

The Acting CHAIRMAN. It is now in order to consider amendment No. 14 printed in House Report 110-450.

Mr. AL GREEN of Texas. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Mr. AL GREEN of Texas:

Page 15, line 7, insert “which shall include instruction on fraud, consumer protection and fair lending issues” before the period.

Page 16, line 6, strike “and” after the semicolon.

Page 16, line 8, strike the period and insert “; and”.

Page 16, after line 8, insert the following new clause:

(iv) Federal and State law and regulation, including instruction on fraud, consumer protection, and fair lending issues.

Page 17, line 20, insert “, including education on fraud, consumer protection, and fair lending issues.”.

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentleman from Texas (Mr. AL GREEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. AL GREEN of Texas. Mr. Chairman, I also would like to thank the chairman of the full committee, Chairman FRANK, Ranking Member BACHUS, the subcommittee Chair and ranking member as well.

Mr. Chairman, this is a very simple and straightforward amendment. This amendment deals with minimum standards for mortgage originators, and it requires that mortgage originators receive a certain amount of training.

□ 1630

The bill itself right now requires at least 20 hours of education, of which at least 3 hours of Federal law shall be included in the regulations as well, along with 3 hours of ethics. What this amendment does is include in the ethics training instructions on fraud, consumer protection and fair lending issues. It is very straightforward. It is not complicated.

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

Mr. BACHUS. Mr. Chairman, I claim the time in opposition, although I am not opposed to the amendment.

The Acting CHAIRMAN. Without objection, the gentleman from Alabama is recognized for 5 minutes.

There was no objection.

Mr. BACHUS. Mr. Chairman, I compliment the author, Mr. GREEN, for this amendment. I would anticipate and hope that with the passage of this amendment that mortgage originators would receive instructions on these subjects. So I very much am in support of the amendment.

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

Mr. AL GREEN of Texas. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Chairman, I thank Congressman GREEN and express gratitude to Chairman FRANK, Ranking Member BACHUS, Subcommittee Chair Watt and Congressman MILLER for their extraordinary efforts to restore confidence in our Nation's housing markets and address the housing mortgage crisis facing our Nation, this crisis has been felt no more harshly than in the State of Ohio, one of the hardest hit States in our Union, where our foreclosure filing rates have gone up 300 percent since just last year, thousands upon thousands of Ohioans having for sale and foreclosure signs in front of their homes. In Ohio, \$20 bil-

lion and growing is the gap, the financing gap.

I rise in support of the gentleman's amendment, but want to clarify that under the bill, any legal case that has been filed can proceed forward, indeed until the regulations for implementation of the bill are completed after it is signed by the President. States are not limited in their ability to prosecute in cases of fraud, collusion, misrepresentation, deception, false advertising or civil rights. Importantly, any mortgage made in the future will have to assure the borrower's ability to repay and that the borrower be yielded a net tangible benefit.

As this bill moves forward, I believe it can be perfected even more to restore confidence, discipline and provide accountability in our troubled, very troubled, housing markets, which are helping to drive our Nation into recession.

I just want to say to Chairman FRANK, you are the right man in the right place at the right time. I just hope that the other body and the President of the United States follow your leadership on this really critical issue, take it not just to Ohio, but to our country.

STOCKTON, DETROIT, RIVERSIDE-SAN BERNARDINO POST TOP METRO FORECLOSURE RATES IN Q3

(By RealtyTrac Staff)

IRVINE, Calif.—Nov. 14, 2007—RealtyTrac® (realtytrac.com), the leading online marketplace for foreclosure properties, today released its Q3 2007 Metropolitan Foreclosure Market Report, which shows Stockton, Calif., Detroit and Riverside-San Bernardino, Calif., documented the three highest foreclosure rates among the nation's 100 largest metropolitan areas during the third quarter.

RealtyTrac publishes the largest and most comprehensive national database of foreclosure and bank-owned properties, with over 1 million properties from nearly 2,500 counties across the country, and is the foreclosure data provider to MSN Real Estate, Yahoo! Real Estate and The Wall Street Journal's Real Estate Journal.

“Although cities in just three states—California, Ohio and Florida—accounted for more than two-thirds of the top 25 metro foreclosure rates, increasing foreclosure activity was not limited to just a few hot spots,” said James J. Saccacio, chief executive officer of RealtyTrac. “In fact, 77 out of the top 100 metro areas reported more foreclosure filings in the third quarter than they had in the previous quarter. Still, there continue to be pockets of the country—most noticeably metro areas in the Carolinas, Virginia and Texas—that have thus far dodged the foreclosure bullet.”

CALIFORNIA, OHIO, FLORIDA CITIES DOMINATE TOP METRO FORECLOSURE RATES

Stockton, Calif., documented one foreclosure filing for every 31 households during the quarter, the highest foreclosure rate along the nation's 100 largest metro areas. A total of 7,116 foreclosure filings on 4,409 properties were reported in the metro area during the quarter, up more than 30 percent from the previous quarter.

Detroit's third-quarter foreclosure rate of one foreclosure filing for every 33 households ranked second highest among the nation's 100 largest metro areas. A total of 25,708 foreclosure filings on 16,079 properties were re-

ported in the metro area during the quarter, more than twice the number of filings in the previous quarter.

The Riverside-San Bernardino, Calif., metropolitan area in Southern California documented the nation's third highest metro foreclosure rate, one foreclosure filing for every 43 households. A total of 31,661 foreclosure filings 20,664 properties were reported in the metro area during the quarter, up more than 30 percent from the previous month.

Other cities in the top 10 metro foreclosure rates: Fort Lauderdale, Fla.; Las Vegas; Sacramento, Calif.; Cleveland; Miami; Bakersfield, Calif.; and Oakland, Calif. California cities accounted for seven of the top 25 metro foreclosure rates, while Florida and Ohio each accounted for five of the top 25 spots.

RIVERSIDE-SAN BERNARDINO, LOS ANGELES, DETROIT REPORT MOST FORECLOSURE FILINGS

The Riverside-San Bernardino metropolitan area reported the most foreclosure filings during the quarter, followed by Los Angeles, with 29,501 filings on 18,043 properties. The Los Angeles foreclosure rate of one foreclosure filing for every 113 households ranked No. 26 among the nation's 100 largest metro areas. Detroit reported the third highest number of foreclosure filings during the quarter.

Atlanta's foreclosure filing total of 21,695 on 18,940 properties was the fourth highest foreclosure filing total, and the metro area's foreclosure rate of one foreclosure filing for every 92 households ranked No. 18 among the top 100 metro areas.

Other cities with foreclosure filing totals among the 10 highest were Phoenix, Fort Lauderdale, Fla., Cleveland, Chicago, Miami and Sacramento, Calif.

REPORT METHODOLOGY

The RealtyTrac Metro Foreclosure Market Report provides the total number of foreclosure filings by metropolitan area, along with the number of households per foreclosure filing. The household numbers are based on the U.S. Census Bureau's 2005 estimates of total housing units.

Beginning with the Midyear 2007 report, the report also includes counts of properties with at least one foreclosure filing reported against them. This new metric only counts a property once, even if there were multiple foreclosure actions filed against the property during the time period covered by the report.

FORECLOSURE ACTIVITY FOR THE NATION'S 100 LARGEST MSAs—Q3 2007

Rate rank	Foreclosure filings
	Total filings
1. Stockton, CA	7,116
2. Detroit/Livonia/Dearborn, MI	25,708
3. Riverside/San Bernardino, CA	31,661
4. Fort Lauderdale, FL	16,595
5. Las Vegas/Paradise, NV	14,948
6. Sacramento, CA	15,479
7. Cleveland/ Lorain/Elyria/Mentor, OH	16,332
8. Miami, FL	15,484
9. Bakersfield, CA	3,947
10. Oakland, CA	13,245
11. Akron, OH	3,992
12. Denver/Aurora, CO	13,179
13. Fresno, CA	3,687
14. Memphis, TN	6,239
15. Phoenix/Mesa, AZ	18,328
16. San Diego, CA	12,274
17. Dayton, OH	4,147
18. Atlanta/Sandy Springs/Marietta, GA	21,695
19. Tampa/St. Petersburg/Clearwater, FL	13,562
20. Toledo, OH	3,119
21. Palm Beach, FL	6,387
22. Dallas, TX	14,717
23. Columbus, OH	7,265
24. Indianapolis, IN	6,604
25. Sarasota/Bradenton/Venice, FL	3,308
26. Los Angeles/Long Beach, CA	29,501
27. Orlando, FL	7,189
28. Warren/Farmington Hills/Troy, MI	9,025
29. Fort Worth/Arlington, TX	6,328

FORECLOSURE ACTIVITY FOR THE NATION'S 100 LARGEST MSAS—Q3 2007—Continued

Rate rank	Foreclosure filings
	Total filings
30. Cincinnati, OH	6,144
31. Orange, CA	6,899
32. Worcester, MA	2,069
33. Jacksonville, FL	3,501
34. Tucson, AZ	2,514
35. San Antonio, TX	4,300
36. Houston/Baytown/Sugarland, TX	11,960
37. Springfield, MA	1,637
38. Washington/Arlington/Alexandria, DC-VA-MD	9,099
39. Essex, MA	1,605
40. Newhaven/Milford, CT	1,850
41. Chicago, IL	16,314
42. Ventura, CA	1,400
43. San Jose/Sunnyvale/Santa Clara, CA	3,245
44. Austin/Round Rock, TX	3,063
45. Gary, IN	1,408
46. Charlotte/Gastonia, NC	3,148
47. Newark, NJ	3,970
48. Boston/Quincy, MA	3,386
49. Tacoma, WA	1,369
50. Lake/Kenosha, IL-WI	1,110
51. Milwaukee/Waukesha/West Allis, WI	2,870
52. Camden, NJ	1,225
53. Little Rock/North Little Rock, AR	1,250
54. Kansas City, MO-KS	3,659
55. Edison, NJ	3,787
56. St. Louis, MO-IL	4,820
57. Cambridge/Newton/Framingham, MA	2,278
58. Tulsa, OK	1,497
59. Nashville/Davidson, TN	2,224
60. Scranton/Wilkes-Barre/Hazleton, PA	898
61. Hartford, CT	1,674
62. Bridgeport/Stamford/Norwalk, CT	1,171
63. Salt Lake City, UT	1,253
64. Oklahoma City, OK	3,516
65. Baltimore/Towson, MD	1,696
66. Louisville, KY-IN	1,242
67. Raleigh/Cary, NC	1,362
68. Bethesda/Frederick/Gaithersburg, MD	3,699
69. Minneapolis/St Paul/Bloomington, MN-WI	4,456
70. Philadelphia, PA	846
71. Omaha/Council Bluffs, NE-IA	701
72. Knoxville, TN	2,321
73. Suffolk/Nassau, NY	2,548
74. Pittsburgh, PA	2,318
75. Seattle/Bellevue/Everett, WA	527
76. El Paso, TX	9,240
77. New York/Wayne/White Plains, NY-NJ	1,212
78. New Orleans, LA	543
79. Wilmington, DE-NJ	960
80. Buffalo/Cheektowaga/Tonawanda, NY	446
81. Poughkeepsie/Newburgh/Middletown, NY	816
82. Providence/New Bedford, RI	1,474
83. Portland/Vancouver/Beaverton, OR-WA	695
84. Rochester, NY	343
85. Wichita, KS	405
86. Greensboro/Highpoint, NC	940
87. San Francisco, CA	449
88. Albany/Schenectady/Troy, NY	387
89. Albuquerque, NM	451
90. Birmingham/Hoover, AL	580
91. Norfolk/Virginia Beach/Newport News, VA	254
92. Charleston, SC	279
93. Columbia, SC	448
94. Richmond, VA	249
95. Syracuse, NY	204
96. Allentown/Bethlehem/Easton, PA	197
97. Honolulu, HI	147
98. Baton Rouge, LA	106
99. McAllen/Edinburg/Pharr, TX	106
100. Greenville, SC	79

Mr. AL GREEN of Texas. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. MILLER).

Mr. MILLER of North Carolina. Mr. Chairman, I simply want to correct something I said earlier today. Earlier today I said the Mortgage Bankers Association was opposed to this bill. That is not correct. They do not support the bill. In a letter dated today, they outlined four areas of major concern with the bill, but they did not oppose the bill. They did not support the bill, but they did not oppose it. So what I said earlier today, it was incorrect.

Mr. AL GREEN of Texas. Mr. Chairman, I would like to yield 1 minute to Mrs. STEPHANIE TUBBS JONES, please.

(Mrs. JONES of Ohio asked and was given permission to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Chairman, there is a God. For the past 8 years I

have introduced legislation called the Predatory Lending Reduction Act, saying to the community and the world that there is a problem happening out here. And here we are in 2007, some 8 years later, and there is a wake-up call going on.

Across the country, people are having problems with their mortgages and communities are losing tax underwriting as a result thereof. I am pleased that H.R. 3915 incorporates language from the Predatory Lending Reduction Act that I introduced 8 years ago and that it requires a licensing and registration for mortgage brokers.

We all know that all subprime lenders are not predatory lenders, but we also know that all predatory lenders are subprime lenders, and we have to get on top of this.

Thank God we are saving the people of America.

Mr. AL GREEN of Texas. Mr. Chairman, I would simply close by indicating I am very pleased to see the bipartisan effort that has been generated by this bill. This is a good bill, and I ask all of my colleagues to please support it.

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. AL GREEN).

The amendment was agreed to.

AMENDMENT NO. 15 OFFERED BY MR. MCHENRY

The Acting CHAIRMAN. It is now in order to consider amendment No. 15 printed in House Report 110-450.

Mr. MCHENRY. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. MCHENRY:

Page 80, strike line 1 and all that follows through page 102, line 26 (all of title III) (and redesignate the subsequent title and sections and conform the table of contents accordingly).

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentleman from North Carolina (Mr. MCHENRY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. MCHENRY. Mr. Chairman, the amendment I offer today is really the crux of this debate that we are having here on the House floor on how to best take on the mortgage crisis that we are facing as a country.

This is a very substantive debate. I think it is a very legitimate debate for the House to have, about how we approach the mortgage marketplace and ensure that individuals, families, can still access credit so they can actually get a home for themselves and their children.

Now, the issue at hand is title III of the bill, the so-called North Carolina standard, put forward by my colleagues

from North Carolina, Mr. WATT and Mr. MILLER. What, in essence, they do is make all subprime loans HOEPA loans. These are really high-cost loans, so-called innovative loans.

What this does is make all subprime loans HOEPA loans, and, as the Comptroller of the Currency said in a recent hearing before the Financial Services Committee, "It is fair to say that in the past HOEPA loans were viewed as so extreme that few institutions provided HOEPA loans because it was such a rigorous and, what is the word, a scarlet letter of sorts that people wouldn't make the loans. So when you look at our home loan registry, for example, you don't find many HOEPA loans anymore."

Well, there were 10 million mortgages let in 2006. Only 15,200 were HOEPA loans. A very small percentage.

In essence, what title III of this bill does is it, in essence, eliminates the subprime marketplace in America. What it does in North Carolina, it has curtailed refinancing and initial financing in the subprime marketplace. This is very harmful to individuals and families.

With that, I encourage my colleagues to vote for this amendment.

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

Mr. MILLER of North Carolina. Mr. Chairman, I claim the time in opposition.

The Acting CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. MILLER of North Carolina. Mr. Chairman, title III hardly turns all subprime loans into HOEPA loans. HOEPA loans are very high-cost loans, loans with a very high interest rate. For first loans, it is 8 percent above the Treasury rate, which works out to about 13 percent. Or for subordinate loans, second or third mortgages, it is 10 percent above, which is more like a 15 percent interest rate.

In contrast, this legislation before us, the other provisions of the legislation, the other titles, treats the subprime loans as loans with an interest rate of about 8.5. So there is plenty of room between 8.5 or 13 or 15.

Mr. Chairman, it is simply not true that this legislation in North Carolina has created a problem with lending in North Carolina. We have heard it again and again in the Financial Services Committee for 4 or 5 years. We have heard repeatedly testimony by the North Carolina Commissioner of Banks, Joe Smith, who has said there is a ready availability of credit in the subprime market in North Carolina, and that it is no more expensive than it is anywhere else that he knows of.

We have heard from witnesses from industry who have said repeatedly they have been able to lend in North Carolina on the same terms and at the same rates as everywhere else, and they have been able to do so profitably.

There was a business school study at the University of North Carolina that said there has been no difference in the

availability or the cost of credit in the subprime market in North Carolina because of the protections of the North Carolina law. A Morgan Stanley survey of 280 subprime branch managers said there had been no reduction in subprime lending in North Carolina as a result of these consumer protections. And it just goes on.

In the time between 1998 before the North Carolina law was enacted and went into effect in 2003, there was a 366 percent growth in subprime lending in North Carolina. It is sort of hard to see from that that the North Carolina law killed off subprime lending.

What it did do is it protects consumers from equity stripping, from having huge chunks of their equity in their home, their life savings, taken from them at closing by outrageous up-front costs and fees, many of which were poorly disclosed.

This lowers the trigger for a HOEPA loan from 8 points at closing to 5 points at closing and closes some of the loopholes so that consumers, when they have to borrow money against their home, are not going to have their equity stripped, are not going to have their life savings, the equity in their home, taken from them.

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

Mr. McHENRY. Mr. Chairman, let me quote Congressman MILLER from our recent subprime markup in Financial Services. "Yes, there are fewer loans being made in North Carolina," is the reference. "That is also an intended consequence of reform. This is the heart of the bill."

The statistics for North Carolina, amongst subprime lenders there is a decline of 8.1 percent in the last 5 years. In comparison States, there was a growth of 1 percent of prime lending. In comparison States, loans by subprime lenders increased by 4.6 percent, and loans made in North Carolina decreased, subprime loans, by 8.1 percent. There is a significant disparity there.

Furthermore, in refinancing in subprime loans in North Carolina, there was a decline of 11.4 percent. In comparable States, there was an increase of 4 percent.

It shows that there are fewer loans being made and less availability of credit in North Carolina because of the so-called North Carolina standard.

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

Mr. MILLER of North Carolina. Mr. Chairman, I have the right to close, so I think I will wait until Mr. McHENRY is done.

The Acting CHAIRMAN. The gentleman reserves the balance of his time.

Mr. McHENRY. Mr. Chairman, I would inform my colleague I have the right to close.

Mr. MILLER of North Carolina. Only one of us is right.

The Acting CHAIRMAN. The gentleman from North Carolina (Mr. MILLER) has the right to close.

Mr. McHENRY. Two additional points on my amendment here. It strikes title III, which bans rolling closing costs, points and fees into the financing of subprime mortgages, as well as eliminating prepayment penalties. So if someone currently has a prepayment penalty and they want to get out of this high-cost mortgage they currently have, and they seek to refinance their way into a more affordable mortgage, they would be prevented from rolling that prepayment penalty into the next loan.

So my contention is title III of this bill eliminates people's options and opportunities to refinance their way out of foreclosure and default.

So I would encourage my colleagues to vote for my amendment to strike I think the most egregious title within this bill.

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

Mr. MILLER of North Carolina. Mr. Chairman, I reserve the balance of my time.

PARLIAMENTARY INQUIRY

Mr. McHENRY. Mr. Chairman, I have a parliamentary inquiry.

The Acting CHAIRMAN. The gentleman will state it.

Mr. McHENRY. Who has the right to close on an amendment? Is it those opposed to it or those who are offering the amendment?

The Acting CHAIRMAN. When the Member claiming time in opposition hails from the committee of jurisdiction, he has the right to close.

The gentleman from North Carolina has 1 minute remaining.

Mr. McHENRY. Thank you, Mr. Chairman.

Let me tell you one story in North Carolina. Ben Ingle is a mortgage broker at NBI Mortgage in Shelby, North Carolina. Ben was able to secure a loan for a woman who was a victim of domestic violence and a victim of her ex-husband's bad credit. Her ex-husband ruined her credit. In this process, she got out of an abusive relationship and wanted to have a home for her son and herself, but she had a tough time because of her credit situation.

Well, Ben was able to work with her over an extended period of time. In fact, when it was all said and done, under this legislation before us today, Ben would have been only able to make \$4.16 an hour for the work that he did for this lady to qualify her for a loan.

□ 1645

Now, she is very happy to be in a loan today and have a mortgage today and have a home for her son. But what this bill does is harm our communities and I think our mortgage brokers that are doing the right thing.

At the end of the day, mortgage originators are a part of our community. They are community leaders oftentimes, and what we are trying to do is battle unscrupulous actors and have good protections for homeownership in America.

Title III of this bill would prevent this young lady from having the option to get the lending she needed for a home. This is about homeownership. I urge Members to vote for my amendment and vote against the bill.

Mr. MILLER of North Carolina. Mr. Chairman, the woman from Shelby would be able to borrow under this bill, it just would be a highly regulated loan, only if she is paying more than 13 percent interest or paying more than 5 percent in closing costs, which is a lot in closing costs.

Mr. McHENRY really got at what is wrong with predatory lending when he said that people need to be able to refinance to pay off the loans they are in now.

That is not the kind of mortgage system we want. We don't want people refinancing to pay off the loan they are in now and pay the prepayment penalties on this loan and pay points and fees for the next loan, and then 2 years later doing it all over again. We don't want people in a cycle of borrowing and borrowing again. We want people to get into loans that they can pay off. They can pay month after month, and at some point have a ceremony, a little party, that people in another generation had of burning the mortgage because it is paid off. So for the rest of their lives, they will own their home free and clear.

Predatory lending traps people in a cycle of borrowing and borrowing again. That is something that North Carolina law successfully dealt with. If there was some slight dip in overall loans, it is because people weren't caught in a cycle of borrowing to pay off the last mortgage and then having to borrow 2 years from now to pay off the mortgage they are entering today.

It ends flipping of loans to generate fees for everybody else in the system who is getting rich off the middle class, off the middle-class homeowners. The North Carolina law is working fine for North Carolina. It will work fine for the rest of us. It has been the model for most of the States that have had their own predatory lending legislation, consumer protection legislation in the last few years. Keep title III in this bill.

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

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. McHENRY).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. McHENRY. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from North Carolina will be postponed.

AMENDMENT NO. 17 OFFERED BY MR. VAN HOLLEN

The Acting CHAIRMAN. It is now in order to consider amendment No. 17 printed in House Report 110-450.

Mr. VAN HOLLEN. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 17 offered by Mr. VAN HOLLEN:

Page 71, line 5, strike the closing quotation marks and the second period.

Page 71, after line 5, insert the following new subsection:

“(m) CLOSING COSTS.—In the case of a residential mortgage loan, any costs incurred in connection with the consummation of the loan may not exceed by more than 10 percent the estimate of the amount of such costs disclosed to the consumer in advance of the consummation of the loan.”.

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentleman from Maryland (Mr. VAN HOLLEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Maryland.

Mr. VAN HOLLEN. Mr. Chairman, let me begin by commending the chairman of the Financial Services Committee, Mr. FRANK, and the ranking member, Mr. BACHUS, for crafting a bill that is before us today to help protect homeowners across the country and to stop predatory lending.

The amendment I am proposing is designed to protect consumers from bait-and-switch schemes perpetrated by a small number of unscrupulous lenders who have learned to exploit flaws in the existing system. Under the existing law we have today, lenders are required to provide homeowners with a good-faith estimate of their settlement costs, the costs they will have when they settle on a transaction.

However, under current law there is absolutely no penalty for lenders who are widely off in providing those estimates. We have many cases where you have a few bad actors who lure consumers to borrow by low-balling their estimate of closing costs only to jack-up those costs when it comes to the last minute at the settlement table.

This amendment would address this problem by saying that in the case of residential mortgage loans, the amount of closing costs may not exceed by more than 10 percent any estimate of the closing cost provided to the consumer in advance of closing. By setting that kind of ceiling, we reduce the chance that borrowers will be blindsided by unexpected fees at closing.

The intent of this amendment is to protect consumers from negligent or fraudulent lenders and introduce greater confidence and certainty into the process.

Mr. Chairman, as currently drafted, I believe this amendment is too broad. We need to make sure we hold lenders accountable for estimates that are within their control, not those estimates that may be outside of their control. In a moment I am going to move to withdraw the amendment.

But before that, I would like to yield to the chairman of the committee.

Mr. FRANK of Massachusetts. I thank the gentleman from Maryland.

This is a very complicated subject. It involves a number of moving parts.

At every stage, and we said this from the beginning, at every stage in this bill, from the bill's introduction to the hearing to the markup to now, it has been improved. No one really knew enough. We are in a somewhat unknown area.

I would also say ultimately, I think, if we're going to get any legislation here, as I said before, we are going to get a bill that no single Member of this House likes in every particular because we are going to have to work together.

The gentleman from Maryland has identified one more area where we believe improvement can go forward. It is a subject that has to be refined some. This is the end of the session. We are getting legislation drafted. It can't always be done as carefully as we would like.

I appreciate the gentleman calling this to our attention; and in the bipartisanship spirit we have had, I believe we can continue to work on this, and by the time this bill is finally ready to be signed, we can include the thrust of what the gentleman is trying to accomplish.

Mr. BACHUS. Mr. Chairman, will the gentleman yield?

Mr. VAN HOLLEN. I yield to the gentleman from Alabama.

Mr. BACHUS. Mr. Chairman, we have discussed this amendment, and I acknowledge that the gentleman brings up a valid point. It is something that we will continue to adjust as the process goes forward.

Mr. VAN HOLLEN. Mr. Chairman, I thank Mr. BACHUS and the chairman of the committee as well. I appreciate your willingness to work on this issue as we go forward.

Mr. Chairman, I ask unanimous consent that the amendment be withdrawn.

The Acting CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 18 OFFERED BY MS. SUTTON

The Acting CHAIRMAN. It is now in order to consider amendment No. 18 printed in House Report 110-450.

Ms. SUTTON. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 18 offered by Ms. SUTTON:

After section 211, insert the following new section (and redesignate the subsequent sections accordingly):

SEC. 212. 6-MONTH NOTICE REQUIRED BEFORE RESET OF HYBRID ADJUSTABLE RATE MORTGAGES.

(a) IN GENERAL.—Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by inserting after section 128 the following new section:

§ 128A. Reset of hybrid adjustable rate mortgages

“(a) HYBRID ADJUSTABLE RATE MORTGAGES DEFINED.—For purposes of this section, the

term ‘hybrid adjustable rate mortgage’ means a consumer credit transaction secured by the consumer's principal residence with a fixed interest rate for an introductory period that adjusts or resets to a variable interest rate after such period.

“(b) NOTICE OF RESET AND ALTERNATIVES.—During the 1-month period that ends 6 months before the date on which the interest rate in effect during the introductory period of a hybrid adjustable rate mortgage adjusts or resets to a variable interest rate, the creditor or servicer of such loan shall provide a written notice, separate and distinct from all other correspondence to the consumer, that includes the following:

“(1) Any index or formula used in making adjustments to or resetting the interest rate and a source of information about the index or formula.

“(2) An explanation of how the new interest rate and payment would be determined, including an explanation of how the index was adjusted, such as by the addition of a margin.

“(3) A good faith estimate, based on accepted industry standards, of the creditor or servicer of the amount of the monthly payment that will apply after the date of the adjustment or reset, and the assumptions on which this estimate is based.

“(4) A list of alternatives consumers may pursue before the date of adjustment or reset, and descriptions of the actions consumers must take to pursue these alternatives, including—

“(A) refinancing;

“(B) renegotiation of loan terms;

“(C) payment forbearances; and

“(D) pre-foreclosure sales.

“(5) The names, addresses, telephone numbers, and Internet addresses of counseling agencies or programs reasonably available to the consumer that have been certified or approved and made publicly available by the Secretary of Housing and Urban Development or a State housing finance authority (as defined in section 1301 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989).

“(6) The address, telephone number, and Internet address for the State housing finance authority (as so defined) for the State in which the consumer resides.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 2 of the Truth in Lending Act is amended by inserting after the item relating to section 128 the following new item:

“128A. Reset of hybrid adjustable rate mortgages.”.

The Acting CHAIRMAN. Pursuant to House Resolution 825, the gentlewoman from Ohio (Ms. SUTTON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Ohio.

Ms. SUTTON. Mr. Chairman, first of all I would like to commend the chairman of the Financial Services Committee for his extraordinary leadership and hard work on this legislation. I also want to thank the ranking member, Mr. BACHUS, along with Mr. FRANK for their extraordinary hard work. I also extend my thanks to Mr. MILLER, the sponsor of this bill, as well.

Today I rise to offer an amendment to H.R. 3915 that I believe will take an important step in preventing avoidable foreclosures. The news stories we see every day remind us that this subprime mortgage crisis is not going away immediately. In fact, it is getting worse.

RealtyTrac just released its third quarter foreclosure numbers, and the numbers are staggering. Foreclosure filings increased 30 percent nationally from the second quarter, which translates to one foreclosure filing for every 196 American households.

Two of the largest metro areas in my district are among the 15 with the highest foreclosure rates nationally. Foreclosures in the Cleveland, Lorain, Elyria area are up 179 percent from last year. One in every 57 homes in that area is in foreclosure. In Akron, it is one of every 76. These are families in my district who are suffering.

Many of the loans involved in the current subprime mortgage crisis are hybrid adjustable rate mortgages. Though these loans typically begin with a low fixed “teaser” rate, it resets after 2 or 3 years, often to as much as two or three times the original payment.

According to a recently conducted survey, one in four homeowners with adjustable rate mortgages were not aware how soon their rates could spike, and three-quarters did not know how much their payments might increase.

A homeowner who does not know what is coming may not be able to ask for help until it is too late. The amendment I am offering today would take a simple step to help ensure homeowners have the opportunity to pursue all of the options available to them before the foreclosure becomes inevitable.

My amendment, which is based on a recommendation of the Ohio Foreclosure Prevention Task Force, will require lenders to send a notice to homeowners holding hybrid adjustable rate mortgages 6 months before their interest rates are due to reset. The notice will contain four key pieces of information:

It will include the new interest rate and an explanation of how it will be determined;

Second, it will require the lender to include a good-faith estimate of the monthly payment that will apply after the loan resets;

Third, it contains a list of alternatives the consumer may pursue before the date of the adjustment or reset if they feel they will have difficulty in meeting the payment obligations;

Finally, it will include the contact information of the local HUD-approved housing counseling agencies, as well as the State housing finance authority for the State in which the consumer resides.

Enhanced disclosures will help prevent avoidable foreclosures and ensure our families are not caught by surprise and trapped in a position that may ultimately force them out of their homes. I believe this disclosure is a vital tool for our families, and I urge a “yes” vote on this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentlewoman yield?

Ms. SUTTON. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I want to thank the gentlewoman. She has

been very diligent and called to the attention of the committee some of the concerns of the Attorney General of Ohio, with whom she has been working, as have her other Ohio colleagues. I appreciate this particular amendment and also the willingness of the gentlewoman to work with us as we continue to make this a better bill. I hope her amendment is adopted.

Ms. SUTTON. Mr. Chairman, I reserve the balance of my time.

Mr. BACHUS. Mr. Chairman, I would like to claim the time in opposition.

The Acting CHAIRMAN. The gentleman from Alabama is recognized for 5 minutes.

Mr. BACHUS. Mr. Chairman, the gentlewoman from Ohio obviously points out a significant problem with foreclosures in Cleveland. It is actually a heart-breaking experience that the people of Cleveland are going through when one out of every five or six houses are undergoing foreclosures. You hear some pretty devastating figures. I know, I used to be an attorney for the FOP, Fraternal Order of Police, in Birmingham; and there is absolutely nothing more problematic in a community than a vacant house from a crime standpoint as well as from a property value standpoint.

The notice she requires, I think some of that is addressed by Mr. GREEN and Mr. MCHENRY, but it is at an earlier time. I would say this, I personally am not going to ask for a roll call on this.

Going forward, I think parts of this amendment are very good. I think stating what the new interest rate will be, giving somebody a notice. The Federal Reserve said some folks sort of, you know, this is something that they don't always see or focus on. But explaining what the new interest rate is going to be and how it is going to be determined, that could be somewhat problematic, but it could be worked in a range as long as the regulators are given some discretion. Offering the borrower the best estimate of what the new monthly payment will be could also, as long as there was some range or discretion in there.

The last two things I think are very good, offering alternatives that the consumer could pursue. That might be very valuable, as would providing information on HUD-approved house counseling. I think that would be very valuable. I personally am not going to ask for a roll call on this. Other Members might.

Mr. Chairman, at this time I yield the balance of my time to the gentleman from Florida because, as you know, on this side, as with this whole body, we come with different perspectives.

Mr. FEENEY. Mr. Chairman, I appreciate the ranking member yielding on this.

Everybody deserves as much notice as possible when their obligations in life are going to change. Every mortgage describes the terms of how the note and the loan will change.

One of the problems I see with this bill is when you are required to give a borrower 6-months' notice on what their interest rate is going to be, my understanding is that some mortgages are triggered off dates that may be only 3 or 4 months in advance of the reset date. For example, does a lender have to guess high? Does a lender have to estimate 3 or 4 months out rates are going to go up so they are going to basically send the borrower notice 6 or 7 or 8 months ahead of time so they comply with this very burdensome notice regulation, and they are basically going to stick a borrower, perhaps, with a higher interest rate if the market actually lets interest rates come down than they would have otherwise been able to do.

□ 1700

I don't know whether you have to send a new notice or an adjusted notice also in terms of the alternatives that we have to describe. There are lots of alternatives if you are going to have trouble making your mortgage payment. You could hit the lottery, I suppose. You could hope that a rich uncle passes away and endows you. There are all sorts of potential alternatives.

Now, if we had a form list of three or four potential things that a borrower could do, that might make sense. But I think this is very subjective.

And speaking of the subjectivity, something I wanted to get to earlier, one of the big problems with this bill is that it has all sorts of subjective requirements, for example, that lenders cannot make loans that are not the most appropriate loans. Who knows, other than 20/20 hindsight, whether a loan was appropriate in specific circumstances? Supposing that a family gets divorced? A loan that might have been appropriate one day may be inappropriate. Suppose somebody loses their job or gets sick?

And the other huge subjective part of this entire bill is the net tangible benefits test. Supposing I go take out a loan for \$100,000. I decide to go down and decide to play the ponies and I win a 10:1 payment, I become a millionaire. Well, that loan after the fact turned out to have huge net tangible benefits to me.

On the other hand, supposing I take out a \$100,000 loan and put it in investments in the stock market and the market gets jittery because Congress is talking about all sorts of tax hikes. Supposing my stocks decrease from \$100,000 to \$50,000. Well, it turns out after the fact that my taking out that loan to put the money in the stock market did not have much net tangible benefit.

These subjective tests are a nightmare for people trying to provide credit in America.

Ms. SUTTON. I would inquire how much time I have remaining.

The Acting CHAIRMAN (Mr. HOLDEN). The gentlewoman from Ohio has 1½ minutes remaining.

Ms. SUTTON. Mr. Chairman, requiring lenders and servicers to include their best estimate of the amount that will be incurred when the loan resets is a commonsense way to deal with providing these borrowers with information that is essential if they are in a position to avoid foreclosure, and all we are asking under this amendment is for a good-faith estimate based on accepted industry standards.

The estimate need not be exact. A lender or servicer simply needs to make a good-faith effort to estimate the payment that will apply after reset.

It is important to keep consumers informed about the date of reset, but if they are not sure what they will face when the loan resets, it will be much more difficult for them to prepare what is coming. This is a simple requirement to insure that not only will homeowners know when this will happen, but also what will happen.

I appreciate greatly the remarks of the ranking member, Mr. BACHUS, and of course the support of the chairman of the Financial Services Committee.

I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from Ohio (Ms. SUTTON).

The amendment was agreed to.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in House Report 110-450 on which further proceedings were postponed, in the following order:

Amendment No. 16 by Mr. PRICE of Georgia.

Amendment No. 12 by Mr. GARRETT of New Jersey.

Amendment No. 15 by Mr. MCHENRY of North Carolina.

The Chair will reduce to 2 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 16 OFFERED BY MR. PRICE OF GEORGIA

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Georgia (Mr. PRICE) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 172, noes 249, not voting 16, as follows:

[Roll No. 1114]

AYES—172

Aderholt	Baker	Biggert
Alexander	Barrett (SC)	Bilbray
Bachmann	Bartlett (MD)	Bilirakis
Bachus	Barton (TX)	Bishop (UT)

Blackburn	Graves	Pickering	Larson (CT)	Napolitano
Boehner	Hall (TX)	Pitts	LaTourette	Sires
Bonner	Hastert	Platts	Lee	Skelton
Boozman	Hastings (WA)	Poe	Levin	Slaughter
Boustany	Hayes	Porter	Lewis (CA)	Smith (NJ)
Brady (TX)	Heller	Price (GA)	Lewis (GA)	Smith (WA)
Brown (GA)	Hensarling	Pryce (OH)	Lipinski	Snyder
Brown (SC)	Herger	Putnam	LoBiondo	Pallone
Brown-Waite, Ginny	Hoeckstra	Radanovich	LoBiondo	Space
Buchanan	Hobson	Ramstad	Lofgren, Zoe	Spratt
Burgess	Inglis (SC)	Regula	Lowey	Stupak
Burton (IN)	Issa	Rehberg	Lynch	Peterson (MN)
Buyer	Johnson (IL)	Reichert	Mahoney (FL)	Sutton
Camp (MI)	Johnson, Sam	Renzi	Maloney (NY)	Tanner
Campbell (CA)	Jordan	Reynolds	Markey	Tauscher
Cannon	Keller	Rogers (AL)	Marshall	Taylor
Cantor	King (IA)	Rogers (KY)	Matheson	Thompson (CA)
Carter	King (NY)	Rogers (MI)	Matsui	Thompson (MS)
Castle	Kingston	Rohrabacher	McCarthy (NY)	Tierney
Chabot	Kirk	Ros-Lehtinen	McCullom (MN)	Towns
Coble	Kline (MN)	Roskam	McDermott	Turner
Cole (OK)	Knollenberg	Royce	McGovern	Udall (CO)
Conaway	Kuhl (NY)	Ryan (WI)	McHugh	Udall (NM)
Crenshaw	LaHood	Sali	McIntyre	Van Hollen
Culberson	Lamborn	Schmidt	McNerney	Visclosky
Davis, David	Latham	Sensenbrenner	McNulty	Walz (MN)
Davis, Tom	Linder	Sessions	Meek (FL)	Wasserman
Deal (GA)	Lucas	Shadegg	Meeks (NY)	Schultz
Dent	Lugren, Daniel E.	Shimkus	Melancon	Sanchez, Loretta
Diaz-Balart, L.		Shuster	Michaud	Watson
Diaz-Balart, M.		Simpson	Miller (NC)	Watt
Doolittle	Manzullo	Smith (NE)	Miller, Gary	Schakowsky
Drake	Marchant	Smith (TX)	Miller, George	Waxman
Dreier	McCarthy (CA)	Souder	Mitchell	Weiner
Duncan	McCaull (TX)	Stearns	Mollohan	Schwartz
Emerson	McCotter	Sullivan	Moore (KS)	Scott (GA)
Fallin	McCrary	Tancredo	Moore (WI)	Scott (VA)
Feehey	McHenry	Terry	Moran (VA)	Wilson (NM)
Ferguson	McKeon	Thornberry	Murphy (CT)	Wexler
Flake	McMorris	Tiahrt	Murphy, Patrick	Wilson (OH)
Forbes	Rodgers	Tiberi	Nadler	Wolfe
Fortenberry	Mica	Upton		Woolsey
Fossella	Miller (FL)	Walberg		Shays
Foxx	Miller (MI)	Walden (OR)	Akin	Shea-Porter
Franks (AZ)	Moran (KS)	Walsh (NY)	Blunt	Wu
Frelinghuysen	Murphy, Tim	Wamp	Bono	Sherman
Garrett (NJ)	Musgrave	Weldon (FL)	Carson	Wynn
Gerlach	Myrick	Westmoreland	Cubin	Yarmuth
Gilchrest	Neugebauer	Whitfield		
Gingrey	Nunes	Wicker		
Gohmert	Pearce	Wilson (SC)		
Goode	Pence	Young (AK)		
Goodlatte	Peterson (PA)	Young (FL)		
Granger	Petri			

NOES—249

Abercrombie	Cohen	Green, Gene
Ackerman	Conyers	Grijalva
Allen	Cooper	Gutierrez
Altmore	Costa	Hall (NY)
Andrews	Costello	Hare
Arcuri	Courtney	Harman
Baca	Cramer	Hastings (FL)
Baird	Crowley	Herseth Sandlin
Baldwin	Cuellar	Higgins
Barrow	Cummings	Hill
Bean	Davis (AL)	Hinchey
Becerra	Davis (CA)	Hinojosa
Berkley	Davis (IL)	Hirono
Berman	Davis, Lincoln	Hodes
Berry	DeFazio	Holden
Bishop (GA)	DeGette	Holt
Bishop (NY)	Delahunt	Honda
Blumenauer	DeLauro	Hooley
Bordallo	Dicks	Hoyer
Boren	Dingell	Hulshof
Boswell	Doggett	Inslee
Boucher	Donnelly	Israel
Boyd (FL)	Edwards	Jackson (IL)
Boysa (KS)	Ehlers	Jackson-Lee
Brady (PA)	Ellison	(TX)
Braley (IA)	Ellsworth	Jefferson
Brown, Corrine	Emanuel	Johnson (GA)
Butterfield	Engel	Johnson, E. B.
Calvert	English (PA)	Jones (NC)
Capito	Eshoo	Jones (OH)
Capps	Etheridge	Kagen
Capuano	Faleomavaega	Kanjorski
Cardoza	Farr	Kaptur
Carnahan	Fattah	Kennedy
Carney	Filner	Kildee
Castor	Frank (MA)	Kilpatrick
Chandler	Gallegly	Kind
Christensen	Giffords	Klein (FL)
	Clarke	Lampson
	Gillibrand	Langevin
	Clay	Lantos
	Gonzalez	Larsen (WA)
	Gordon	
	Clyburn	

NOT VOTING—16

Akin	Doyle	Oberstar
Blunt	Everett	Paul
Bono	Fortuño	Velázquez
Carson	Jindal	Weller
Cubin	Kucinich	
Davis (KY)	Mack	

□ 1724

Mrs. McCARTHY of New York and Messrs. CLEAVER, MORAN of Virginia and TURNER changed their vote from “aye” to “no.”

Messrs. BAKER and BROWN of South Carolina changed their vote from “no” to “aye.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 12 OFFERED BY MR. GARRETT OF NEW JERSEY

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from New Jersey (Mr. GARRETT) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 188, noes 229, not voting 20, as follows:

[Roll No. 1115]

AYES—188

Aderholt	Bachmann	Baker
Alexander	Bachus	Barrett (SC)

Bartlett (MD)	Gerlach	Pearce	Kagen	Moore (KS)	Shuler	Blackburn	Gohmert	Myrick
Barton (TX)	Gingrey	Pence	Kanjorski	Moran (VA)	Sires	Blunt	Goode	Neugebauer
Biggert	Gohmert	Peterson (PA)	Kaptur	Murphy (CT)	Skelton	Boehner	Goodlatte	Nunes
Bilbrey	Goode	Petri	Kennedy	Murphy, Patrick	Slaughter	Bonner	Granger	Pearce
Bilirakis	Goodlatte	Pickering	Kildee	Murtha	Smith (NJ)	Boozman	Graves	Pence
Bishop (UT)	Granger	Pitts	Kilpatrick	Nadler	Smith (WA)	Boustany	Hall (TX)	Peterson (PA)
Blackburn	Graves	Platts	Kind	Napolitano	Snyder	Boyd (KS)	Hastert	Petri
Blunt	Hall (TX)	Poe	Klein (FL)	Obey	Solis	Brady (TX)	Hastings (WA)	Pickering
Boehner	Hastert	Porter	Lampson	Olver	Space	Broun (GA)	Hayes	Pitts
Bonner	Hastings (WA)	Price (GA)	Langevin	Ortiz	Spratt	Brown (SC)	Hensarling	Platts
Boozman	Hayes	Pryce (OH)	Lantos	Pallone	Stark	Brown-Waite,	Herger	Poe
Boustany	Heller	Putnam	Larsen (WA)	Pascarella	Stupak	Ginny	Hobson	Price (GA)
Brady (TX)	Hensarling	Ramstad	Larson (CT)	Pastor	Sutton	Buchanan	Hoekstra	Pryce (OH)
Broun (GA)	Herger	Regula	LaTourette	Payne	Tanner	Burgess	Hulshof	Putnam
Brown (SC)	Hobson	Rehberg	Lee	Perlmutter	Tauscher	Burton (IN)	Hunter	Ramstad
Brown-Waite, Ginny	Hoekstra	Reichert	Levin	Peterson (MN)	Taylor	Calvert	Ingels (SC)	Rehberg
Buchanan	Hunter	Renzi	Lewis (GA)	Pomeroy	Thompson (CA)	Camp (MI)	Johnson (IL)	Reichert
Burgess	Inglis (SC)	Reynolds	Lipinski	Price (NC)	Thompson (MS)	Campbell (CA)	Johnson, Sam	Renzi
Burton (IN)	Issa	Rogers (AL)	Lofgren, Zoe	Rangel	Tierney	Cannon	Jordan	Reynolds
Buyer	Johnson (IL)	Rogers (KY)	Lowey	Reyes	Towns	Cantor	Keller	Rogers (AL)
Calvert	Johnson, Sam	Rogers (MI)	Lynch	Richardson	Tsangas	Capito	King (IA)	Rogers (MI)
Camp (MI)	Jones (NC)	Rohrabacher	Maloney (NY)	Rodriguez	Udall (CO)	Carter	King (NY)	Rohrabacher
Campbell (CA)	Jordan	Ros-Lehtinen	Markay	Ross	Udall (NM)	Castle	Kingston	Ros-Lehtinen
Cannon	Keller	Roskam	Marshall	Rothman	Van Hollen	Coble	Kirk	Roskam
Cantor	King (IA)	Royce	Matheson	Royal-Allard	Velázquez	Cole (OK)	Kline (MN)	Royce
Capito	King (NY)	Ryan (WI)	Matsui	Ruppersberger	Visclosky	Conaway	Knollenberg	Sali
Carney	Kingston	Sali	McCarthy (NY)	Rush	Waiz (MN)	Crenshaw	Kuhl (NY)	Schmidt
Carter	Kirk	Saxton	McCollum (MN)	Ryan (OH)	Wasserman	Culberson	LaHood	Sessions
Castle	Kline (MN)	Schmidt	McDermott	Salazar	Schultz	Davis (KY)	Lamborn	Shadegg
Chabot	Knollenberg	Sensenbrenner	McGovern	Sánchez, Linda	Waters	Davis, David	Latham	Shays
Coble	Kuhl (NY)	Sessions	McHugh	T.	Watson	Davis, Tom	Lewis (CA)	Shimkus
Cole (OK)	LaHood	Shadegg	McIntyre	Sanchez, Loretta	Watson	Diaz-Balart, L.	Lewis (KY)	Shuster
Conaway	Lamborn	Shays	McNerney	Sarbanes	Watt	Diaz-Balart, M.	Linder	Simpson
Crenshaw	Latham	Shimkus	McNulty	Schakowsky	Waxman	Doolittle	Lucas	Smith (NE)
Culberson	Lewis (CA)	Shuster	Meek (FL)	Schiff	Weiner	Drake	Lungren, Daniel	Smith (TX)
Davis (KY)	Lewis (KY)	Simpson	Meeks (NY)	Schwartz	Welch (VT)	Dreier	E.	Souder
Davis, David	Linder	Smith (NE)	Melancon	Scott (GA)	Wexler	Ehlers	Manzullo	Tancredo
Davis, Tom	LoBiondo	Smith (TX)	Michaud	Scott (VA)	Wilson (OH)	Emerson	McCarthy (CA)	Terry
Deal (GA)	Lucas	Souder	Miller (NC)	Serrano	Woolsey	English (PA)	McCaull (TX)	Thornberry
Dent	Lungren, Daniel	Stearns	Miller, George	Sestak	Wu	Fallin	McCotter	Tiahrt
Diaz-Balart, L. E.	Manzullo	Sullivan	Mitchell	Shea-Porter	Wynn	Feehey	McCrary	Tiberi
Diaz-Balart, M.	Tancredo	Tancredo	Mollohan	Sherman	Yarmuth	Flake	McHenry	Upton
Doolittle	Marchant	Terry				Forbes	McKeon	Walberg
Drake	McCarthy (CA)	Thornberry				Fortenberry	McMorris	Walden (OR)
Dreier	McCaull (TX)	Tiabrt				Fossella	Rodgers	Walsh (NY)
Duncan	McCotter	Tiberi				Foxx	Mica	Wamp
Ehlers	McCrary	Turner				Franks (AZ)	Miller (FL)	Weldon (FL)
Emerson	McHenry	Upton				Miller (MI)	Miller (MI)	Westmoreland
English (PA)	McKeon	Walberg				Frelinghuysen	Miller, Gary	Whitfield
Fallin	McMorris	Walden (OR)				Miller, Gary	Moran (KS)	Wicker
Feeney	Rodgers	Walsh (NY)				Garrett (NJ)	Murphy, Tim	Wilson (SC)
Ferguson	Mica	Wamp				Gilchrest	Musgrave	Young (AK)
Flake	Miller (FL)	Weldon (FL)				Gingrey		
Forbes	Miller (MI)	Westmoreland						
Fortenberry	Miller, Gary	Whitfield						
Fossella	Moran (KS)	Wicker						
Foxx	Murphy, Tim	Wilson (NM)						
Franks (AZ)	Musgrave	Wilson (SC)						
Frelinghuysen	Myrick	Wolf						
Gallegly	Neugebauer	Young (AK)						
Garrett (NJ)	Nunes	Young (FL)						

NOES—229

Abercrombie	Clay	Filner
Ackerman	Cleaver	Frank (MA)
Altmore	Clyburn	Giffords
Andrews	Cohen	Gillibrand
Arcuri	Conyers	Gonzalez
Baca	Cooper	Gordon
Baird	Costa	Green, Al
Baldwin	Costello	Green, Gene
Barrow	Courtney	Grijalva
Bean	Cramer	Gutierrez
Becerra	Crowley	Hall (NY)
Berkley	Cuellar	Hare
Berman	Cummings	Harman
Berry	Davis (AL)	Hastings (FL)
Bishop (GA)	Davis (CA)	Herseth Sandlin
Bishop (NY)	Davis (IL)	Higgins
Blumenauer	Davis, Lincoln	Hill
Bordallo	DeFazio	Hinchey
Boren	DeGette	Hinojosa
Boswell	Delahunt	Hirono
Boucher	DeLauro	Hodes
Boyd (FL)	Dicks	Holden
Boyd (KS)	Dingell	Holt
Brady (PA)	Doggett	Honda
Braley (IA)	Donnelly	Hoyer
Brown, Corrine	Edwards	Hoyer
Butterfield	Ellison	Inslée
Capps	Ellsworth	Israel
Capuano	Emanuel	Jackson (IL)
Cardoza	Engel	Jackson-Lee
Carnahan	Eshoo	(TX)
Castor	Etheridge	Jefferson
Chandler	Faleomavaega	Johnson (GA)
Christensen	Farr	Johnson, E. B.
Clarke	Fattah	Jones (OH)

NOT VOTING—20

ANNOUNCEMENT BY THE ACTING CHAIRMAN
The Acting CHAIRMAN (during the vote). Members are advised there is 1 minute remaining in this vote.

□ 1729

So the amendment was rejected.
The result of the vote was announced as above recorded.

AMENDMENT NO. 15 OFFERED BY MR. MCHENRY

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from North Carolina (Mr. MCHENRY) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 168, noes 245, not voting 24, as follows:

[Roll No. 1116]

AYES—168

Aderholt	Baker	Biggert	Shuler	Blackburn	Gohmert	Myrick
Alexander	Barrett (SC)	Bilbray	Sires	Blunt	Goode	Neugebauer
Bachmann	Bartlett (MD)	Bilbray	Skelton	Boehner	Goodlatte	Nunes
Bachus	Barton (TX)	Bilbray	Slaughter	Bonner	Granger	Pearce
		Bilbray	Smith (NJ)	Boozman	Graves	Pence
		Bilbray	Smith (WA)	Boustany	Hall (TX)	Peterson (PA)
		Bilbray	Bishop (UT)	Bouyda	Hastert	Petri
		Bilbray	Bishop (UT)	Brady (TX)	Hastings (WA)	Pickering
		Bilbray	Bishop (UT)	Brady (TX)	Hayes	Pitts
		Bilbray	Bishop (UT)	Brown (SC)	Hensarling	Platts
		Bilbray	Bishop (UT)	Brown (SC)	Herger	Poe
		Bilbray	Bishop (UT)	Brown-Waite,	Hobson	Price (GA)
		Bilbray	Bishop (UT)	Brown-Waite,	Holshof	Putnam
		Bilbray	Bishop (UT)	Brown-Waite,	Hunter	Ramstad
		Bilbray	Bishop (UT)	Brown-Waite,	Ingels (SC)	Rehberg
		Bilbray	Bishop (UT)	Brown-Waite,	Regula	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Issa	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Putnam	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Ramstad	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Rehberg	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hoekstra	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,	Hulshof	Rohrabacher
		Bilbray	Bishop (UT)	Brown-Waite,		

Maloney (NY)	Peterson (MN)
Marchant	Pomeroy
Markey	Porter
Marshall	Price (NC)
Matheson	Rahall
Matsui	Rangel
McCarthy (NY)	Reyes
McCullum (MN)	Richardson
McDermott	Rodriguez
McGovern	Rogers (KY)
McHugh	Ross
McIntyre	Rothman
McNerney	Royal-Allard
McNulty	Ruppersberger
Meek (FL)	Rush
Meeks (NY)	Ryan (OH)
Melancon	Ryan (WI)
Michaud	Salazar
Miller (NC)	Sánchez, Linda T.
Miller, George	Van Hollen
Mitchell	Sanchez, Loretta
Mollohan	Sarbanes
Moore (KS)	Saxton
Moore (WI)	Schakowsky
Moran (VA)	Schiff
Murphy (CT)	Schwartz
Murphy, Patrick	Scott (GA)
Murtha	Scott (VA)
Nadler	Sensenbrenner
Napolitano	Serrano
Neal (MA)	Sestak
Obey	Shea-Porter
Olver	Sherman
Ortiz	Shuler
Pallone	Sires
Pascarella	Skelton
Pastor	Slaughter
Payne	Smith (NJ)
Perlmutter	Smith (WA)

Snyder	Solis
Marchant	Space
Porter	Stark
Price (NC)	Stearns
Rahall	Stupak
Rangel	Sutton
Reyes	Tanner
Richardson	Tauscher
Rodriguez	Taylor
Rogers (KY)	Thompson (CA)
Ross	Thompson (MS)
Rothman	Tierney
Royal-Allard	Towns
Ruppersberger	Tsangas
Rush	Turner
Ryan (OH)	Udall (CO)
Ryan (WI)	Udall (NM)
Salazar	Sánchez, Linda T.
Sánchez, Linda T.	Van Hollen
Sanchez, Loretta	Velázquez
Sarbanes	Visclosky
Saxton	Walz (MN)
Schakowsky	Wasserman
Schiff	Schultz
Schwartz	Waters
Scott (GA)	Watson
Scott (VA)	Watt
Sensenbrenner	Waxman
Serrano	Welch (VT)
Sestak	Wexler
Shea-Porter	Wilson (NM)
Sherman	Wilson (OH)
Shuler	Wolf
Sires	Woolsey
Skelton	Wu
Slaughter	Wynn
Smith (NJ)	Yarmuth
Smith (WA)	Young (FL)

NOT VOTING—24

Akin	Everett	Norton
Bono	Fortuño	Oberstar
Capuano	Heller	Paul
Carson	Holt	Radanovich
Cubin	Jindal	Spratt
Deal (GA)	Jones (OH)	Sullivan
Doyle	Kucinich	Weiner
Etheridge	Mack	Weller

the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment reported from the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MRS. BLACKBURN

Mrs. BLACKBURN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentlewoman opposed to the bill?

Mrs. BLACKBURN. Yes, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. Blackburn moves to recommit the bill H.R. 3915 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendments:

Page 71, line 5, strike the closing quotation marks and the second period.

Page 71, after line 5, insert the following new subsection:

“(m) APPROVED IDENTIFICATION TO OBTAIN A RESIDENTIAL MORTGAGE LOAN.—

“(1) VERIFICATION REQUIRED.—A creditor may not extend any credit in connection with a residential mortgage loan unless the creditor verifies the identity of an individual seeking to obtain any such loan.

“(2) FORM OF IDENTITY.—A creditor may not accept, for the purpose of verifying the identity of an individual seeking to obtain a residential mortgage loan, any form of identification of the individual other than the following:

“(A) SOCIAL SECURITY CARD WITH PHOTO IDENTIFICATION CARD.—A social security card accompanied by a photo identification card issued by the Federal Government or a State Government.

“(B) REAL ID ACT IDENTIFICATION.—A driver's license or identification card issued by a State in the case of a State that is in compliance with title II of the REAL ID Act of 2005 (title II of division B of Public Law 109-13; 49 U.S.C. 30301 note) other than an identification card issued under section 202(d)(1) of such Act.

“(C) PASSPORT.—A passport issued by the United States or a foreign government.

“(D) USCIS PHOTO IDENTIFICATION CARD.—A photo identification card issued by the Secretary of Homeland Security (acting through the Director of the United States Citizenship and Immigration Services).”

The SPEAKER pro tempore. The gentlewoman from Tennessee is recognized for 5 minutes.

Mrs. BLACKBURN. Mr. Speaker, we've heard a lot today about H.R. 3915 and how it is a dramatic departure from current law that I believe will have an unintended negative impact on banks and creditworthy home buyers.

I think it's the opinion of many in this Chamber, certainly it's my opin-

ion, that in an attempt to improve conditions in the housing market, this bill instead will likely prevent more hard-working Americans from obtaining a mortgage in a market that is already feeling the pinch. They need more help; they do not need roadblocks.

The legislation before the House today may do more harm than good. Yet reasonable people, which we are in this Chamber, can choose to disagree on issues, and this is one of those where we are in disagreement. I respect my colleagues on both sides of the aisle for their varying positions on this legislation, but there is disagreement.

I believe most of my colleagues cannot disagree with the following proposition, and it is this: American creditors should not be able to extend any credit in connection with a residential mortgage loan unless they verify the identity and legal immigration status of a potential debtor and verify the status with only a secure ID.

Mr. Speaker, this recommittal makes good, solid common sense. The American people do not believe that illegal immigrants and other individuals without proper identification are entitled to the same benefits, privileges and services as U.S. citizens and legal aliens. To extend such benefits only reinforces their notion that the laws of this land exist only on paper.

This motion to recommit will help preserve the faith the American people have left with this government and show that we are serious about denying services to those who are not entitled.

It is quite simple. The motion, number one, requires creditors to verify the identity of an individual seeking to obtain a loan for a residential mortgage; and, number two, prevents a creditor from accepting, for the purpose of verification, any form of identification other than a Social Security card with photo ID, a REAL ID identification card, a passport, or a USCIS-issued photo ID card.

Mr. Speaker, the American people have spoken out loud and clear on this issue. They do not believe that illegal immigrants, international criminals, and those who may wish this Nation harm should have access to American financial markets. That is why I had previously introduced H.R. 1314, the Photo ID Security Act. The legislation responded to plans and actions by firms in the financial services sector to affirmatively target this population by accepting insecure identification. My office was flooded with phone calls, emails, letters from across the country; many included credit cards that people had cut up in protest to their bank's decisions.

The motion to recommit adopts much of the language that was found and cosponsored in a bipartisan basis in H.R. 1314 and will provide American citizens the reassurance they need that the American financial services sector is, indeed, secure. It doesn't solve all the problems of the underlying legislation, but it is certainly a start.

Let's take one step forward for the security of the financial services market, Mr. Speaker, and let's all support this motion to recommit.

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

Mr. FRANK of Massachusetts. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. FRANK of Massachusetts. We have, from time to time, debated the issue as to whether or not we could make sure that no one who is not a legal resident or a citizen could qualify, but that's not what we're debating today. Let me read from page 2.

There are four kinds of identification that you must show. By the way, the mortgage industry and the real estate industry will not like the further paperwork here, but listen to this, lines 14 and 15, "You must show a passport issued by the United States or a foreign government." Now, what makes anyone think that people who are in the United States with a foreign passport are here legally? They have foreign passports from other countries.

I think the problem is some on the other side have taken the word "alien" too literally, that is, they think an alien is someone who's not from the Earth. Because someone who is in America illegally who is from the Earth might have an Iranian passport or a Venezuelan passport or a Burmese passport.

So understand, what I think is happening is this. I've been seeing these a lot. I do a lot of recommits; it's a heck of a way to spend your life, but that's my job. This foreign government passport is new. I think what happened was this. I think the real estate industry, this is literally my speculation, the real estate industry said to the Republicans, Hey, wait a minute, we make a lot of money selling houses to foreigners. Don't cut out the foreigners.

□ 1745

But you forgot to say legal foreigners. This is what this bill says. So you may have some Americans who don't have all this ID, who don't have a passport, who don't live in a REAL ID State. They may not have this. They may have a driver's license that they can use and it's not a REAL ID State.

An American in a REAL ID State who doesn't have a passport can't make it. But an Iranian with an Iranian passport, Welcome to my home. Here's your mortgage.

Now, I understand the impulse to prevent illegal aliens from getting predatory mortgages. That's a very kind thing that the Republicans want to do for them. But they don't do it competently. Read the bill. It says if you have a foreign passport, you qualify. You vote for this and you will be favoring people from other countries who are here illegally over Americans who don't have a passport and don't

live in a REAL ID State. Now, that's irrefutable.

In your desire to further the profitability of the real estate industry, and a lot of them are my friends and I have nothing against their profitability, but why would we want to vote for a recommit that elevates a foreigner who has no legal right to be in the United States and say they can qualify under this recommit, but an American who doesn't have a passport and doesn't live in a REAL ID State, has a driver's license and therefore didn't think they needed something, they wouldn't qualify. So we say to Americans, if you happen to be American, you had better get a passport and, now, it could be a Venezuelan passport, could be a Canadian passport, we don't care where it's from, just get a passport. I am baffled by this and I just think somebody didn't think this one through.

The point is that this recommit says nothing about restricting the mortgage process to people who are here only legally, because if you really think that people who are here illegally don't have a foreign passport, then you don't understand the situation.

So I say let's reject this effort to elevate foreign passports from people who may be here illegally over Americans who happen to not live in a REAL ID State and reject this recommit.

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

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

RECORDED VOTE

Mrs. BLACKBURN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 188, noes 231, not voting 13, as follows:

[Roll No. 1117]

AYES—188

Aderholt	Brady (TX)	Crenshaw	Cleaver	Hinojosa	Miller, George
Akin	Broun (GA)	Culberson	Clyburn	Hirono	Mitchell
Alexander	Brown (SC)	Davis (KY)	Cohen	Hodes	Mollohan
Altman	Brown-Waite,	Davis, David	Conyers	Holden	Moore (KS)
Bachmann	Ginny	Deal (GA)	Cooper	Holt	Moore (WI)
Bachus	Buchanan	Dent	Costa	Honda	Moran (VA)
Baker	Burgess	Donnelly	Costello	Hooley	Murphy (CT)
Barrett (SC)	Burton (IN)	Doolittle	Courtney	Hoyer	Murtha
Barrow	Buyer	Drake	Cramer	Inslie	Nadler
Bartlett (MD)	Calvert	Dreier	Crowley	Israel	Napolitano
Barton (TX)	Camp (MI)	Duncan	Cuellar	Jackson (IL)	Neal (MA)
Biggert	Campbell (CA)	Ehlers	Cummings	Jackson-Lee	Obey
Bilbray	Cannon	Emerson	Davis (AL)	(TX)	Olver
Bilirakis	Cantor	English (PA)	Davis (CA)	Jefferson	Ortiz
Bishop (UT)	Capito	Fallin	Davis (IL)	Johnson (GA)	Pallone
Blackburn	Carter	Feeley	Davis, Lincoln	Johnson, E. B.	Pascarella
Blunt	Castle	Ferguson	Davis, Tom	Jones (OH)	Pastor
Boehner	Chabot	Forbes	DeFazio	Kagen	Payne
Bonner	Coble	Fossella	DeGette	Kaptur	Perlmutter
Boozman	Cole (OK)	Foxx	Delahunt	Kennedy	Peterson (MN)
Boustany	Conaway	Franks (AZ)			

Pomeroy	Schwartz	Tierney	Graves	Maloney (NY)	Sánchez, Linda
Price (NC)	Scott (GA)	Towns	Green, Al	Markey	T.
Rahall	Scott (VA)	Tsangas	Green, Gene	Marshall	Sanchez, Loretta
Rangel	Serrano	Udall (CO)	Grijalva	Matheson	Barbanes
Rehberg	Sestak	Udall (NM)	Gutierrez	Matsui	Schakowsky
Renzi	Shea-Porter	Van Hollen	Hall (NY)	McCarthy (NY)	Schiff
Reyes	Sherman	Velázquez	Hare	McCollum (MN)	Schwartz
Richardson	Shuler	Visclosky	Harman	McCotter	Scott (GA)
Rodriguez	Sires	Walz (MN)	Hastings (FL)	McDermott	Scott (VA)
Ros-Lehtinen	Skelton	Wasserman	Hayes	McGovern	Serrano
Ross	Slaughter	Schultz	Heller	McHugh	Sestak
Rothman	Smith (WA)	Waterson	Herseth Sandlin	McIntyre	Shays
Royal-Allard	Snyder	Watson	Higgins	McKeon	Shea-Porter
Ruppersberger	Solis	Watson	Hill	McNerney	Sherman
Rush	Spratt	Watson	Hinchey	McNulty	Shuler
Ryan (OH)	Stark	Weiner	Hinojosa	Meek (FL)	Simpson
Salazar	Stupak	Welch (VT)	Hirono	Meeks (NY)	Sires
Sali	Sutton	Wexler	Hobson	Melancon	Skelton
Sánchez, Linda T.	Tanner	Wilson (OH)	Hodes	Michaud	Slaughter
Sanchez, Loretta	Tauscher	Woolsey	Holden	Miller (FL)	Smith (NJ)
Sarbanes	Taylor	Wu	Holt	Miller (MI)	Smith (WA)
Schakowsky	Terry	Wynn	Honda	Miller (NC)	Snyder
Schiff	Thompson (CA)	Yarmuth	Hooley	Miller, Gary	Solis
	Thompson (MS)	Young (AK)	Hoyer	Miller, George	Souder
			Inslee	Mitchell	Space
			Israel	Mollohan	Spratt
			Jackson (IL)	Moore (KS)	Stark
Bono	Jindal	Paul	Jackson-Lee (TX)	Moore (WI)	Stearns
Carson	Kucinich	Royce	Jefferson	Moran (VA)	Stupak
Cubin	Mack	Weller	Johnson (GA)	Murphy (CT)	Sutton
Doyle	Marshall		Johnson (IL)	Murphy, Patrick	Tanner
Everett	Oberstar		Johnson, E. B.	Murphy, Tim	Tauscher

NOT VOTING—13

Bono	Jindal	Paul	Jackson (IL)	Jackson (IL)
Carson	Kucinich	Royce	Jackson-Lee (TX)	Jackson-Lee (TX)
Cubin	Mack	Weller	Jefferson	Jefferson
Doyle	Marshall		Johnson (GA)	Johnson (GA)
Everett	Oberstar		Johnson (IL)	Johnson (IL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining on this vote.

□ 1804

Mr. ALTMIRE changed his vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced as above stated.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

Mr. SCOTT of Georgia. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 291, nays 127, not voting 14, as follows:

[Roll No. 1118]

YEAS—291

Abercrombie	Calvert	DeLauro			
Ackerman	Capito	Dent			
Allen	Capps	Diaz-Balart, L.	Aderholt	Culberson	Inglis (SC)
Altmore	Capuano	Diaz-Balart, M.	Akin	Davis (KY)	Issa
Andrews	Cardoza	Dicks	Alexander	Davis, David	Johnson, Sam
Arcuri	Carnahan	Dingell	Bachmann	Davis, Tom	Jordan
Baca	Carney	Doggett	Baker	Deal (GA)	Keller
Bachus	Castle	Donnelly	Barrett (SC)	Doolittle	King (IA)
Baird	Castor	Dreier	Barton (TX)	Drake	Kingston
Baldwin	Chabot	Edwards	Bilbray	Duncan	Kirk
Barrow	Chandler	Ehlers	Bilirakis	Fallin	Kuhl (NY)
Bartlett (MD)	Clarke	Ellison	Bishop (UT)	Feeley	Lamborn
Bean	Clay	Ellsworth	Blackburn	Flake	Lewis (KY)
Becerra	Cleaver	Emanuel	Blunt	Forbes	Linder
Berkley	Clyburn	Emerson	Boehner	Fossella	Lucas
Berman	Cohen	Engel	Boozman	Foxx	Manzullo
Berry	Conyers	English (PA)	Boustany	Franks (AZ)	Marchant
Biggert	Cooper	Eshoo	Brady (TX)	Frelinghuysen	McCarthy (CA)
Bishop (GA)	Costa	Etheridge	Brown (GA)	Garrett (NJ)	McCaull (TX)
Bishop (NY)	Costello	Farr	Brown (SC)	Gingrey	McCrary
Blumenauer	Courtney	Fattah	Brown-Waite,	Gohmert	McHenry
Bonner	Cramer	Ferguson	Ginny	Goodlatte	McMorris
Boren	Crowley	Filner	Burgess	Granger	Rodgers
Boswell	Cuellar	Fortenberry	Camp (MI)	Hastert	Mica
Boucher	Cummings	Frank (MA)	Campbell (CA)	Hastert	Moran (KS)
Boyd (FL)	Davis (AL)	Gallegly	Cannon	Hastert	Musgrave
Boyd (KS)	Davis (CA)	Gerlach	Cantor	Hastings (WA)	Myrick
Brady (PA)	Davis (IL)	Giffords	Carter	Hensarling	Neugebauer
Braley (IA)	Davis, Lincoln	Gillibrand	Coble	Herger	Nunes
Brown, Corrine	DeFazio	Gillibrand	Cole (OK)	Hoekstra	Pearce
Buchanan	DeGette	Gonzalez	Conaway	Hulshof	Pence
Butterfield	Delahunt	Gordon	Crenshaw	Hunter	Peterson (PA)

Graves	Maloney (NY)	Sánchez, Linda T.	Petri	Roskam	Sullivan
Towns	Green, Al	Markey	Pickering	Royce	Tancredo
Tsangas	Green, Gene	Marshall	Pitts	Ryan (WI)	Terry
Udall (CO)	Grijalva	Matheson	Platts	Sali	Thornberry
Udall (NM)	Gutierrez	Matsui	Poe	Saxton	Tiaht
Van Hollen	Hall (NY)	McCarthy (NY)	Price (GA)	Schmidt	Walberg
Velázquez	Hare	McCollum (MN)	Radanovich	Sensenbrenner	Walden (OR)
Shea-Porter	Hastings (FL)	McDermott	Ramstad	Sessions	Walsh (NY)
Serrano	Hastings (FL)	McGovern	Rehberg	Shadegg	Wamp
Rangel	Hays	McHugh	Sestak	Shimkus	Westmoreland
Rehberg	Heller	McIntyre	Reynolds	Shuster	Wicker
Renzi	Heller	Shays	Rogers (KY)	Smith (NE)	Wilson (SC)
Reyes	Heller	Shea-Porter	Rohrabacher	Smith (TX)	Young (AK)

NOT VOTING—14

Rush	Spratt	McNulty	Bono	Doyle	Oberstar
Ryan (OH)	Weiner	McNulty	Burton (IN)	Everett	Paul
Salazar	Stupak	Hinojosa	Buyer	Jindal	Salazar
Sali	Sutton	Hiroko	Carson	Kucinich	Weller
Sánchez, Linda T.	Tanner	Hobson	Cubin	Mack	
Sanchez, Loretta	Tauscher	Hodes			
Sarbanes	Taylor	Holden			
Schakowsky	Terry	Holt			
Schiff	Thompson (CA)	Holmes			
	Thompson (MS)	Hoyer			

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised less than 2 minutes are remaining on this vote.

□ 1812

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. BURTON of Indiana. Mr. Speaker, on rollcall No. 1118, had I been present, I would have voted "nay."

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGRASSMENT OF H.R. 3915, MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT OF 2007

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical corrections in the engrossment of H.R. 3915, to include corrections in spelling, punctuation, references to line numbers, section numbering, and cross-referencing, and the insertion of appropriate headings.

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

There was no objection.

RESTORE ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 746, proceedings will now resume on the bill (H.R. 3773) to amend the Foreign Intelligence Surveillance Act of 1978 to establish a procedure for authorizing certain acquisitions of foreign intelligence, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3773

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Responsible Electronic Surveillance That is Overseen, Reviewed, and Effective Act of 2007" or "RESTORE Act of 2007".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Clarification of electronic surveillance of non-United States persons outside the United States.