

Mrs. BOYDA of Kansas. Mr. Speaker, last month my congressional office was flooded with letters asking me to co-sponsor the National Eosinophil Awareness Week Resolution. All of these heartfelt notes, as it turned out, were authored by the family and friends of an 11-year-old girl who lives in my district, Jessica Seidel. Jessica and her mother are here with us today.

Jessica suffers from a rare eosinophil disorder that causes her body to mistake common proteins as foreign bodies. The disorder makes Jessica's life very hard. Only last week, she had to move out of her house because her basement flooded, rendering the house unliveable for her.

Despite these challenges, Jessica remains a remarkable girl. She is visiting me here in Washington today, and I am impressed by her poise and her courage. I am very pleased that on Monday, the House unanimously approved the Eosinophil Awareness Week Resolution. Our vote was meaningful and it was important, not only to Jessica and her family and friends, but to every sufferer of an eosinophilic disorder across the United States.

#### OPEN SEASON ON THE AMERICAN TAXPAYER

(Mr. PRICE of Georgia asked and was given permission to address the House for 1 minute.)

Mr. PRICE of Georgia. Mr. Speaker, the Democrat budget being brought to the floor today is not about leadership, it's about passing the buck, billions of them, onto our children.

This Democrat budget will raise taxes by more than \$200 billion over the next 5 years. And if these massive tax hikes don't bring in the revenue they want to keep expanding government, they will trigger more tax increases so they can pay for future spending. This is not leadership.

Despite the repeated warnings of every expert, this does nothing to deal with our Social Security and Medicare crisis. This is not leadership.

Tax-and-spend season is alive and well here in the House of Representatives.

Now, we can eliminate the deficit without raising taxes, but it will take setting priorities, making tough decisions to rein in our colossal government spending and working together. That's leadership.

This budget is forcing the American people to pay for a lack of leadership, and that's wrong. And the American people are watching.

#### THE ENSURING ACCESS TO CONTRACEPTIVES ACT

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

Mr. CARNAHAN. Mr. Speaker, I rise today in strong support of international family planning.

In the developing world today, contraceptive supplies are often unavailable, placing the health and well-being of millions of people at risk.

Currently, the global gag rule limits access to contraceptives by prohibiting the U.S. to giving family planning aid to certain foreign nongovernmental organizations. That's why I have introduced the bipartisan Ensuring Access to Contraceptives Act of 2007 with my colleague, Representative CHRIS SHAYS.

Our bill carves out a specific exception to allow the U.S. to provide contraceptives to developing countries. In addition, this bill will double the amount of funding USAID is authorized to spend on these programs.

I urge my colleagues to join us as co-sponsors. This bill will help prevent unintended pregnancies, reduce incidents of maternal and child mortality, improve the health of women, and prevent the transmission of sexually transmitted infections.

#### IN HONOR OF WILLIAM E. COCHRAN

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

Mr. BOOZMAN. Mr. Speaker, I rise today to offer my heartfelt congratulations and thanks to a fellow optometrist, a leader in our profession, Dr. William Cochran. For 24 years, he has led my alma mater, the Southern College of Optometry, and under his guidance the institution has flourished, turning out highly-trained optometrists and serving 60,000 patients a year. His commitment to his faculty, his patients and students are examples we can all follow here in the Nation's capital.

I congratulate Dr. Cochran on his retirement from the Southern College of Optometry and thank him for the example he has left for optometrists now and in the future. He has made a lasting, positive impact on hundreds of young students and continued to enhance and build a wonderful institution that I am very proud of, the Southern College of Optometry.

#### GUANTANAMO BAY

(Mr. MORAN of Virginia asked and was given permission to address the House for 1 minute.)

Mr. MORAN of Virginia. Mr. Speaker, I would like to address America's legal black hole, known as Guantanamo Bay.

The administration would like us to believe that the 15 prisoners that were very recently sent to Guantanamo are typical of the other 772 that have been sent there over the last 4½ years. Many of them are still languishing 4½ years later, even though only four of those 772 have ever been charged with a crime. In fact, only 8 percent are alleged to have ever acted as a "fighter" against the United States. Only 5 per-

cent were actually captured by American forces. The vast majority were turned in for bounties by Pakistani or other northern alliance Afghan forces.

That is why, Mr. Speaker, we need to shine the light of the law on this situation, to ask the administration what are they going to do about people who are being illegally detained there without charges and with no plans as to how to fix this situation, which continues to undermine America's reputation and credibility throughout the world.

#### BUDGET GUARANTEED TO RAISE TAXES

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

Mr. CAMPBELL of California. Mr. Speaker, later today we will have a budget on this floor proposed by the Democratic majority which is guaranteed to raise taxes by about \$200 billion. Now, that budget will also increase spending by about \$200 billion over and above the budget that the President proposed.

Do we think that those two numbers are the same by coincidence? No. And it's not an increase in spending by \$200 billion, it's an increase over the increase proposed by the President by \$200 billion. This is not a tax increase that we need to have. This is a tax increase that they want to have because they want to spend a lot more money than we are already spending, and we are already spending too much.

#### PROVIDING FOR CONSIDERATION OF H.R. 1427, FEDERAL HOUSING FINANCE REFORM ACT OF 2007

Mr. WELCH of Vermont. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 404 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

#### H. RES. 404

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1427) to reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill, modified by the amendment

printed in the report of the Committee on Rules accompanying this resolution. That amendment in the nature of a substitute shall be considered by title rather than by section. Each title shall be considered as read. All points of order against that amendment in the nature of a substitute are waived except those arising under clause 9 or 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to that amendment in the nature of a substitute shall be in order except those printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII before the beginning of consideration of the bill and except pro forma amendments for the purpose of debate. Each amendment so printed may be offered only by the Member who caused it to be printed or his designee and shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. During consideration in the House of H.R. 1427 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

□ 1030

The SPEAKER pro tempore (Mr. POMEROY). The gentleman from Vermont (Mr. WELCH) is recognized for 1 hour.

Mr. WELCH of Vermont. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of this rule is for debate only.

I yield myself such time as I may consume.

(Mr. WELCH of Vermont asked and was given permission to revise and extend his remarks.)

#### GENERAL LEAVE

Mr. WELCH of Vermont. Mr. Speaker, I also ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 404.

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

There was no objection.

Mr. WELCH of Vermont. Mr. Speaker, as the Clerk just described, H. Res. 404 provides for consideration of H.R. 1427, the Federal Housing Finance Reform Act of 2007, under an open rule with a preprinting requirement. As of the date required for filing, 36 proposed amendments have been printed and met the preprinting requirement.

Mr. Speaker, affordable housing is absolutely critical as an issue to many Americans and certainly to folks in my State of Vermont, as well as yours. Along with food, health care and energy costs, affordable housing can make all the difference in economic

survival, and we must begin to take seriously the challenge of affordable housing for renters and prospective homeowners.

In Vermont, just to give an example, affordable rental units, we have a shortage of about 20,891 rental units, short of what we need for working families in Vermont. They need in Vermont an annual income of \$29,000 to afford a statewide average two-bedroom apartment.

The challenge of home ownership, in addition to renting, is daunting. While many low- and moderate-income households aspire to own their own home, limited supply, rising costs and other significant barriers can make that dream out of reach. Beginning in 2005, the new construction of 12,300 owner-occupied homes in Vermont was needed to meet the demand expected in 2010, not something that most Vermonters think will be possible.

The average purchase price for an average single-family home in Vermont in 2000 was \$144,000, a lot less than it might be in the City of Washington, but beyond the reach of many Vermonters. But 5 years later, in 2005, the average price had increased a staggering 60 percent to \$232,000, and very few families have seen their paychecks rise 60 percent in the past 5 years.

More than 1 million low-income households across New England, including the elderly, disabled and families, live in federally assisted housing. Most of these households have annual incomes of less than \$8,000, well below the poverty line. They are at serious risk of homelessness. Even larger numbers of households are struggling to survive in the private housing market and are paying more than 50 percent of their income for rent.

In 1995, the housing community started facing dramatic changes in Federal housing policy, including funding cutbacks, program reforms and the devolution of responsibilities to State agencies who lack the funds to meet the need. Budget cuts aimed primarily at low income people presented an enormous challenge for communities across the country. Vermont and the whole of New England region, due to its high housing cost and large stock of subsidized housing, was one of the most heavily impacted regions in the country, but by no means unique. In the past few years, we have witnessed even more dramatic cuts to the important Federal housing programs, such as section 8, again imposing enormous burdens on our local communities.

The crisis of affordability is not just a well-crafted political phrase. It is a fundamental fact in Vermont and around the country, and it is a problem we must begin to address, as this bill, H.R. 1427, does.

What H.R. 1427 does is ensure that Fannie Mae and Freddie Mac operate in a safe and sound financial manner and they fulfill the responsibilities assigned under their charters given to them by Congress. These government-

sponsored enterprises, or GSEs as they are called, support the mortgage market, and this bill establishes strong independent regulation and enhances GSE responsibilities under their mission.

The bill also creates the first new funding source for affordable housing since the HOME program was created in the early 1990s, and it does it without asking the taxpayers to pick up the tab. The \$500 million affordable housing fund, which housing advocates in Vermont and around the country are very excited about, will be used for the badly needed construction and preservation of affordable housing.

Freddie Mac and Fannie Mae and several of the Federal Home Loan Banks have experienced considerable accounting, financial reporting and managerial problems in recent years. Unacceptable. Significant operational safety and soundness issues have arisen since 2001 that highlight the need to fortify the supervisory structure for all the regulated GSEs. This bill will do that.

The Federal National Mortgage Association, or Fannie Mae, and the Federal Home Loan Corporation, Freddie Mac, were chartered, as you know, by Congress in 1934 and 1970, respectively, in order to create a secondary market for mortgages and increase liquidity.

Through their charters, GSEs are granted special privileges not available to other private sector firms. For example, the Secretary of the Treasury is authorized to purchase up to \$2.25 billion of the enterprises' obligations. Additionally, GSEs are exempt from State regulation, State income tax and SEC registration, substantial benefits conferred to meet a public need of providing affordable housing.

In January 2003, Freddie Mac announced that it needed to revise its financial statements, resulting in a special review by the Office of Federal Housing Enterprise Oversight, known as OFHEO.

In November of the same year, following the discovery of accounting irregularities and a reorganization of its management, Freddie Mac announced that it had overstated its earnings by \$1 billion in 2001. An investigation into that is ongoing. The company said that the error, restating its earnings by that \$1 billion, stemmed from failure to properly account for derivatives activity.

In December 2003, OFHEO reported that Freddie Mac disregarded accounting rules, internal controls and disclosure standards, again all completely unacceptable. Furthermore, the report found that the company had misstated its earnings overall by \$5 billion between 2001 and 2003, and that the Board of Directors had failed to exercise its oversight responsibility. This has got to be corrected.

This bipartisan bill takes an important first step to provide effective oversight of GSEs in response to the lack of affordable housing that plagues so many of our communities.

Specifically, H.R. 1427 does the following:

**Federal Housing Finance Agency:** It establishes this as an independent regulator that oversees the safe and sound operation and mission function of the housing GSEs, Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks.

**Director and Deputy Director:** The FHFA will be led by a Director appointed by the President and confirmed by the Senate for a 5-year term.

**A Federal Housing Enterprise Board** is established.

**Affordable housing goals:** GSEs will be required to meet goals established by the FHFA for single and multi-family home purchasers in low income or very low income areas. The goals would be based on data using 3-year averages to determine the market and they would be set annually, but could be set for a multi-year period, allowing flexibility. It requires GSEs to serve underserved markets such as manufactured housing and affordable housing preservation in rural areas.

It also establishes an Affordable Housing Fund. The bill creates this with funds sent directly to the States to be administered as the States see fit. So we have a local control element here, enhancing the prospects that the money will be used for its intended purpose. The fund is intended to be a down payment toward the eventual creation of a much larger National Housing Trust. In fact, the bill provides that funds allocated for the Affordable Housing Fund may be transferred at a later date to the National Affordable Housing Trust Fund that hopefully we will enact that into law.

The bill also makes sure we take care of the victims of Hurricanes Katrina and Rita. The individuals living in the devastated gulf coast need the money immediately. Seventy-five percent of the Affordable Housing Fund available in the first year will go to Louisiana and 25 percent will go to Mississippi for affordable housing needs arising out of the hurricanes.

Also the bill is deficit neutral and directs that all of the spending is fully offset. Seventy-five percent of the contributions made by the GSEs would be used for the Affordable Housing fund. Twenty-five percent would be allocated to the Federal Government to keep the bill deficit neutral.

All of us applaud the work of Chairman FRANK for recommending an open rule to this bill and for the content of this bill, and providing the first new infusion of funds into an ever rising crisis about affordable housing.

Chairman FRANK came before the Rules Committee and testified we should allow consideration of all amendments, and we have done that, with the limitation of a preprinting requirement so as to allow us to manage and the Members to know what it is they will be debating on the floor. The rule was agreed to with the chairman, and I am pleased to bring forth such an open rule.

This is a bipartisan measure. It is supported by a diverse group of financial institutions, lenders, housing industry participants, housing groups and other financial service providers. The administration also supports the bill.

I urge all Members to support this open rule that allows the House to consider H.R. 1427.

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

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

Mr. Speaker, I want to thank the gentleman from Vermont, my friend, for not only his friendship, but also for our opportunity to engage today on this important bill.

Mr. Speaker, I rise in opposition to this unorthodox rule and to a number of provisions in the underlying legislation in its current form. While I do appreciate and support the committee's effort to provide for the safety and soundness of our Nation's housing finance system and broader financial system, this legislation has a number of fatal shortcomings that I hope will be corrected during the modified open amendment process provided for by this rule.

Unfortunately, I cannot support this rule, which breaks with the longstanding, bipartisan precedent of providing Members with the certainty of a specific date by which their amendments must be printed in the CONGRESSIONAL RECORD so that they may be included in the debate under this rule. By changing this longstanding, established practice and only providing Members with the requirement that their amendments must be printed at an undetermined, unannounced time before the consideration that this bill begins, Members from both sides of the aisle are left vulnerable to the scheduling whims of the majority, which is neither an open nor a transparent way to run the House of Representatives.

I also find it odd that a majority of the Rules Committee members would vote to provide for such an open deadline. Just this week, they demanded such precision in timing from Members and an overworked Legislative Counsel Office with a filing deadline for the Defense authorization bill. That is an unprecedented move. Amendments filed less than 12 hours after this deadline were simply turned away at the door.

□ 1045

Members were informed that their noncompliance with the arbitrary deadline meant that their voices would not even have the opportunity to be heard in the House.

I wish I could say that I was surprised by this decision made by the Democrat members of the Rules Committee. Unfortunately, the majority's selective enforcement of amendment deadlines and disregard for other longstanding House precedents has become the status quo in the Democrat Rules Committee. So much for all of those

campaign promises to run the most honest, ethical and transparent House in history.

While this bill does provide for a stronger regulator with increased powers to ensure the safe and sound operations of the housing government sponsored enterprises, I must rise in strong opposition to this bill's worst flaw: A new housing fund mandate that would create a *de facto* tax on the middle-class homeowners to finance an expensive and ill-defined big government housing program.

In its budget score of the legislation, the Congressional Budget Office acknowledges that the new government-mandated assessments on the GSEs could very easily be passed on to their customers in the form of higher fees, meaning that this fund would unfairly target the most modest home prices to finance this unprecedented government-mandated redistribution of wealth from the middle class.

I believe it is bad public policy to tie the fate of families that need housing support to the success or failure of Fannie Mae or Freddie Mac's portfolios. Even worse because the affordable housing funds would come from loans that are less than \$417,000, which in 12 metropolitan areas in the country is dangerously close to or below the median home price, this bill levies a new stealth tax on the most modest home buyers without even disclosing to them the costs associated with this new Federal mandate. Mr. Speaker, it is the same as a tax increase to these middle income home buyers.

To deal with this problem, I will be offering an amendment that provides useful information to home buyers about the real costs of this stealth tax. This amendment would require that the director of the Federal Housing Finance Agency determine what the cost per \$1,000 finance would be to home buyers whose mortgages are purchased by the housing GSEs. This information would need to be disclosed to the home buyer at or before closing for these mortgages, who qualify for future GSE purchase, and any additional cost for mortgage originators created by this new disclosure regulation would be paid for by the housing fund so that the new disclosure requirement does not create a new, costly private sector mandate.

Mr. Speaker, if we are going to pass along a brand new, stealth \$2.5 billion tax increase on the middle class to pay for their affordable housing, I think that Congress should at the very least be up front about the true cost of this fund with those who are being asked to foot the bill. My amendment simply provides for transparency for mortgage consumers about the true cost of this new government \$2.5 billion mandate, and I would encourage all of my colleagues on both sides of the aisle to support it.

Mr. Speaker, I encourage all my colleagues to oppose this restrictive rule and the underlying legislation in its

current form, particularly this stealth tax contained in the affordable housing fund provision.

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

Mr. WELCH of Vermont. Before yielding to my friend from Massachusetts, I just want to emphasize that every single Member of this House did have an opportunity to preprint an amendment, as was done by my friend from Texas.

In a recent rule, we had a specific deadline by which that had to be filed. There were complaints from our friends on the other side of the aisle about a specific deadline. In this case, we extended it so that depending on what the floor schedule was, there would be the maximum time available for folks to put their amendments in printed form, and now there are complaints about that process as well.

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

Mr. FRANK of Massachusetts. Mr. Speaker, first I ask the indulgence of the House for the fact that I am dressed a little less spiffily than is my norm, but I have a cast on my arm and this is all that would go over it.

Mr. Speaker, I have rarely heard anyone repudiate as much of his party's past as I just heard from the gentleman from Texas. First he said this is a restrictive rule. Why, because we said anyone who wanted to file an amendment could file an amendment. There would be no rejection of any amendments by the Rules Committee, and the deadline for that was the day before the bill was to come to the floor. Now we didn't know when that was. And, in fact, what happened was there was a possibility that there would have been an extra day. So the gentleman apparently objects to the possibility of an extra day.

I was also struck that he had two objections to deadlines. One was the fact that a rule had a deadline; and one was the fact that a rule didn't have a deadline. He objected to the fact that there was a deadline on the defense bill. He objects to the fact that there isn't a deadline on this bill.

Mr. Speaker, let's be very clear: The gentleman objects to the being in the minority. When you object to a deadline and the absence of a deadline, you have pretty much exhausted the logical possibilities of argument, and the gentleman has done that.

Then we talk about this being restrictive. This bill, a very similar bill, was reported out of the committee under Republican rule in the previous Congress. Nine amendments were allowed by the Rules Committee; 36 amendments are pending to this bill. So because we only had four times as many amendments to this bill as when they were in power, we have become restrictive.

The gentleman says we have upset a long-standing tradition. He is right. During their rule, the long-standing

tradition was amendments they didn't like and were afraid might pass couldn't be offered. We have upset that.

Every amendment that anyone wanted to offer is before us. In fact, the last time this bill came before us, and apparently the gentleman voted for the rule, the bill came out of committee. In the Rules Committee, a self-executing rule was adopted that was very controversial limiting much of what could be done with housing funds, and the Rules Committee then refused to allow a vote on that self-executing rule.

So here are the comparisons as the gentleman from Texas laments: Our lack of openness. When he was in power, the Rules Committee took a bill that came out of the committee by a bipartisan majority, inserted its own amendment and insulated that amendment from being voted on. We instead said here is the bill, offer any amendment you want. This is pretty topsy-turvy. I understand the demands of partisanship, but shouldn't logic put some limits on what people would say just to make a partisan point?

The fact is this bill came out of committee in the last Congress with an amendment that the Rules Committee put in and wouldn't allow us to vote on, and we have done exactly the opposite. Then he talks about the housing funds, and once again, we have the zeal of a convert. He finds this housing fund a terrible thing, Mr. Speaker. It is a tax on people. It was in the bill that the Republicans brought to the floor. It was in the bill that received more than 300 votes, many of the "no" votes, my own included, were from Democrats who objected to the unfair restrictions on the fund that the self-executing rule imposed.

So when the Republicans were in power, this housing fund was not so bad. This housing fund came out of committee by a bipartisan majority, came to the floor, and was voted on in a final bill by over 300 Members. This same housing fund, exactly the same principle, it is financed a little differently, but with all of the same effects, when did it become so terrible? What turns a fund to build affordable housing for lower-income people from a thing to be proud of into a terrible tax? An election.

When the Republicans were in the majority, this was apparently a good thing. It was overwhelmingly passed. But now that the Democrats are in the majority, this same housing fund becomes something that is awful. It is a housing fund that is supported by the realtors, by the home builders, by everybody in the housing business because it does not have the effects the gentleman talks about.

Here is the inconsistency which lies at the root of many of my colleague's arguments. The purpose of this bill is to put some checks on Fannie Mae and Freddie Mac. People have said Fannie Mae and Freddie Mac get certain assistance from the Federal Government

that allows them to borrow money more cheaply from the market, and too little of that goes to public benefit and too much goes to the stockholders.

So this bill, as did the last bill from the Republicans, headed by Chairman Oxley, and poor Chairman Oxley, he did Sarbanes-Oxley, he did this bill. I always thought well of Mike Oxley. I guess I have to defend him against his former colleagues who now are apparently ready to tear down everything the poor man did. Mike Oxley deserves better of you than for you to repudiate all of the good work that he did, and I speak out. I know you are not supposed to address people who are not here, Mr. Speaker, so let me say that I want Mike Oxley to know that there are many of us, and I think a few on his own side, too, who do respect his work on the housing fund and who respect his work on other things.

But what we said to Fannie Mae and Freddie Mac was we are going to have you make a contribution. You should not keep all of the money for yourself and for your shareholders. We are going to take some of it for affordable housing.

By the way, this is an affordable housing fund that a great majority of Republicans voted for 2 years ago. It became terrible because we won the election. Well, wisdom comes in various ways, and I suppose it came late to some of my colleagues over there, but better late than never by their standards.

But the fact is this: In this bill, there will be amendments proposed that would impose far greater restrictions on Fannie Mae and Freddie Mac than the housing fund. There is an amendment that I assume many of them are going to vote for, that would severely restrict what they could put in the portfolio. Now they make a lot of money off their portfolio, Fannie Mae and Freddie Mac, and that is part of the money that goes to help them keep down housing costs. An amendment will be offered that would severely restrict, that would say only low-income-type mortgages can go in the portfolio. That would have a far greater financial impact in reducing funds available to Fannie Mae and Freddie Mac than the housing fund. The problem is that the housing fund would help State governments and others build affordable housing, and apparently there is this ideological opposition to doing that.

By the way, where is this housing fund going to go in the first year, this terrible tax? It is going to go to Mississippi and Louisiana. It is going to go to a place where there was terrible devastation of affordable housing in Louisiana and Mississippi, 75 percent to Louisiana and 25 percent to Mississippi.

In future years, the money won't be spent until this House and the Senate and the President pass a subsequent bill deciding how to spend it. This bill sets it aside, but it leaves to a later bill the collective decision about how to spend it.

So we have a rule that allows 36 amendments. Last year they did nine. We have a rule where the Rules Committee does not add substance. Last year they did and wouldn't allow us to vote on it.

We do have one thing in common in the bill last Congress and this Congress: An affordable housing fund. The difference is that the affordable housing fund which my Republican friends took credit for 2 years ago has transmogrified into a terrible beast solely because the Democrats are now in power. That doesn't make any sense.

Mr. SESSIONS. Mr. Speaker, I want to notify my colleague from the Rules Committee that I have no additional speakers at this time. We had spoken about that before. But, in fact, as a result of the scheduling that has taken place this morning, none of my colleagues on my side are available to come down this morning.

Mr. Speaker, as is generally always understood in this House, the gentleman is generally correct, that the Rules Committee, in fact, did provide a good number of wonderful amendments that would be made in order.

The fact of the matter is that as part of this House majority and minority being able to understand what the Rules Committee is going to do, we were looking for some transparency and some consistency. I believe it is important for Members to be able to know when they can submit those amendments that they might want to have.

It is also true that the majority is the one that determines what this schedule would be. Members generally have no clue exactly when amendments are going to be due if you do not give them a deadline and if you simply say well, before the bill is called up.

The bottom line is we are simply asking that the Rules Committee would state very clearly when amendments would need to be placed for consideration, and that is what our point is.

The gentleman also makes other points about the GSEs and about this House voting on this money that would become available for affordable housing.

□ 1100

I recall that earlier this year this House provided for Katrina housing relief. We've done that, and yet that's now what this bill that is left over for, that was passed last year was for. And so now what we're doing is taking a bill that was passed last year through a huge number of votes in this House, did not pass the other body, was not signed into law, and yet earlier this year we provided for a housing fund for Katrina earlier.

Now we're asking for \$2.5 billion increase on middle class homeowners. We're simply saying that we believe that there should be transparency. We believe that the processes by which this takes place should be more apparent to Members where they would have these opportunities to come down.

If the gentleman wants to support a \$2.5 billion increase for middle class consumers, as he did last year by bringing the bill forward, as he's doing this year, then we will let the Members decide by voting on that. But I think there should be transparency to the people who will be footing or paying the bill as to why there's additional costs that may keep people out of the marketplace because of additional costs related to them by buying their new home.

Mr. Speaker, evidently at this time I have created an opportunity to continue dialogue, so I reserve the balance of my time.

Mr. WELCH of Vermont. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Well, I again would repeat that the gentleman said last year I supported this Housing trust fund. So did almost all the Republicans, but the basic point here is that he misstated the nature of the hurricane bill.

In the hurricane bill, and the gentlewoman from California who was its main author is here and will speak shortly, we did not provide any additional funds for the construction of affordable housing to replace what was lost. That was mostly with vouchers. We did have some project-based vouchers in the amount of a couple of thousand, but if the gentleman will go back to that bill, he will note frequently in the debate we alluded in that debate to this bill. That is, much of the rental housing in New Orleans was destroyed. The rental housing was destroyed in much of the gulf.

This was always a two-bill approach, and the gentleman is simply wrong to state that in the hurricane bill we provided funds for additional affordable housing. We stated at the time, we set some rules about vouchers. We talked about public housing, but we were always clear it would be this bill that would provide the funds.

So the point that we already did this could not be more incorrect.

Mr. WELCH of Vermont. Mr. Speaker, I yield 5 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I rise to support the rule on this very important piece of legislation and to commend Chairman FRANK and the members of the Financial Services Committee for the wonderful work that they have done in getting this important reform measure back to the floor of this House.

As it was said earlier, and I will simply repeat, that this is a good rule. This is a rule that has opened up opportunities for those who have amendments to get those amendments before the floor. As Mr. FRANK said, there are more amendments that are being allowed on this bill today than were allowed on the bill that came before the House last year on the reform of these GSEs.

This is an important piece of legislation where a lot of work has been done

to get a consensus about how to reform the GSEs and to open up more opportunities for those who need to be supported on the secondary market for mortgages.

This is important because we have had a lot of fights in the Congress of the United States about the GSEs. There were those who for many, many months simply defended the GSEs. We were frightened that we would lose this important resource, and we were suspicious of accusations that were being made about the way that they managed the GSEs, and we did not go along with some of the changes that were being recommended some time ago.

But we have all worked very hard and we have compromised. Not only have the defenders of the GSEs decided that it was time for strong regulation and that OFHEO had indeed not done the job and given the oversight that they should have given, we also looked very closely at what was going on with the FM Watch organization that had been created. And while we will agree that there were those in the financial services community who thought that the GSEs were creeping into the retail market, and we still believe that some of what was done was all about potential competition, the one thing that we have agreed on is this.

The GSEs are extremely important. They were organized to provide these opportunities to support them on the secondary market, and we cannot lose it, and there were some management problems. There were some accounting problems. Many careers have been destroyed in all of the fighting that has gone on. OFHEO has been dismantled. We have come up with good regulation and oversight, and it is time for us to move forward and not to simply oppose this bill and this rule because we think one has to be the loyal opposition, opposing whatever comes to the floor.

It's time to recognize that if we want to do something about creating and supporting housing opportunities, if we want to deal with what is happening in the subprime market, if we understand what we're going through in America today, with all of these foreclosures, with people being very frightened about whether or not they are going to be able to hold on to their home, if we understand all of this, we will move very quickly, not only to support the rule but to support the bill and a very important aspect of this bill, and that is the housing trust fund.

How can you be against helping Americans who just want a little piece of the American dream, to be able to own a home? We need to supply more spots. We need more housing. We need to build affordable housing. We're not taking any money away from our general fund. We're not taking any of the revenue that is being counted on to be used for other things in this huge budget. This is new money. This is money that's created from the after-profit taxes of these GSEs. It does not threaten our budget at all.

How can you be against building new affordable homes for people who need it all over this country, not just in the cities but in the towns and in the suburbs and certainly in the rural communities? We have people who are living in homes that are not fit for humans to live in. We have people still in some places in the deep South that don't have toilets and running water. We have folks who are living in some of the housing and trailers that are falling apart. We need the housing trust fund. We need this reform. We need this rule, and I would ask support for it all.

Mr. WELCH of Vermont. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, on October 26, 2005, the House passed the GSE bill that came out of the committee chaired by Mr. Oxley that had a housing trust fund virtually identical to this one. This one is financed a little differently at the request of the Treasury Department, but it's essentially the same thing.

The vote was 331–90. Republicans voted in favor of this bill containing this housing tax 209–15, and among those who joined in the majority, the gentleman from Texas (Mr. SESSIONS). So I appreciate his concern for this. It did not appear to be evident in October of 2005 when he joined 208 of his Republican colleagues in voting for essentially this same fund.

Mr. WELCH of Vermont. Mr. Speaker, I'd inquire of the gentleman from Texas if he has any remaining speakers at this point?

Mr. SESSIONS. I appreciate the gentleman asking. At this time I have no additional speakers.

Mr. WELCH of Vermont. Mr. Speaker, I'm the last speaker on this side. So I will reserve my time until the gentleman has closed for his side and has yielded back his time.

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

The gentleman from Massachusetts makes important points. I think that the gentleman should also hear that we believe there should be transparency to make sure that these middle class homeowners who would be buying and paying for this \$2.5 billion increase, that they would understand why that additional cost is being placed on them, and these are the transparency things that we think that good government can be about.

The process also has developed itself to where we began talking about the Rules Committee once again, and Mr. Speaker, two nights ago I was provided with a summary by the majority party of a breakdown of the rules, what we have done when I was in the majority in the Rules Committee versus the Democrats now being the majority party.

And the fact of the matter is through May 15, which is what this is talking about, the Democrats have had 13 closed rules. The Republicans had six closed rules over the same period of

time. Six closed rules for Republicans; 13 closed rules for Democrats. Eight open rules for the Democrats, which they call open rules but that had a preprinting requirement, so they really should be modified open rules, but the bottom line is a number of those have been over suspensions that Republicans did not even place a rule on. We just brought them to the floor of the House of Representatives and let them see what that outcome would be.

Mr. Speaker, I would insert this into the RECORD at this point.

110TH RULE BREAKDOWN THROUGH MAY 15, 2007

43 Total rules:

8 open rules (7 with a preprinting requirement).

20 structured rules.

13 closed rules.

1 conference report rule.

1 procedural rule.

60—Republican/minority amendments in order.

109TH RULE BREAKDOWN THROUGH MAY 15, 2005

29 Total rules:

2 open rules (1 appropriations bill).

15 structured rules.

6 closed rules.

2 conference report rules.

4 procedural rules.

51—Democratic/minority amendments in order.

Mr. Speaker, the Republican Party, my party, is very aware of the dramatic needs of housing in this country, the needs that people have, families who have children, elderly people, disabled people, who do need more affordable and better housing, and that's why you have seen in our past, as was undisputed on the floor today, about the number of people who have voted for providing these funds that would be available.

We do believe that there should be transparency. We believe that the people, the consumers, who will be paying this additional \$2.5 billion should be told why, what it's for, just as anyone who closes on a house should understand if there's going to be a FedEx package that would be delivered or a title fee or some fee that would be associated even with a notary public, that that should be included as part of the closing cost of a house to make sure that the consumer knows why and what they are paying for.

So I would be offering an amendment that was made in order by the Rules Committee as part of our discussion about how to improve this opportunity to make transparency available to all the consumers.

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

Mr. WELCH of Vermont. Mr. Speaker, I yield myself such time as I may consume.

H.R. 1427, the Federal Housing Finance Reform Act of 2007 ensures that Fannie Mae and Freddie Mac, the GSEs that support the mortgage markets, operate in a safe and sound manner and fulfill the missions assigned to them under their charters.

The bill does this through the establishment of a strong, independent regu-

lator and through the enhancements to the GSEs mission responsibilities. The bill also creates the first new funding source for affordable housing. Since the HOME program was created in the early 1990s, it's been almost 20 years since we have put any infusion of money from a new source into a growing crisis in housing. The \$500 million Affordable Housing Fund, which housing advocates in Vermont, in your State and States all across this country are very excited about, will be used by them for badly needed construction and the preservation of affordable housing.

Very similar legislation, as has been discussed between my colleagues from Texas and from Massachusetts, passed this House on a strong 331–90 vote last Congress, and this bill, H.R. 1427, was approved in the Financial Services Committee by a bipartisan vote of 45–19.

I urge a "yes" vote on the rule and on the previous question.

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

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question are postponed.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

#### NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

The SPEAKER pro tempore. Pursuant to House Resolution 403 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. 1585.

□ 1116

#### 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. 1585) to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2008, and for other purposes, with Mr. PASTOR (Acting Chairman) in the chair.

The Clerk read the title of the bill.

The Acting CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 16, 2007, amendment No. 1 printed in House Report 110–151