

on land also owned and mortgaged under the loan.

As the gentleman from Indiana stated, in 1992 some 3,000 loans were insured under the FHA title I manufactured housing loan program. However, last year this number dropped to around 1,500 loans. Clearly this legislation seeks to address the factors that have been widely cited as the reasons for the steep decline in the number of insured loans. These include vague underwriting standards; a portfolio cap on title I loans; a guarantee that is not sufficient for acceptance in the secondary market; loan limits that have not kept up with inflation, and, actually, they haven't been adjusted since 1992; and a resulting reduced private sector loan origination participation.

During the Financial Services Committee markup of this legislation, Congressman BACHUS offered and the committee accepted wording that would authorize the GAO to assess how the Secretary of Housing and Urban Development utilizes the FHA manufactured housing loan insurance program and other programs administered by HUD to mitigate the risk to manufactured housing residents and communities resulting from tornadoes.

Every year, an average of 800 tornadoes sweep across the United States, resulting in more than 80 deaths, more than 1,500 injuries and millions of dollars in property damage. One of nature's most powerful and violent storms, large tornadoes often record winds with speeds in excess of 250 miles an hour.

Florida and parts of my district were ravaged by these tornadoes earlier this year, which reminded us that natural catastrophes can strike with little warning, forcing communities to confront a loss of infrastructure and, unfortunately, sometimes a loss of life.

Many residents of homes have a place to go in the event of a tornado, whether it is a basement or an interior room. Manufactured housing residents do not have a basement and they often do not have an interior room. Despite rapid advances in tornado warning technology, residents of manufactured housing communities often do not have adequate access to proper shelter.

□ 1530

That is why the House passed the Tornado Shelters Act, which was signed into law in 2003. That bipartisan bill authorized communities to use community development block grant money to construct or improve tornado-safe shelters located in manufactured housing park areas.

Unfortunately, it is not used enough. Often in the face of a tornado threat, it is said we can do two things: pray and prepare. Pray it won't happen again and prepare for the next line of twist-ers.

While the residents can pray, our government and this Congress can do much to help them prepare.

As we improve the title I manufactured housing loan programs, I hope we

can do everything in our power to ensure that residents of manufactured housing communities have adequate protection from natural catastrophes such as tornadoes. H.R. 2139 will facilitate greater access to manufactured housing, and I urge my colleagues to support it.

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

Mr. DONNELLY. Mr. Speaker, I want to thank my colleague, the gentleman from Florida (Ms. GINNY BROWN-WAITE). This is an excellent piece of legislation. My colleagues on both sides of the aisle are in support and are participating in H.R. 2139.

Mr. ELLSWORTH. Mr. Speaker, I rise today to urge my colleagues to support the millions of Americans who live in manufactured housing across the country.

Over the years, the willingness of Americans to work hard and achieve their dreams has illustrated the health of our economy and our democracy. Hoosiers recognize the importance of safe, affordable housing to the realization of this American Dream, and my constituents sent me to Congress to make this dream more accessible to Hoosier families.

And so, I am proud to be a cosponsor of the Manufactured Housing Loan Modernization Act, which will expand the opportunities of home ownership. I am also proud to have introduced CJ's Home Protection Act, which will add to the efforts of housing manufacturers to ensure the safety of the families in their homes.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. DONNELLY) that the House suspend the rules and pass the bill, H.R. 2139, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

RECOGNIZING NATIONAL HOMEOWNERSHIP MONTH

Mr. DONNELLY. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 477) recognizing National Homeownership Month and the importance of homeownership in the United States.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 477

Whereas the President of the United States has issued a proclamation designating the month of June 2007 as National Homeownership Month;

Whereas the national homeownership rate in the United States has reached a record high of almost 70 percent and more than half of all minority families are homeowners;

Whereas the people of the United States are one of the best-housed populations in the world;

Whereas owning a home is a fundamental part of the American dream and is the larg-

est personal investment many families will ever make;

Whereas homeownership provides economic security for homeowners by aiding them in building wealth over time and strengthens communities through a greater stake among homeowners in local schools, civic organizations, and churches;

Whereas creating affordable homeownership opportunities requires the commitment and cooperation of the private, public, and nonprofit sectors, including the Federal Government and State and local governments; and

Whereas the current laws of the United States, such as the American Dream Downpayment Act, encourage homeownership and should continue to do so in the future: Now, therefore, be it

Resolved, That the House of Representatives—

(1) fully supports the goals and ideals of National Homeownership Month; and

(2) recognizes the importance of homeownership in building strong communities and families.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana (Mr. DONNELLY) and the gentleman from Illinois (Mr. ROSKAM) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana.

GENERAL LEAVE

Mr. DONNELLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation, and to insert extraneous material thereon.

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

There was no objection.

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

Mr. Speaker, I rise in support of H. Res. 477 introduced by Congressman GARY G. MILLER of California. This resolution recognizes the importance of National Homeownership Month, which the President designated as June of this year.

Homeownership is one of the fundamental building blocks of our society. And it plays a fundamental role in achieving the American Dream. It helps to provide families with economic security and helps to build strong communities.

The national homeownership rate in the United States has reached a record high of almost 70 percent. This is the result of the hard work of both public and private sector organizations, nonprofit groups, and Federal, State and local government working together for a common cause: to ensure that families have a stable living environment and are in a supportive community.

Homeownership is a crucial indicator of our economic health. I believe that ensuring affordable homeownership for hardworking Americans is one of the most important tasks we have here in Congress. We must work together to encourage more opportunities for homeownership so that buyers are able to choose a housing option that meets their needs.

Owning a home helps families build financial stability, and it puts them on sound financial footing so they are able to invest in things like college and saving for retirement. This not only affects every American family; it allows our economy to prosper. It is important to ensure that while we are promoting homeownership, and that we are preparing homeowners for the responsibility of maintaining and paying off their home, that they understand this process as well.

The rise in predatory lending and in subprime loans has contributed significantly to the high rate of foreclosures in States like Indiana, my home State. Congress must work to ensure a level playing field for home buyers to purchase a home with a mortgage that they can work with and be able to pay. I urge Members to vote in favor of this resolution.

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

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

Mr. Speaker, I rise today in support of H. Res. 477 and am pleased to join with my friend from Indiana and am delighted that we are taking time on the floor today to commemorate homeownership in America.

Recognizing the many benefits of owning a home, the President designated June as National Homeownership Month as he has done for the past 6 years. To complement this designation, H. Res. 477 was introduced by the gentleman from California (GARY G. MILLER) to recognize that designation and the importance of homeownership in the United States.

Owning a home is a fundamental part of the American Dream, with economic security and hard work being rewarded. Homeownership is much more than knowing that one has a roof and four walls to shelter one's family. It is the symbol of the American Dream, and it forms the bedrock of our communities.

Many of my colleagues celebrate the designation of this month as National Homeownership Month because in America every citizen, regardless of race, creed, color, or place of birth has the opportunity to own a home of their own.

Today, the national homeownership rate in the United States has reached a record high, about 70 percent; and more than half of all minority families are homeowners. While many gains have been made, minority homeownership rates still lag. With minority households expected to account for two-thirds of household growth over the coming decade, improving the ability of such households to make a transition to homeownership will be an important test of our Nation's capacity to create economic opportunities for minorities and immigrants and to build strong, stable communities.

Buying a home is the largest personal investment most families will ever make. For the vast majority of families, the purchase of a home rep-

resents the path to prosperity. A home is a tangible asset that builds equity, good credit, borrowing power, and overall wealth. Not only does homeownership provide economic security for building wealth over time; it also strengthens and builds communities. Homeownership creates community stakeholders and inspires civic responsibility. People who own a home tend to be more active in charities, churches, neighborhood activities and more likely to vote and get involved with their community's growth, safety and development.

Further, families owning a home offer children a stable living environment, influencing their personal development in many positive, measurable ways both at home and in school.

Without homeowners, neighborhoods, schools and local businesses suffer. Homeownership helps fuel the economy. This happens mostly through people who spend money for home improvements.

I hope Congress will continue to explore new ways to put people on the path to homeownership so more Americans can realize its benefits.

In closing, it is apparent that the Federal Government, consumers and the housing industry are linked by our mutual goal of creating housing opportunities for more Americans. And although significant strides have been made, we still have much more work to do to achieve together for the American people, and our best hope of being successful is to work in close concert with each other.

As Congress considers future action to make homeownership more secure and available, we need to take care not to hamper the market's ability to provide opportunities for homeownership, and that way we can continue to open our communities and neighborhoods to new opportunities for growth and prosperity.

The resolution before us, H. Res. 477, recognizes the importance of homeownership in America and dedicates the House of Representatives to fostering an atmosphere conducive to community development and increased homeownership opportunities. Congress has a real opportunity here to forge a better America, an America where homeownership and security abounds. I know we all look forward to continue to work to further the American Dream, and I hope my colleagues will join with me and my colleague, Mr. DONNELLY, and join in supporting this important resolution that does just that.

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

Mr. DONNELLY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Speaker, I wish to thank the gentleman from Indiana (Mr. DONNELLY) for yielding time to me. I also want to commend him for his leadership.

I rise in strong support of H. Res. 477, a resolution recognizing the goals and

ideals of National Homeownership Month, which falls in June of each year. I also want to commend my colleague on the other side of the aisle, the gentleman from California (Mr. GARY G. MILLER), for introducing the resolution and for working with me on its language.

Owning a home is a fundamental part of the American Dream and is the largest personal investment many families will ever make. Homeownership provides economic security by increasing the stake residents have in their communities, including local schools, civic organizations, community-based organizations, and churches.

Improving homeownership opportunities requires the commitment and cooperation of the private and public sectors, including the Federal Government and State and local governments. Our current laws encourage homeownership to a significant degree, but need to be updated and augmented so that they will continue to promote homeownership in the future.

We need to do everything in our power to ensure that potential home buyers and current homeowners do not become victims of predatory lenders, as has been the case in recent times.

To improve the affordability, availability and quality of housing in America, I co-founded and I am currently the chairman of the Congressional Rural Housing Caucus. The caucus continues to increase in number as more and more Members of Congress realize not only the importance of homeownership in urban dwellings, but those in rural America.

To increase homeownership, I introduced H.R. 1980, the Housing Assistance Counsel Authorization Act. It authorizes \$10 million for housing assistance counsel in fiscal year 2008 and \$15 million in fiscal year 2009–2014.

HAC, a nonprofit corporation, is the only national housing assistance group that specializes in rural areas and small towns. The House Committee on Financial Services has also held hearings on the bill and reported it favorably to the floor of the House of Representatives. A companion measure has been introduced in the Senate.

Mr. Speaker, I also introduced H.R. 1982, the Rural Housing and Economic Development Improvement Act. The bill authorizes \$30 million for the U.S. Department of Housing and Urban Development's RHED program in fiscal year 2008 and \$40 million for fiscal years 2009–2013. This bill has also been reported favorably on the floor of the House of Representatives.

I want to take this opportunity to thank Financial Services Chairman BARNEY FRANK, the ranking member; SPENCER BACHUS; Chairwoman MAXINE WATERS; and the ranking member, JUDY BIGGERT; and all their staffs for guiding the HAC and RHED legislation through our committee.

I have also authored a letter to the Housing Appropriations Committee requesting the funding for several programs that the administration's budget

would either eliminate or reduce their funding. I include for today's CONGRESSIONAL RECORD a copy of that letter.

Again, June is National Homeownership Month. I strongly support the goals and ideals of National Homeownership Month and recognize the importance of homeownership in building strong communities and families.

CONGRESS OF THE UNITED STATES,
Washington, DC, March 16, 2007.

Hon. ROSA DELAURO,
Chairwoman, Subcommittee on Agriculture,
Rural Development, Food and Drug Administration and Related Agencies Appropriations, Washington, DC.

DEAR CHAIRWOMAN DELAURO: There is a housing crisis in rural America. We are requesting that you restore funding for the following USDA rural housing programs in fiscal year 2008: Section 502 direct homeownership loans, \$1.25 billion; Section 515 rental housing loans, \$100 million; Section 523 self-help housing, \$60 million; and Section 514/516 farm labor housing, \$50 million each.

The Administration's Fiscal 2008 budget takes square aim at these programs. The budget cuts spending for rural housing by some 71 percent and eliminates over \$1.3 billion in rural housing lending assistance targeted to low income families. If the Administration's budget is approved, it will be the first time in 40 years that the Agriculture Department has not offered direct lending assistance to help low income rural families improve their housing conditions.

According to the Economic Research Service of the US Department of Agriculture some four million rural families live in "housing poverty", a multidimensional indicator that combines measures of economic need, housing quality and neighborhood quality. What is more, the 2000 Census revealed that 5.5 million people, one-quarter of the non-metro population, face cost overburden and 1.6 million non-metro housing units are either moderately or severely substandard.

As you know, the President's budget calls for the elimination of the Section 502 Direct Loan Program, which is one of the nation's most responsible loan programs for rural communities. Under the present Section 502 program, borrowers may obtain loans for, the purchase or repair of new or existing single-family housing in rural areas. Borrowers with income of 80 percent or less of the area median may be eligible for the direct loans, and may receive interest credit to reduce the interest rate to as low as 1 percent. The loans are repayable over a 33-year period. In a given fiscal year, at least 40 percent of the units financed under this section must be made available only to very low-income individuals or families. The Section 502 direct loan program is an extremely efficient program which results in a total cost to the Federal government of only \$10,000 per loan. There currently is a backlog of more than \$3.4 billion in loan applications for this program. We encourage you to provide \$1.25 billion in funding for Section 502 in fiscal year 2008.

The President's budget also proposes to eliminate funding for the Rural Housing Service Section 515 program. The Section 515 program plays a critical role in facilitating affordable rental housing in rural areas, by providing funds both for new construction and for the repair and preservation of RHS Section 515 affordable rental housing units. The Section 515 program is the only authorized Federal program that provides direct loans for multi-family housing in rural areas. Units built under the 515 program provide affordable rental housing for persons of

low, very low, and moderate incomes living in rural areas, many of whom are elderly and disabled. The 515 program also provides funding for the repair and rehabilitation of existing 515 affordable rental housing units, in order to encourage owners to remain in the program and serve lower income families in rural areas. We encourage you to provide \$100 million in funding for Section 515 in fiscal year 2008.

The President's budget proposes \$9.75 million in funding for Section 523 Self Help Housing which is a reduction of over 70%. Self-Help Housing makes homes affordable by enabling future homeowners to build their homes themselves. Section 523 Self Help Technical Assistance Grants provided to qualified nonprofit and local government organizations to provide technical assistance to low and very low-income families who are building homes in rural areas in conjunction with the Section 502 Mutual Self-Help Housing Loan Program. The grant funds are used to assist eligible families in applying for Section 502 loans, provide pre-purchase homebuyer education, and supervise construction of the housing by the family.

Due to the tremendous success in serving minority households, doubling self help housing is one of the elements of USDA's 'Five Star Commitment to Increasing Minority Homeownership'. But despite the proven success of the self-help model and the momentum that it has built over recent years, budgetary restrictions have made it difficult for RHS to keep pace with demand for Section 523. In fiscal year 2007, a total of \$3 million was made available for self-help housing grants. However, the total necessary for extending grants for performing programs that expire in 2008 is \$60 million. We encourage you to provide \$60 million in funding for Section 523 in fiscal year 2008.

The President's budget reduces farm labor housing funding in Section 514 Farm Labor Housing Loans and in Section 516 Farm Labor Housing Grants by two thirds. As you know, there is a tremendous need for assistance for farm worker housing. Migrant and seasonal farm workers are some of the nation's most poorly housed populations. Farm workers and their families are some of the poorest yet least assisted people in the nation. Approximately 61 percent of farm workers earn incomes below the poverty level. 60 percent of their households are the ones who are also more susceptible to live below the poverty threshold which is six times the national rate. However, less than 20 percent of farm worker households receive public assistance in any form. We encourage you to provide \$50 million in funding for Section 514 and 516 in fiscal year 2008.

For these reasons, we urge you to reject the Administration's Rural Development budget. The Administration has already made substantial cuts in federal rural development spending. Over the past 6 years, federal spending on rural housing and community development programs have been reduced by more than 20 percent. We strongly urge you to reject the reductions proposed in the Fiscal 2008 budget and provide adequate funding for federal rural housing and community development programs.

Sincerely,

Rubén Hinojosa, Barney Frank, Rick Renzi, Paul W. Hodes, Charles A. Wilson, Ron Paul, Emanuel Cleaver, Bennie G. Thompson, Nancy Boyda, Michael E. Capuano, Maxine Waters, Tim Holden, Corrine Brown, Carolyn B. Maloney, Luis V. Gutierrez, Peter DeFazio, Darlene Hooley, Earl Blumenauer, Julia Carson, Geoff Davis, Lois Capps, Tom Allen, Mazie Hirono, Steve Kagen, John T. Salazar, Neil Abercrombie, Michael H. Michaud,

Phil Hare, Rick Larsen, Doris O. Matsui, Dan Boren, Lincoln Davis.

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Mr. ROSKAM. Mr. Speaker, I simply rise and urge the passage of House Resolution 477.

I have no other speakers seeking recognition and, with that, yield back the balance of my time.

Mr. DONNELLY. Mr. Speaker, I have no further requests. I want to thank my good friend, my colleague from Illinois, for his assistance in this. It is a terrific resolution. We look forward to its success.

Mr. GARY G. MILLER of California. Mr. Speaker, I am pleased to rise in strong support of this resolution, which expresses the commitment of Congress to fostering increased homeownership opportunities in this country.

Earlier this month, President Bush designated June as National Homeownership Month, as he has done for the past 6 years.

I introduced H. Res. 477 to complement this designation and to elevate the discussion of housing opportunities in this Nation. This resolution conveys the support of the House for the goals and ideals of National Homeownership Month and reiterates the importance of homeownership in the United States.

I would like to thank the leadership on both sides of the aisle for bringing this important resolution to the floor today.

IMPORTANCE OF HOMEOWNERSHIP IN AMERICA

For millions of Americans in communities all across this country, owning a home is a basic part of realizing the American dream.

Aside from helping Americans achieve their dreams, homeownership also helps to build neighborhoods and strengthen communities. As millions of families have demonstrated, increased homeownership helps to build better communities, and better communities help to build a better America. Families who own homes have a vital stake in their communities, a stronger interest in the safekeeping of their neighborhoods, and a deeper commitment to the quality of their schools and public services.

Today, America's housing markets are the envy of the world. We enjoy the lowest interest rates and the highest homeownership rates of any developed nation. With the national homeownership rate reaching 70 percent, we have had success in promoting housing opportunities. However, we must still do more. We must work to help extend housing opportunities to all Americans who do not currently enjoy the benefits of homeownership.

ROLE OF CONGRESS

Our job in Congress, as responsible policymakers, must be to ensure that government helps, rather than impedes, homeownership in America. When I came to Congress, I made it my top priority to highlight federal policies that have hindered the availability of housing in this country and to find ways for government to positively impact homeownership in America. While we have done much to help Americans become homeowners, we must do more. We must remove the hurdles and needless regulation that keep homeownership out of the reach of some families in America.

And oftentimes in government, we pass policies and laws and regulations that sound really good, and when they are implemented they do the exact opposite of what we intend them

to do. Unfortunately, this trend is very apparent in our housing policies.

CONGRESSIONAL POLICIES

So far in this Congress, I am pleased that we have continued our important work of promoting responsible homeownership policies for our country.

Last month, the House passed the Federal Housing Finance Reform Act to reform Government Sponsored Enterprises (GSEs) that have been at the forefront of creating affordable housing opportunities for American families. A new, credible, independent regulator with appropriate supervisory powers would reaffirm that the GSEs are adequately governed and will continue to provide reasonably-priced funds for housing finance. This bill ensures adequate regulation of GSEs while not adversely affecting the ability of the GSEs to fulfill their housing finance mission.

Another important needed reform to improve homeownership opportunities across our country is to the Federal Housing Administration (FHA). As the private sector mortgage market has become more efficient, the FHA program's inflexible rules and requirements have left it virtually irrelevant as a financing option. Not only can FHA reform provide a viable alternative for families seeking to purchase a home, but it can also help those facing uncertainty about being able to keep their current home.

To make the FHA program a viable mortgage option, we must ensure that the program's products are available across the country and that they meet the needs of borrowers. This includes not only eliminating the geographic barriers to utilization of the program in high cost areas, but also facilitating the purchase of entry-level homes, including condos and manufactured housing. The Committee on Financial Services passed an important FHA reform bill in May and I am optimistic we may consider it on the floor soon.

CONCLUSION

With June designated as National Homeownership Month, there is no better time to discuss these issues. Now more than ever Congress must continue to cultivate an environment in which more Americans may turn the dream of homeownership into a reality.

I am very pleased today that the President has made it a priority to promote affordable housing and homeownership, even while our Nation faces many other challenges at home and abroad. Along with Secretary Jackson and his team at HUD, the President has taken a leading role in finding new and innovative ways to expand homeownership in all areas of this country.

Fortunately, here in Congress, we have leaders from both sides of the aisle who are deeply committed to increasing housing opportunities for more Americans. I want to commend Chairman FRANK, Ranking Member BACHUS, Housing Subcommittee Chairwoman WATERS, and Ranking Member BIGGERT for their work in pursuing policies to address affordable housing in the United States.

I look forward to continuing this relationship in the 110th Congress so that we will have success in the months and years to come in increasing homeownership nationwide.

In closing, it is clear that increased homeownership fosters stronger communities and a better America. National Homeownership Month is a reminder of the significance of housing issues in America. I urge all of my

colleagues to support this resolution and recognize the importance of homeownership in the United States.

Ms. LEE. Mr. Speaker, I rise today in strong support of H. Res. 477, recognizing the goals and ideals of National Home Ownership Month. I'd like to thank my colleague from California Congressman GARY MILLER for introducing this resolution.

Mr. Speaker, home ownership has long been acknowledged as a vehicle to build personal wealth, a source of pride and motivation, provided a sense of security to its owners, helped stabilize our neighborhoods and families and a tool that drives the Nation's economic engine.

Unfortunately, in recent years the goals of home ownership have proven elusive for many Americans. According to a recent report by the Center on American Progress, nearly one in three Americans is low-income, with an income below twice the poverty line. A further 1 in 20 Americans lives in extreme poverty, with an income below half of the poverty line.

That's why I have often joined with my colleagues in the House to call for the provision of adequate and affordable housing and a strong, safe and stable community for all Americans particularly those of low- and moderate income individuals and families and members of minority populations.

Furthermore, in the 110th Congress, I am sponsoring three housing bills: H.R. 172—Community Partners Next Door Act; H.R. 173—One Strike and You're Out Bill; and H.R. 174—Public Housing Drug Elimination Program. These bills take steps to address housing affordability, neighborhood safety and fairness in the enforcement of local and Federal statutes.

Mr. Speaker, we have a responsibility to ensure that the gap between the rich and the poor is narrowed and that all Americans have the opportunity to pursue the American dream.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. DONNELLY) that the House suspend the rules and agree to the resolution, H. Res. 477.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

NONADMITTED AND REINSURANCE REFORM ACT OF 2007

Mr. MOORE of Kansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1065) to streamline the regulation of nonadmitted insurance and reinsurance, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1065

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Nonadmitted and Reinsurance Reform Act of 2007".

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

- Sec. 1. Short title and table of contents.
Sec. 2. Effective date.

TITLE I—NONADMITTED INSURANCE

- Sec. 101. Reporting, payment, and allocation of premium taxes.
Sec. 102. Regulation of nonadmitted insurance by insured's home State.
Sec. 103. Participation in national producer database.
Sec. 104. Uniform standards for surplus lines eligibility.
Sec. 105. Streamlined application for commercial purchasers.
Sec. 106. GAO study of nonadmitted insurance market.
Sec. 107. Definitions.

TITLE II—REINSURANCE

- Sec. 201. Regulation of credit for reinsurance and reinsurance agreements.
Sec. 202. Regulation of reinsurer solvency.
Sec. 203. Definitions.

TITLE III—RULE OF CONSTRUCTION

- Sec. 301. Rule of Construction.

SEC. 2. EFFECTIVE DATE.

Except as otherwise specifically provided in this Act, this Act shall take effect upon the expiration of the 12-month period beginning on the date of the enactment of this Act.

TITLE I—NONADMITTED INSURANCE

SEC. 101. REPORTING, PAYMENT, AND ALLOCATION OF PREMIUM TAXES.

(a) HOME STATE'S EXCLUSIVE AUTHORITY.—No State other than the home State of an insured may require any premium tax payment for nonadmitted insurance.

(b) ALLOCATION OF NONADMITTED PREMIUM TAXES.—

(1) IN GENERAL.—The States may enter into a compact or otherwise establish procedures to allocate among the States the premium taxes paid to an insured's home State described in subsection (a).

(2) EFFECTIVE DATE.—Except as expressly otherwise provided in such compact or other procedures, any such compact or other procedures—

(A) if adopted on or before the expiration of the 330-day period that begins on the date of the enactment of this Act, shall apply to any premium taxes that, on or after such date of enactment, are required to be paid to any State that is subject to such compact or procedures; and

(B) if adopted after the expiration of such 330-day period, shall apply to any premium taxes that, on or after January 1 of the first calendar year that begins after the expiration of such 330-day period, are required to be paid to any State that is subject to such compact or procedures.

(3) REPORT.—Upon the expiration of the 330-day period referred to in paragraph (2), the NAIC may submit a report to the Committee on Financial Services and Committee on the Judiciary of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate identifying and describing any compact or other procedures for allocation among the States of premium taxes that have been adopted during such period by any States.

(4) NATIONWIDE SYSTEM.—The Congress intends that each State adopt a nationwide or uniform procedure, such as an interstate compact, that provides for the reporting, payment, collection, and allocation of premium taxes for nonadmitted insurance consistent with this section.

(c) ALLOCATION BASED ON TAX ALLOCATION REPORT.—To facilitate the payment of premium taxes among the States, an insured's