the new markets tax credit through 2013, and for other purposes.

S. 1259

At the request of Mrs. CLINTON, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1259, a bill to amend the Foreign Assistance Act of 1961 to provide assistance for developing countries to promote quality basic education and to establish the achievement of universal basic education in all developing countries as an objective of United States foreign assistance policy, and for other purposes.

S. 1382

At the request of Mr. REID, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 1382, a bill to amend the Public Health Service Act to provide the establishment of an Amyotrophic Lateral Sclerosis Registry.

S. 1406

At the request of Mr. KERRY, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 1406, a bill to amend the Marine Mammal Protection Act of 1972 to strengthen polar bear conservation efforts, and for other purposes.

S. 1514

At the request of Mr. DODD, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1514, a bill to revise and extend provisions under the Garrett Lee Smith Memorial Act.

S. 1809

At the request of Mr. THUNE, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1809, a bill to amend the Internal Revenue Code of 1986 to provide that distributions from an individual retirement plan, a section 401(k) plan, a section 403(b) contract, or a section 457 plan shall not be includible in gross income to the extent used to pay long-term care insurance premiums.

S. 1840

At the request of Mrs. CLINTON, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1840, a bill to amend the Internal Revenue Code of 1986 to provide recruitment and retention incentives for volunteer emergency service workers.

S. 1895

At the request of Mr. REED, the names of the Senator from New York (Mr. SCHUMER), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Georgia (Mr. CHAMBLISS) and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 1895, a bill to aid and support pediatric involvement in reading and education.

S. 1954

At the request of Mr. GRASSLEY, the name of the Senator from North Carolina (Mrs. DOLE) was added as a cosponsor of S. 1954, a bill to amend title XVIII of the Social Security Act to improve access to pharmacies under part D.

S. 2045

At the request of Mr. PRYOR, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. 2045, a bill to reform the Consumer Product Safety Commission to provide greater protection for children's products, to improve the screening of noncompliant consumer products, to improve the effectiveness of consumer product recall programs, and for other purposes.

S. 2051

At the request of Ms. COLLINS, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 2051, a bill to amend the small rural school achievement program and the rural and low-income school program under part B of title VI of the Elementary and Secondary Education Act of 1965.

S. 2063

At the request of Mr. GREGG, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2063, a bill to establish a Bipartisan Task Force for Responsible Fiscal Action, to assure the economic security of the United States, and to expand future prosperity and growth for all Americans.

S. 2088

At the request of Mr. FEINGOLD, the name of the Senator from Montana (Mr. TESTER) was added as a cosponsor of S. 2088, a bill to place reasonable limitations on the use of National Security Letters, and for other purposes.

S. 2096

At the request of Mr. DORGAN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2096, a bill to amend the Do-Not-Call Implementation Act to eliminate the automatic removal of telephone numbers registered on the Federal ''do-not-call'' registry.

S. 2106

At the request of Mr. BIDEN, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 2106, a bill to provide nationwide subpoena authority for actions brought under the September 11 Victim Compensation Fund of 2001.

AMENDMENT NO. 3117

At the request of Mr. GRAHAM, the names of the Senator from North Carolina (Mr. BURR), the Senator from Arkansas (Mr. PRYOR) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of amendment No. 3117 proposed to H.R. 3222, a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.

At the request of Mr. TESTER, his name was added as a cosponsor of amendment No. 3117 proposed to H.R. 3222, supra.

AMENDMENT NO. 3130

At the request of Mr. SANDERS, the names of the Senator from New Hampshire (Mr. SUNUNU), the Senator from Ohio (Mr. BROWN), the Senator from Vermont (Mr. LEAHY), the Senator from Massachusetts (Mr. KERRY), the Senator from Maryland (Ms. MIKULSKI) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of amendment No. 3130 proposed to H.R. 3222, a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.

AMENDMENT NO. 3136

At the request of Ms. LANDRIEU, the name of the Senator from Louisiana (Mr. VITTER) was added as a cosponsor of amendment No. 3136 proposed to H.R. 3222, a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.

AMENDMENT NO. 3137

At the request of Mr. DURBIN, his name was added as a cosponsor of amendment No. 3137 proposed to H.R. 3222, a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.

AMENDMENT NO. 3140

At the request of Ms. LANDRIEU, her name was added as a cosponsor of amendment No. 3140 intended to be proposed to H.R. 3222, a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.

AMENDMENT NO. 3141

At the request of Mr. VITTER, the names of the Senator from Indiana (Mr. BAYH) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of amendment No. 3141 proposed to H.R. 3222, a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.

AMENDMENT NO. 3142

At the request of Mr. BIDEN, the names of the Senator from South Carolina (Mr. GRAHAM), the Senator from Pennsylvania (Mr. CASEY), the Senator from Vermont (Mr. SANDERS), the Senator from Florida (Mr. NELSON) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of amendment No. 3142 proposed to H.R. 3222, a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.

AMENDMENT NO. 3146

At the request of Mr. SALAZAR, his name was added as a cosponsor of amendment No. 3146 proposed to H.R. 3222, a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPECTER:

S. 2133. A bill to authorize bankruptcy courts to take certain actions with respect to mortgage loans in bankruptcy, and for other purposes; to the Committee on the Judiciary.

Mr. SPECTER. Mr. President, I seek recognition to introduce the Homeowners' Mortgage and Equity Savings Act of 2007. In recent years, low interest rates and easily available credit have significantly increased home ownership in this country. The U.S. home ownership rate increased from 64 percent in 1994 to over 69 percent in 2004. The increase has been particularly dramatic among minority groups. During that same period, the home ownership rate among Hispanics and Latinos rose by around 20 percent, to nearly 50 percent. For African Americans, the rate rose by 14 percent, also nearing 50 percent.

However, with interest rates at all-time lows, lenders increasingly offered mortgages to those who previously either would not have qualified for a mortgage or could not have afforded the payments on a mortgage. To do this, lenders offered new types of mortgages designed to keep monthly payments low, at least in the short term. In particular, lenders issued large numbers of adjustable rate mortgages, ''ARMS'', loans that often feature low introductory interest rates that later adjust to significantly higher rates. Lenders also issued no-down-payment or interest-only mortgages, which also often featured low introductory interest rates that later increase significantly.

With the era of easy money and low interest rates over, a crisis looms. Many borrowers with adjustable rate, interest-only or no-down-payment mortgages have been unable to keep up with their monthly mortgage payments that have reset to higher rates. In many cases, resetting interest rates means monthly payments increase by $250 to $300 on a typical $1,200 monthly mortgage. Moreover, many ARMS featured early repayment penalties, making it difficult for homeowners to fix the situation by refinancing and obtaining less risky mortgages.

As a result of resetting interest rates, delinquencies and foreclosures involving ARMs have risen dramatically. Delinquencies and foreclosures have been particularly high among borrowers with weak credit who were issued loans at subprime rates. According to the Mortgage Bankers Association, between the second quarter of 2006 and the second quarter of this year, the percentage of homeowners with subprime ARMs who are seriously delinquent, those who are either more than 90 days past due or in foreclosure, has nearly doubled, from 6.52 to 12.40 percent. The number rose by over 20 percent during the second quarter of this year alone. The Center for Responsible Lending projects that 2.2 million Americans with subprime loans originated between 1998 and 2006 have lost or will lose their home to foreclosure.

While the situation has been most severe for homeowners with subprime loans, the problem now is spreading to those with prime rate loans. In the past year, the percentage of homeowners with prime rate ARMs that were seriously delinquent on their mortgage payments more than doubled from 0.92 to 2.02 percent. According to the Mortgage Bankers Association, in the second quarter of this year, the number of homeowners who got foreclosure notices reached an all time high of 0.65 percent, largely because of increases among homeowners with ARMs, delinquencies and foreclosures for fixed rates mortgages have increased only moderately. The situation will only get worse in coming months as an estimated 2 million homeowners with adjustable rate mortgages see their interest rates reset to much higher rates. According to some sources, a quarter of those homeowners face losing their homes.

In my home State of Pennsylvania, the number of homeowners with subprime ARMs who are seriously delinquent has risen to 13.82 percent, an increase of over 40 percent since this time last year. Among homeowners who qualified for prime rate ARMs, the number who are seriously delinquent has increased to 2.43 percent, an increase of over 50 percent since last year. Especially hard hit is the Allentown-Bethlehem-Easton area, where the foreclosure rate for subprime loans originated in 2006 is 20 percent.

In some cases, borrowers made bad decisions by ignoring the risk and taking on mortgages they knew someday they might not be able to afford. In other cases, it appears that borrowers were steered to riskier mortgages when they qualified for safer options. There is also evidence that lenders failed to fully disclose the risks involved with certain mortgages and instead emphasized low monthly payments. The push to issue subprime and adjustable rate mortgages was aggravated by Wall Street investors chasing high rates of return on the secondary market.

Many homeowners facing foreclosure will seek relief in bankruptcy. Bankruptcy has traditionally provided a second chance for borrowers by giving them relief from their creditors. Chapter 13 in particular has enabled homeowners facing foreclosure to keep their homes. Chapter 13 gives debtors breathing space by imposing a stay on collection of debts, including mortgages, which prevents lenders from foreclosing for a period of time. During that time, debtors are given an opportunity to get caught up on their mortgage payments. Finally, Chapter 13 makes it more likely that debtors will be able to make their mortgage payments over the long term by giving them a discharge from many of their other debts.

However, the drafters of the bankruptcy code never anticipated the current crisis where so many face possible bankruptcy, not because of consumer debts, but because of their mortgages. When the current bankruptcy code was drafted in the late 1970s, most homeowners had traditional 30-year fixed rate mortgages with substantial down payments. As a result, few homeowners faced bankruptcy because of their mortgage. As such, the drafters did not see a need for bankruptcy judges to have the power to alter the terms of mortgages on primary residences.

Given the fact that so many homeowners now face foreclosure and possible bankruptcy because of their mortgages, I believe Congress should take action. I am therefore introducing a targeted bill which will allow bankruptcy courts to provide relief to homeowners caught up in the current crisis. The bill will provide relief for low-income homeowners who, because of changed circumstances, can no longer afford their mortgages. Easily available credit made homeownership a reality for many lower income Americans. It is these same homeowners who are the ones now caught up in the credit crunch and facing the loss of their homes.

The bill will allow bankruptcy judges to provide relief by restructuring the mortgage terms that have created the biggest problems for homeowners. Most importantly, the bill will allow bankruptcy judges to prevent or delay interest rate increases as well as to roll back interest rates that have already reset. This will make it possible for many more debtors to hold onto their homes in the long run.

The bill also will allow bankruptcy judges to waive early repayment or prepayment penalties. Many lenders impose large penalties on homeowners that repay their mortgages early, penalties that prevent many homeowners from refinancing and switching to a sounder mortgage. These penalties are particularly egregious since they don't reflect any increased risk taken on by the lender. They are merely intended to discourage borrowers from making a better choice for themselves by switching to another loan.

This bill is not a bailout and it is not aimed at those who knew the risk and proceeded anyway. When housing prices were rising, speculators bid up the prices of homes hoping to quickly sell them for an easy profit. With prices falling, many of those speculators find themselves with properties worth less than what they paid. These speculators took the risk that housing prices would fall and now must live with the downside of that risk.

The bill will allow judges to write down the principal value of the loan, but only if both the debtor and creditor agree. Giving judges discretion to write down the principal value of loans could provide a significant windfall to those who gambled that housing prices would never fall, including speculators. That is a gamble lenders and future homeowners should not be forced to finance.

Taking too broad an approach to this problem will only hurt future borrowers. Allowing bankruptcy judges free rein to rewrite mortgage loans will only increase the risk that lenders take on when they issue mortgages. Investors respond to increased risk by insisting on higher rates of return and

mortgage lenders must respond in kind by raising their rates. That will only make it more difficult for those Americans who wish to become homeowners in the future.

In the longer run, the market will correct some of what has gone wrong. The number of risky loans being issued has already declined dramatically, in large part because investors are refusing to provide the liquidity necessary to issue such loans. In addition, as predatory or fraudulent practices come to light, the Congress, and in particular the Banking Committee, should take action to prevent such practices from occurring in the future.

I urge my colleagues to join me in offering relief for those who are caught up in the current crisis and face losing their homes.

BY Mr. DURBIN (for himself, Mr. COBURN, Mr. FEINGOLD, and Mr. BROWNBACK):

S. 2135. A bill to prohibit the recruitment or use of child soldiers, to designate persons who recruit or use child soldiers as inadmissible aliens, to allow the deportation of persons who recruit or use child soldiers, and for other purposes; to the Committee on the Judiciary.

Mr. DURBIN. Mr. President, I rise today to introduce the Child Soldiers Accountability Act of 2007. This narrowly-tailored bipartisan legislation would make it a crime and a violation of immigration law to recruit or use child soldiers. Congress must ensure that perpetrators who commit this war crime will not find safe haven in our country.

I would like to thank the other original cosponsors of the Child Soldiers Accountability Act, Senator TOM COBURN of Oklahoma, Senator RUSSELL FEINGOLD of Wisconsin, and Senator SAM BROWNBACK of Kansas. This bill is a product of the Judiciary Committee's new Subcommittee on Human Rights and the Law, which is the first ever congressional committee dealing specifically with human rights. I am the Chairman of this Subcommittee and Senator COBURN is its ranking member.

Up to 250,000 children currently serve as combatants, porters, human mine detectors and sex slaves in state-run armies, paramilitaries and guerilla groups around the world. These child soldiers are denied the childhood that our children and grandchildren have and to which every child has an inalienable right. Moreover, their health and lives are endangered.

Children are recruited and used in combat situations because their emotional and physical immaturity makes it easy to mold them into obedient combatants who will witness and partake in horrific violence, often without comprehending their actions. Child soldiers are frequently recruited in areas of long-standing conflict where there are no longer eligible adults for recruitment. In many cases, they are provided with drugs and alcohol to numb them to the atrocities they are required to commit, as well as to increase their dependency upon the armed group.

Children are more likely to be killed, injured or become ill in combat situations than adults. In combat, child soldiers have been forced to the front lines, sent into minefields ahead of older troops or even used for suicide missions.

The devastating effects of war and abuse on the physical, emotional and social development of children are long lasting. Former child soldiers require extensive care and support from family and others in order to be rehabilitated and reintegrated into society. In the absence of such support, former child soldiers may comprise a generation of adults who will perpetuate conflict and undermine security, creating unforeseen challenges that our children will have to address.

There is a clear legal prohibition on recruiting and using child soldiers. Under customary international law, recruitment or use of child soldiers under the age of 15 is a war crime. Over 110 countries, including the United States, have ratified the Optional Protocol to the Convention on the Rights of the Child, which prohibits the recruitment and use of child soldiers under 18.

While there have been positive developments internationally in the prosecution of child soldier recruitment and use, especially by the Special Court for Sierra Leone, the ability of international tribunals or hybrid courts to try these cases is limited. The average perpetrator still runs very little risk of being prosecuted. National courts can and should play a greater role in prosecuting perpetrators.

Unfortunately, recruiting and using child soldiers does not violate U.S. criminal or immigration law. As a result, the U.S. government is unable to punish individuals found in our country who have recruited or used child soldiers. In contrast, other grave human rights violations, including genocide and torture, are punishable under U.S. criminal and immigration law.

This loophole in the law was identified during a hearing entitled ''Casualties of War: Child Soldiers and the Law,'' held by the Senate Subcommittee on Human Rights and the Law. Ismael Beah, a former child soldier and author of the bestselling book A Long Way Gone: Memoirs of a Boy Soldier, testified at this hearing. Mr. Beah said this gap in the law ''saddens me tremendously'' and that closing this loophole ''would set a clear example that there is no safe haven anywhere for those who recruit and use children in war.'' Mr. Beah also posed a moral challenge to all of us:

When you go home tonight to your children, your cousins, and your grandchildren and watch them carrying out their various childhood activities, I want you to remember that at that same moment, there are countless children elsewhere who are being killed; injured; exposed to extreme violence; and forced to serve in armed groups, including girls who are raped (leading some to have babies of commanders); all of them between the ages of 8 and 17. As you watch your loved ones, those children you adore most, ask yourselves whether you would want these kinds of suffering for them. If you don't, then you must stop this from happening to other children around the world whose lives and humanity are as important and of the same value as all children everywhere.

The Child Soldiers Accountability Act will help to ensure that the war criminals who recruit or use children as soldiers will not find safe haven in our country and allow the U.S. government to hold these individuals accountable for their actions.

First, this bill will make it a crime to recruit or use persons under the age of 15 as soldiers. Second, it will enable the government to deport or deny admission to an individual who recruited or used child soldiers under the age of 15.

This legislation will send a clear message to those who recruit or use child soldiers that there are real consequences to their actions. By holding such individuals criminally responsible, our country will help to deter the recruitment and use of child soldiers.

I urge my colleagues to ask themselves the question Ishmael Beah posed: Would we want our children or grandchildren to endure the pain and suffering that Mr. Beah and other child soldiers face? As Mr. Beah reminded us, the lives of child soldiers are just as important as those of our children and grandchildren. We have a moral obligation to take action to help these young people and to stop the abhorrent practice of recruiting and using child soldiers.

I urge my colleagues to support this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2135

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Child Soldiers Accountability Act of 2007''.

SEC. 2. ACCOUNTABILITY FOR THE RECRUITMENT AND USE OF CHILD SOLDIERS.

(a) CRIME FOR RECRUITING OR USING CHILD SOLDIERS.—

(1) IN GENERAL.—Chapter 118 of title 18, United States Code, is amended by adding at the end the following:

''§ 2442. Recruitment or use of child soldiers

''(a) OFFENSE.—Any person who knowingly recruits, enlists, or conscripts a person under 15 years of age into an armed force or group or knowingly uses a person under 15 years of age to participate actively in hostilities—

''(1) shall be fined under this title, imprisoned not more than 20 years, or both; and

''(2) if the death of any person results, shall be fined under this title and imprisoned for any term of years or for life.

''(b) ATTEMPT AND CONSPIRACY.—Any person who attempts or conspires to commit an

offense under this section shall be punished in the same manner as a person who completes the offense.

''(c) JURISDICTION.—There is jurisdiction over an offense described in subsection (a), and any attempt or conspiracy to commit such offense, if—

''(1) the alleged offender is a national of the United States (as defined in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22))) or an alien lawfully admitted for permanent residence in the United States (as defined in section 101(a)(20) of such Act (8 U.S.C. 1101(a)(20));

''(2) the alleged offender is a stateless person whose habitual residence is in the United States;

''(3) the alleged offender is present in the United States, irrespective of the nationality of the alleged offender; or

''(4) the offense occurs in whole or in part within the United States.

''(d) DEFINITIONS.—In this section:

''(1) PARTICIPATE ACTIVELY IN HOSTILITIES.—The term 'participate actively in hostilities' means taking part in—

''(A) combat or military activities related to combat, including scouting, spying, sabotage, and serving as a decoy, a courier, or at a military checkpoint; or

''(B) direct support functions related to combat, including taking supplies to the front line and other services at the front line.

''(2) ARMED FORCE OR GROUP.—The term 'armed force or group' means any army, militia, or other military organization, whether or not it is state-sponsored.''.

(2) STATUTE OF LIMITATIONS.—Chapter 213 of title 18, United States Code is amended by adding at the end the following:

''§ 3300. Recruitment or use of child soldiers

''No person may be prosecuted, tried, or punished for a violation of section 2442 unless the indictment or the information is filed not later than 10 years after the commission of the offense.''.

(3) CLERICAL AMENDMENT.—Title 18, United States Code, is amended—

(A) in the table of sections for chapter 118, by adding at the end the following:

''2442. Recruitment or use of child soldiers.'';

and

(B) in the table of sections for chapter 213, by adding at the end the following:

''3300. Recruitment or use of child soldiers.''.

(b) GROUND OF INADMISSIBILITY FOR RECRUITING OR USING CHILD SOLDIERS.—Section 212(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)) is amended by adding at the end the following:

''(G) RECRUITMENT OR USE OF CHILD SOLDIERS.—Any alien who has committed, ordered, incited, assisted, or otherwise participated in the commission of the recruitment or use of child soldiers in violation of section 2442 of title 18, United States Code, is inadmissible.''.

(c) GROUND OF REMOVABILITY FOR RECRUITING OR USING CHILD SOLDIERS.—Section 237(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1227(a)(4)) is amended by adding at the end the following:

''(F) RECRUITMENT OR USE OF CHILD SOLDIERS.—Any alien described in section 212(a)(3)(G) is deportable.''.

By Mr. DURBIN (for himself and Mr. SCHUMER):

S. 2136. A bill to address the treatment of primary mortgages in bankruptcy, and for other purposes; to the Committee on the Judiciary.

Mr. DURBIN. Mr. President, over 2 million families are going to lose their homes in the next few years. Mr. President, 28,000 of those families are in Illinois.

Why?

Because they are stuck in bad mortgages.

Homeowners across America don't need to hear from me to know that the housing boom has busted. From Wall Street to Main Street, we see the spillover effects on the economy.

I am pleased that in Congress we are now talking about how to tighten lending regulations so we don't repeat this type of market meltdown—and there is certainly more work to be done on that—but in the meantime, millions of families are stuck in the current mess. They need our help.

It is true that some families knowingly stretched a bit to buy more house than they should have. But many families were sold mortgages they couldn't afford by unscrupulous brokers. Some families were given faulty appraisals, only to find later that their homes weren't worth as much as they thought. Still other families have been hit with a mountain of excessive fees that have pushed them over the edge.

Regardless of the reason, a family pushed into foreclosure is a disaster for the homeowner and the surrounding community, and it is a bad deal for the banks as well.

That is why I am introducing the Helping Families Save Their Homes Act, which will help around 600,000 families who have nowhere else to turn to save their homes.

I support the constructive efforts of all of my Democratic colleagues in both the Senate and the House to deal with this crisis, and with this bill I add one more targeted solution to that list.

Bankruptcy should be the last resort, to be sure, but this change in how family homes are treated in bankruptcy will help hundreds of thousands of families who would otherwise be out on the street.

Today, a bankruptcy judge in Chapter 13 can change the structure of any secured debt, except for a mortgage on a principal residence. When this exception was added to the law in 1978, mortgages were largely 30-year fixed rate loans that required 20 percent down and were originated by a local banker who personally knew the homeowner. In 1978, it was rare for the mortgage to be the source of financial difficulty that sent a family into bankruptcy.

The mortgage market has changed since then, to put it mildly. Now, unregulated out-of-town mortgage brokers can sell exotic ''no-doc,'' ''interest-only,'' ''2-28,'' or other mortgages to families, with few questions asked. The mortgages are then securitized by big banks and sold into the secondary market to investors who have no knowledge of the homeowner's financial situation. Risk is dispersed, but so is responsibility.

In 1978, when a family realized it might begin having trouble making the house payments, it could go down to the local bank and work out a new plan to keep up. Today, families struggle to even get a straight answer on the phone.

As the New York Times documented on Sunday, one homeowner made around 670 phone calls to her loan servicer over a 3-month period in an attempt to work out a modified mortgage that she could pay and that would still be profitable to the bank. She spoke to 14 different people and received nine different answers on how she should proceed. Community activists confirm that this type of struggle is not unusual. For millions of families who are nearing foreclosure, this just isn't good enough.

We need another solution for families that aren't being helped by their bank.

If mortgages on vacation homes and family farms can be modified in bankruptcy, why can't mortgages on primary homes?

My bill would allow bankruptcy judges to work out payment plans with homeowners and banks and would also protect families from excessive fees.

The bill would help families who are at risk of losing their homes. But it also protects property values for every other family on that block. In fact, this change in the way mortgages are handled in bankruptcy would save an estimated $72.5 billion in existing property values for the neighborhood, since each foreclosure on a neighborhood block reduces the property value for every other family on that block.

As for the banks? Foreclosures cost banks around $50,000 to process, so every home saved from foreclosure represents a good deal for them too. My bill would allow judges to modify mortgages only in ways that would still be profitable for the banks and their investors.

Everybody wins, right? Well, the banks are still opposing this bill, so I would like to take a moment to directly address some of the primary complaints that I have heard. There are too many families in need—and this bill makes too much sense—for the bill to be shot down.

While everyone seems to agree on the problem—millions of families are going to lose their homes when the variable rate loans that were originated in 2005 and beyond begin to reset, and fall—some argue that we shouldn't do anything to help these families keep their homes in bankruptcy. I have heard three main complaints, none of which stand up to scrutiny.

The first complaint is that banks are already helping homeowners with their mortgage problems, and so this change is unnecessary.

In fact, the banks aren't doing nearly enough. A recent study by Moody's Investors Service Inc. found that the 16 largest subprime servicers, which manage a combined $950 billion of loans, modified just 1 percent of the loans that were made in 2005 and that reset in January, April, and July. Shouldn't we try to help some of the other 99 percent of homeowners who are at risk of

foreclosure but who could make payments on a different mortgage that is still profitable for the banks?

The second argument is that Congress shouldn't modify the bankruptcy code again so soon after the 2005 amendments were implemented.

However, the changes made to the bankruptcy code in 2005 had nothing to do with mortgages on primary residences. My bill would change elements of the code that date from 1978.

Would the banks argue that the tax code shouldn't be changed in 2007 because a completely unrelated area of the tax code was modified in 2005? Not if they don't want to get laughed out of the Finance Committee room, they wouldn't.

Finally, I have heard that allowing mortgages on principal residences to be modified in bankruptcy would introduce ''uncertainty'' in the market and would cause the market for loans for low-income families to dry up.

But mortgage lending is a hypercompetitive market. There is no evidence to suggest that a full-scale exodus will occur because of a change to the bankruptcy law. Banks are still willing to lend for vacation homes and family farms and those mortgages can be modified in bankruptcy, so this argument has no basis in fact.

As a spokesman from JP Morgan Chase said in the American Banker: ''It is always in the best interest of the servicer, the borrower, and the investors if we can modify a loan, because foreclosure means there's no chance the investor is going to recoup their money.'' It should make no difference if a modification is agreed to outside of the context of bankruptcy or within it, if the modification itself is identical.

I would like to conclude by noting that only families that desperately need this help will file for bankruptcy, and only reasonable mortgages will result. My bill has been carefully constructed to avoid unintended consequences in several ways:

First, families that are helped by these changes to the law have to live within the strict IRS spending guidelines for Chapter 13 filers. Families that don't desperately need the help will be very unlikely to try to take advantage of this provision.

Second, every mortgage restructured by a bankruptcy judge will be a better deal for the banks and investors than foreclosure. The minimum value of the mortgage in a restructured deal would be the fair market value of the home, which is the same price the bank would earn if it sold the house after a foreclosure. Plus, the banks will avoid the average of $50,000 in foreclosure fees.

Finally, giving bankruptcy judges the flexibility to restructure mortgages should provide an incentive for banks and investors to do more to restructure mortgages outside of bankruptcy, which is in everyone's best interest.

I repeat that quote from a major bank: ''It is always in the best interest of the servicer, the borrower, and the investors if we can modify a loan, because foreclosure means there's no chance the investor is going to recoup their money.''

I agree. It shouldn't be so hard for customers to modify their loans outside of bankruptcy since it's in everyone's best interest to do so. But allowing families to modify loans within bankruptcy as a last resort so they can keep their homes is the right thing to do.

This bill is supported by the AARP, ACORN, AFL–CIO and SEIU, the Center for Responsible Lending, the Consumer Federation of America, NAACP and La Raza, the National Association of Consumer Bankruptcy Attorneys, the National Community Reinvestment Coalition, and many others.

I urge my colleagues to support this bill, and I look forward to helping families save their homes. Over the next few years, hundreds of thousands of families will desperately need it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2136

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Helping Families Save Their Homes in Bankruptcy Act of 2007''.

TITLE I—MINIMIZING FORECLOSURES

SEC. 101. SPECIAL RULES FOR MODIFICATION OF LOANS SECURED BY RESIDENCES.

(a) IN GENERAL.—Section 1322(b) of title 11, United States Code, is amended—

(1) in paragraph (10), by striking ''and'' at the end;

(2) by redesignating paragraph (11) as paragraph (12); and

(3) by inserting after paragraph (10) the following:

''(11) notwithstanding paragraph (2) and otherwise applicable nonbankruptcy law—

''(A) modify an allowed secured claim secured by the debtor's principal residence, as described in subparagraph (B), if, after deduction from the debtor's current monthly income of the expenses permitted for debtors described in section 1325(b)(3) of this title (other than amounts contractually due to creditors holding such allowed secured claims and additional payments necessary to maintain possession of that residence), the debtor has insufficient remaining income to retain possession of the residence by curing a default and maintaining payments while the case is pending, as provided under paragraph (5); and

''(B) provide for payment of such claim—

''(i) for a period not to exceed 30 years (reduced by the period for which the loan has been outstanding) from the date of the order for relief under this chapter; and

''(ii) at a rate of interest accruing after such date calculated at a fixed annual percentage rate, in an amount equal to the most recently published annual yield on conventional mortgages published by the Board of Governors of the Federal Reserve System, as of the applicable time set forth in the rules of the Board, plus a reasonable premium for risk; and''.

(b) CONFORMING AMENDMENT.—Section 1325(a)(5) of title 11, United States Code, is amended by inserting before ''with respect'' the following: ''except as otherwise provided in section 1322(b)(11) of this title,''.

SEC. 102. WAIVER OF COUNSELING REQUIREMENT WHEN HOMES ARE IN FORECLOSURE.

Section 109(h) of title 11, United States Code, is amended by adding at the end the following:

''(5) Paragraph (1) shall not apply with respect to a debtor who files with the court a certification that a foreclosure sale of the debtor's principal residence has been scheduled.''.

TITLE II—PROVIDING OTHER DEBTOR PROTECTIONS

SEC. 201. COMBATING EXCESSIVE FEES.

Section 1322(c) of title 11, the United States Code, is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(3) to the extent that an allowed secured claim is secured by the debtor's principal residence, the value of which is greater than the amount of such claim, fees, costs, or charges arising during the pendency of the case may be added to secured debt provided for by the plan only if—

''(A) notice of such fees, costs or charges is filed with the court before the expiration of the earlier of —

''(i) 1 year after the time at which they are incurred; or

''(ii) 60 days before the conclusion of the case; and

''(B) such fees, costs, or charges are lawful, reasonable, and provided for in the underlying contract;

''(4) the failure of a party to give notice described in paragraph (3) shall be deemed a waiver of any claim for fees, costs, or charges described in paragraph (3) for all purposes, and any attempt to collect such fees, costs, or charges shall constitute a violation of section 524(a)(2) of this title or, if the violation occurs before the date of discharge, of section 362(a) of this title; and

''(5) a plan may provide for the waiver of any prepayment penalty on a claim secured by the principal residence of the debtor.''.

SEC. 202. MAINTAINING DEBTORS' LEGAL CLAIMS.

Section 554(e) of title 11, United States Code, is amended by adding at the end the following:

''(e) In any action in State or Federal court with respect to a claim or defense asserted by an individual debtor in such action that was not scheduled under section 521(a)(1) of this title, the trustee shall be allowed a reasonable time to request joinder or substitution as the real party in interest. If the trustee does not request joinder or substitution in such action, the debtor may proceed as the real party in interest, and no such action shall be dismissed on the ground that it is not prosecuted in the name of the real party in interest or on the ground that the debtor's claims were not properly scheduled in a case under this title.''.

SEC. 203. RESOLVING DISPUTES.

Section 1334 of title 28, United States Code, is amended by adding at the end the following: ''Notwithstanding any agreement for arbitration that is subject to chapter 1 of title 9, in any core proceeding under section 157(b) of this title involving an individual debtor whose debts are primarily consumer debts, the court may hear and determine the proceeding, and enter appropriate orders and judgments, in lieu of referral to arbitration.''.

SEC. 204. ENACTING A HOMESTEAD FLOOR FOR DEBTORS OVER 55 YEARS OF AGE.

(a) IN GENERAL.—Section 522(b)(3) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking ''and'' at the end; and

(2) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end and inserting the following:

''(D) if the debtor, as of the date of the filing of the petition, is 55 years old or older, the debtor's aggregate interest, not to exceed $75,000 in value, in real property or personal property that the debtor or a dependent of the debtor uses as a principal residence, or in a cooperative that owns property that the debtor or a dependent of the debtor uses as a principal residence.''.

(b) EXEMPTION AUTHORITY.—Section 522(d)(1) of title 11, United States Code, is amended by inserting ''or, if the debtor is 55 years of age or older, $75,000 in value,'' before ''in real property''.

SEC. 205. DISALLOWING CLAIMS FROM VIOLATIONS OF CONSUMER PROTECTION LAWS.

Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking ''or'' at the end;

(2) in paragraph (9), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(10) the claim is subject to any remedy for damages or rescission due to failure to comply with any applicable requirement under the Truth in Lending Act (15 U.S.C. 1601 et seq.), or any other provision of applicable State or Federal consumer protection law that was in force when the noncompliance took place, notwithstanding the prior entry of a foreclosure judgment.''.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3147. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 3222, making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes; which was ordered to lie on the table.

SA 3148. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3149. Mr. BAYH (for himself and Mr. LUGAR) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3150. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3151. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3152. Mr. SMITH (for himself and Mr. HARKIN) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3153. Mr. GREGG (for himself, Ms. MIKULSKI, and Mr. SUNUNU) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3154. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3155. Mr. DOMENICI (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3156. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3157. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3158. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3159. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3160. Mr. ROCKEFELLER (for himself and Mr. BOND) proposed an amendment to the bill S. 1538, to authorize appropriations for fiscal year 2008 for the intelligence and intelligence-related activities of the United States Government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

SA 3161. Mr. LEAHY (for himself and Mr. BOND) submitted an amendment intended to be proposed by him to the bill H.R. 3222, making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes; which was ordered to lie on the table.

SA 3162. Mr. LEVIN (for himself and Ms. STABENOW) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3163. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3164. Mr. FEINGOLD (for himself, Mr. REID, Mr. LEAHY, Mr. DODD, Mrs. BOXER, Mr. SANDERS, Mr. WYDEN, Mr. KERRY, Mr. WHITEHOUSE, Mr. KENNEDY, Mr. HARKIN, Mr. SCHUMER, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3165. Mr. SESSIONS (for himself, Mr. KYL, and Mr. INHOFE) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3166. Mrs. BOXER (for herself, Mr. INOUYE, Mrs. HUTCHISON, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by her to the bill H.R. 3222, supra.

SA 3167. Mr. BIDEN (for himself and Mr. NELSON of Florida) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3168. Mrs. CLINTON (for herself, Mr. KERRY, Mrs. BOXER, Mr. BROWN, Mr. WEBB, Mr. WHITEHOUSE, and Mr. BAYH) submitted an amendment intended to be proposed by her to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3169. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3170. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3171. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3172. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3173. Mr. BINGAMAN (for himself and Mr. DOMENICI) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3174. Mr. BENNETT submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3175. Mr. BENNETT submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3176. Mrs. HUTCHISON (for herself, Mr. CORNYN, Mrs. BOXER, Mr. BINGAMAN, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by her to the bill H.R. 3222, supra.

SA 3177. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3178. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3179. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3180. Mr. SMITH (for himself, Mr. WYDEN, Mr. BROWN, Ms. STABENOW, and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3181. Mr. COLEMAN (for himself and Ms. KLOBUCHAR) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3182. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3183. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3184. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3185. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3186. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3187. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3188. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3189. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3190. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3191. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3192. Mr. SESSIONS (for himself, Mr. DOMENICI, Mrs. DOLE, Mr. ENSIGN, and Mr. KYL) submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra.

SA 3193. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3194. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3195. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3196. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 3222, supra; which was ordered to lie on the table.

SA 3197. Mrs. CLINTON (for herself, Mr. KERRY, and Mr. BROWN) submitted an amendment intended to be proposed by her to the