(Mrs. BOXER) was added as a cosponsor of S. 2267, a bill to amend the Internal Revenue Code of 1986 to provide an income tax credit for eldercare expenses.

S. 2268

At the request of Ms. KLOBUCHAR, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2268, a bill to require issuers of long term care insurance to establish third party review processes for disputed claims.

S. 2291

At the request of Mr. AKAKA, the name of the Senator from Illinois (Mr. OBAMA) was added as a cosponsor of S. 2291, a bill to enhance citizen access to Government information and services by establishing plain language as the standard style of Government documents issued to the public, and for other purposes.

S. 2310

At the request of Ms. LANDRIEU, her name was added as a cosponsor of S. 2310, a bill to establish a National Catastrophic Risks Consortium and a National Homeowners' Insurance Stabilization Program, and for other purposes.

S. 2323

At the request of Mr. KERRY, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 2323, a bill to provide for the conduct of carbon capture and storage technology research, development, and demonstration projects, and for other purposes.

S. 2324

At the request of Mrs. MCCASKILL, the names of the Senator from Illinois (Mr. OBAMA), the Senator from New York (Mrs. CLINTON) and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S. 2324, a bill to amend the Inspector General Act of 1978 (5 U.S.C. App.) to enhance the Offices of the Inspectors General, to create a Council of the Inspectors General on Integrity and Efficiency, and for other purposes.

S. 2332

At the request of Mr. DORGAN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2332, a bill to promote transparency in the adoption of new media ownership rules by the Federal Communications Commission, and to establish an independent panel to make recommendations on how to increase the representation of women and minorities in broadcast media ownership.

S.J. RES. 22

At the request of Mr. CRAPO, the names of the Senator from Utah (Mr. BENNETT) and the Senator from Tennessee (Mr. ALEXANDER) were added as cosponsors of S.J. Res. 22, a joint resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Centers for Medicare & Medicaid Services within the Department of Health and Human Services relating to Medicare coverage for the use of erythropoiesis stimulating agents in cancer and related neoplastic conditions.

At the request of Mr. BAUCUS, the names of the Senator from Indiana (Mr. BAYH) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S.J. Res. 22, supra.

S. RES. 366

At the request of Mr. BAUCUS, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Nebraska (Mr. HAGEL) were added as cosponsors of S. Res. 366, a resolution designating November 2007 as ''National Methamphetamine Awareness Month'', to increase awareness of methamphetamine abuse.

S. RES. 371

At the request of Mr. COLEMAN, the names of the Senator from New Hampshire (Mr. SUNUNU), the Senator from Kentucky (Mr. BUNNING) and the Senator from Nevada (Mr. ENSIGN) were added as cosponsors of S. Res. 371, a resolution expressing the sense of the Senate regarding the issuance of State driver's licenses and other government-issued photo identification to illegal aliens.

S. RES. 372

At the request of Mr. KERRY, the names of the Senator from New York (Mrs. CLINTON) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. Res. 372, a resolution expressing the sense of the Senate on the declaration of a state of emergency in Pakistan.

AMENDMENT NO. 3508

At the request of Mr. DORGAN, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of amendment No. 3508 proposed to H.R. 2419, a bill to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

AMENDMENT NO. 3538

At the request of Mr. AKAKA, the name of the Senator from New Jersey (Mr. MENENDEZ) was added as a cosponsor of amendment No. 3538 intended to be proposed to H.R. 2419, a bill to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

AMENDMENT NO. 3575

At the request of Mr. COLEMAN, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of amendment No. 3575 intended to be proposed to H.R. 2419, a bill to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BARRASSO (for himself and Mr. ENZI):

S. 2334. A bill to withhold 10 percent of the Federal funding apportioned for highway construction and maintenance from States that issue driver's licenses to individuals without verifying the legal status of such individuals; read the first time.

Mr. BARRASSO. Mr. President, I would like to take a few minutes today to discuss the issue of giving legal government documents to people who are in the United States illegally.

There is no question our immigration process is broken. People who attempt to enter the United States legally—to work, to join their families—well, they often face bureaucratic redtape and incredible delays. Legal entry into the United States has become more difficult as a result of the events of September 11, 2001. There is no question that should be the case.

Unfortunately, illegal entry remains a significant problem. It is estimated that between 13 million and 20 million people are illegally in the United States. The fact that the estimates are so far apart should in and of itself give us all cause for concern.

What should also give us concern is that there are efforts in the United States today to provide driver's licenses to those in this country illegally. I believe such efforts are inappropriate and are a serious threat to our national security.

There is no question that legally issuing driver's licenses or other government documents to people who are here illegally puts our entire Nation at risk. I am troubled by those who argue that we will be safer if we provide official government papers to those who have come to our country illegally. I believe this is the wrong path. It is the wrong path for us to take, and it is contrary to the lessons we should have learned from the events of September 11.

To receive a driver's license, any State used to require proof that someone could drive and proof of identity through a legally issued government document. This was often done through a notarized birth certificate or a passport. Over time, criminals have found ways to forge these documents, and they made it easier for individuals to illegally acquire identification, such as a driver's license.

Some of the 9/11 hijackers had acquired identification documents through forged papers. It should be a wake-up call to all of us. More must be done to prevent this from happening in the future.

This past year, in the Wyoming State Senate, I worked with Representative Pete Illoway to pass legislation making it a crime to use false documents to conceal a person's identity, to conceal a person's citizenship, or to conceal their resident alien status in order to obtain public resources or public services. We specifically identified driver's licenses in the law in Wyoming because of the significance that document plays in allowing individuals to freely move about the country. The bill was passed by the legislature and was signed into law. The value of legally issued driver's licenses cannot be underestimated in

maintaining our national security. In Wyoming, we get it.

I, along with many people in America, cannot understand the arguments supporting the issuance of driver's licenses to illegal immigrants. To me, giving driver's licenses to illegal immigrants will compromise our national security.

We have an immediate situation before us where illegal immigrants in certain parts of the country will be provided government documents that will allow them to freely travel all across our great Nation. It is inconceivable to me that this will make our Nation safer.

The Federal Government has a responsibility to secure our borders and to secure the interior of the United States. Though that effort has come up short over the years, it does not mean we should throw up our hands and do nothing. I believe we must take action—aggressive action—to address this issue.

Today, I am introducing a straightforward legislative proposal. It is S. 2334. It is a straightforward legislative proposal to deal with States that provide driver's licenses to those who are in our Nation illegally. Simply stated, my legislation would require States to verify lawful presence in the United States before granting a driver's license. States that refuse would lose a part of their Federal transportation funds, and those Federal transportation funds would then be redistributed to the States that do follow the law.

I do not know if this is a perfect solution. I do know that issuing driver's licenses to illegal immigrants is wrong. Rewarding illegal immigrants—people who have broken into our country—with a driver's license is a flawed idea. It is an idea that deserves Congress's immediate attention. We cannot allow our country to go down this path. The time for action is today.

By Ms. LANDRIEU:

S. 2335. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide adequate case management services; to the Committee on Homeland Security and Governmental Affairs.

Ms. LANDRIEU. Mr. President, almost a year ago, we passed a Homeland Security Appropriations bill. Included in that very large piece of legislation was a small provision that probably went beneath most people's notice.

Section 426 of that bill allows Federal funding to provide case management services after a disaster. That has been a tragically absent component to our circumstances in Louisiana. Educated people struggle to find their way through the Byzantine morass that is FEMA individual assistance program, the Small Business Administration's loan program, the Road Home program and their own insurance company's requirements. Think of how all of this seems to working people who are encountering Federal bureaucracy for the first time.

So, we need case management badly. Unfortunately, Section 426 fails the people of my State in two important ways. First, and this predates the change in Congressional leadership, it allows for case management services—but only for future disasters. The legislation that I am introducing today makes Section 426 retroactive to 2005 and will now cover Hurricanes Rita and Katrina, as well as succeeding disasters.

Two years after the disaster, we only distributed half of the Road Home grants. It is obvious that we will need case management services for years to come in Louisiana. It is only common sense to direct these resources to the Gulf Coast today, where they are direly needed.

However, an equally important failing of Section 426 comes from its implementation. In New Orleans and throughout the Gulf Coast, the energy for the recovery effort has truly come from America's faith community. You can see their good work in neighborhoods that are returning in my hometown. You can see them with hammers and nails in the Gulf Coast towns of Mississippi, and you can find them helping thousands of victims of Katrina and Rita to navigate the bureaucratic hurdles between them, and rebuilding their lives.

As we have not had the benefit of Government supported case management, nonprofits and the faith-based community have stepped in to fill the obvious void. Unfortunately, the same community that has been such a lifeline to the people of the Gulf Coast has been barred from competing for Federal funding under Section 426.

This is a shocking turnaround for an administration that has put so much emphasis on including the faith-based community in Government programming. I believe that the instinct to incorporate programs that are organic to the community, and are already working, was a good one. It is clear to me that case management services are prime examples of programs that should incorporate the faith-based community.

So, as you can see, circumstances have compelled me to clarify Congressional intent. The bill I am introducing today does two things. First, it makes Section 426 retroactive to 2005, so that it may cover Hurricanes Katrina and Rita. Secondly, it strikes the phrase ''qualified private organizations'' which has been misinterpreted to exclude the faith-based community. That phrase has been replaced with ''nonprofit or faith-based organization with experience in case management services.'' It is unfortunate that we have arrived at the point where a legislative solution is needed. But nevertheless, I believe that this legislation resolves the problem, and will give comfort to the people of the Gulf Coast that Federal monies are being spent wisely, and given to those that have shown themselves capable and willing to help.

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

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

S. 2335

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 ''Case Management Services Improvement Act of 2007''.

SEC. 2. CASE MANAGEMENT SERVICES.

(a) IN GENERAL.—Section 426 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5189d) is amended by striking ''qualified private organizations'' and inserting ''nonprofit or faith-based organizations with experience in case management services''.

(b) APPLICABILITY.—Section 426 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5189d), as amended by this Act, shall apply to any major disaster (as that term is defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) declared on or after January 1, 2005.

UNITED METHODIST
COMMITTEE ON RELIEF,
Washington, DC, October 25, 2007.

Hon. MARY LANDRIEU,
U.S. Senate,
Washington, DC.

DEAR SENATOR LANDRIEU, I am writing on behalf of the United Methodist Committee on Relief (UMCOR), to express my strong support for the Case Management Services Improvement Act of 2007.

UMCOR is the not-for-profit global humanitarian aid organization of the United Methodist Church, working in more than 80 countries worldwide, For domestic disasters, UMCOR maintains a corps of trained disaster response specialists for quick reinforcement of local efforts, and keeps a supply of relief materials in warehouses to be dispatched as required. These practices proved invaluable in the aftermath of Hurricane Katrina when, as one of the founding members of the Katrina Aid Today (KAT) coalition, UMCOR played a vital role in helping nearly 200,000 individuals rebuild their lives. UMCOR also served as the KAT's fiscal agent, overseeing the administration of over $70 million in federal funding and an addition contribution of over $70 million in private dollars to Hurricane Katrina's victims.

The broad language currently contained within the Robert T. Stafford Disaster Relief and Emergency Assistance Act offers federal funding to ''qualified private organizations'' to provide case management services to individuals affected by major disasters. Unfortunately, this language does not recognize the extent to which organizations such as UMCOR have efficiently and effectively provided these services in the past. Through the Case Management Services Improvement Act of 2007, you recognize and highlight the value of the disaster-related case management services provided by mission-driven, faith-based or non-profit organizations, value that can not be duplicated by less-experienced, profit-driven private companies.

Please let me know if the United Methodist Committee on Relief, or the other members of Katrina Aid Today, can be of any

assistance as you proceed in getting this important legislation passed. Again, we appreciate the Introduction of this significant bill.

Sincerely,

F. THOMAS HAZELWOOD,
Assistant General Secretary,
UMCOR Emergency Services U.S.

OCTOBER 25, 2007.

Hon. MARY LANDRIEU
U.S. Senate,
Washington, DC.

DEAR SENATOR LANDRIEU, On behalf of Lutheran Disaster Response, I am writing to express my full support for the Case Management Services Improvement Act of 2007. This legislation is of great importance to all individuals affected by major disasters, as it will allow them to receive case management services from the non-profit and faith-based organizations that have a long and successful history of carrying out these activities,

Lutheran Disaster Response (LDR) is a mission-driven collaborative ministry of the Evangelical Lutheran Church in America and The Lutheran Church-Missouri Synod. We have a long history of effective case management following major disasters, and in partnership with other faith-based, non-profit voluntary organizations such as the United Methodist Committee on Relief, played a vital role in helping nearly 200,000 individuals rebuild their lives in the aftermath of Hurricane Katrina, This collaboration of non-profit voluntary agencies, known as Katrina Aid Today, established a strong partnership with FEMA and effectively administered over $70 million in federal funding to disaster victims. Additionally, we matched this federal funding with another $70 million in private dollars, providing a comprehensive continuum of care that addressed the needs of each survivor,

As you know, the Robert T. Stafford Disaster Relief and Emergency Assistance Act currently offers federal funding to ''qualified private organizations'' to provide case management services to individuals affected by major disasters, This broad language does not recognize the organizations that have provided these services efficiently in the past, such as Lutheran Disaster Response. Through the Case Management Services Improvement Act of 2007, you recognize and highlight the value of disaster-related case management services provided by mission-driven, faith-based or non-profit organizations, rather than leaving these vital responsibilities to less- experienced private companies that answer to shareholders,

Please let me know if Lutheran Disaster Response, or the other members of Katrina Aid Today, can be of any assistance as you proceed in getting this important legislation passed. Again, we appreciate the introduction of this significant bill.

Sincerely,

HEATHER FELTMAN,
Director,
Lutheran Disaster Response.

KATRINA AID TODAY,
Washington, DC, October 25, 2007.

Hon. MARY LANDRIEU,
U.S. Senate,
Washington, DC.

DEAR SENATOR LANDRIEU: I am writing to express my full support for the Case Management Services Improvement Act of 2007 on behalf of United Methodist Committee on Relief's Katrina Aid Today program. This legislation is of great importance to all individuals affected by major disasters, as it will allow them to receive case management services from the non-profit and faith-based organizations that have a long and successful history of carrying out these activities.

Katrina Aid Today (KAT) is a consortium of 10 social service and voluntary organizations, dedicated to helping survivors navigate the system as they recovered from this tragic disruption of their lives. Member organizations include Catholic Charities USA, Lutheran Disaster Response, Episcopal Relief & Development, the United Methodist Committee on Relief, and the Salvation Army, among others. Following Hurricane Katrina, KAT administered over $70 million in federal funding for disaster case management, helping nearly 200,000 individuals rebuild their lives. Additionally, the partner organizations within KAT matched this federal funding with another $70 million in private dollars, providing a comprehensive continuum of care that addressed the needs of each survivor.

Currently, the Robert T. Stafford Disaster Relief and Emergency Assistance Act overlooks the valuable work of the faith-based organizations that have effectively provided these services in the past, by broadly allowing ''qualified private organizations'' to provide case management services to individuals affected by major disasters. In the Case Management Services Improvement Act of 2007, you recognize the value in having disaster-related case management services provided by mission-driven, faith-based or non-profit organizations such as KAT, rather than leaving these vital responsibilities to less-experienced private companies that must answer to shareholders.

Please let us know if any of the members of Katrina Aid Today can be of any assistance as you proceed in passing the Case Management Services Improvement Act of 2007. Thank you for your efforts and time on this matter.

Sincerely,

JIM COX,
UMCOR,
Executive Director.

By Mrs. MURRAY (for herself and Ms. CANTWELL):

S. 2336. A bill to designate the Port Angeles Federal Building in Port Angeles, Washington, as the ''Richard B. Anderson Federal Building''; to the Committee on Environment and Public Works.

Mrs. MURRAY. 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. 2336

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

SECTION 1. RICHARD B. ANDERSON FEDERAL BUILDING.

(a) DESIGNATION.—The Federal building located at 138 West First Street, Port Angeles, Washington, shall be known and designated as the ''Richard B. Anderson Federal Building''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in subsection (a) shall be deemed to be a reference to the ''Richard B. Anderson Federal Building''.

By Mr. GRASSLEY (for himself, Mrs. LINCOLN, Ms. SNOWE, Ms. STABENOW, and Mr. SMITH):

S. 2337. A bill to amend the Internal Revenue Code of 1986 to allow long-term care insurance to be offered under cafeteria plans and flexible spending arrangements and to provide additional consumer protections for long-term care insurance; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, Saturday, November 10, marked the last day of Long-Term Care Awareness Week—this was a week where our Nation recognized that now more than ever, Americans need to pay attention to long-term care issues. My colleagues Senators LINCOLN, SNOWE, STABENOW, SMITH and I couldn't think of a better way to cap off the Week than by introducing the Long-Term Care Affordability and Security Act of 2007.

Our Nation is graying. Research shows that the elderly population will nearly double by 2030. By 2050, the population of those aged 85 and older will have grown by more than 300 percent. Research also shows that the average age at which individuals need long-term care services, such as home health care or a private room at a nursing home, is 75. Currently, the average annual cost for a private room at a nursing home is more than $75,000. This cost is expected to be in excess of $140,000 by 2030.

Based on these facts, we can see that our Nation needs to prepare its citizens for the challenges they may face in old age. One way to prepare for these challenges is by encouraging more Americans to obtain long-term care insurance coverage. To date, only 10 percent of seniors have long-term care insurance policies, and only 7 percent of all private-sector employees are offered long-term care insurance as a voluntary benefit.

Under current law, employees may pay for certain health-related benefits, which may include health insurance premiums, co-pays, and disability or life insurance, on a pre-tax basis under cafeteria plans and flexible spending arrangements, FSAs. Essentially, an employee may elect to reduce his or her annual salary to pay for these benefits, and the employee doesn't pay taxes on the amounts used to pay these costs. Employees, however, are explicitly prohibited from paying for the cost of long-term care insurance coverage tax-free.

Our bill would allow employers, for the first time, to offer qualified long-term care insurance to employees under FSAs and cafeteria plans. This means employees would be permitted to pay for qualified long-term care insurance premiums on a tax-free basis. This would make it easier for employees to purchase long-term care insurance, which many find unaffordable. This should also encourage younger individuals to purchase long-term care insurance. The younger the person is at the time the long-care insurance contract is purchased, the lower the insurance premium.

An aging Nation has no time to waste in preparing for long-term care, and the need to help people afford long-term care is more pressing than ever. I look forward to working with Senators LINCOLN, SNOWE, STABENOW, SMITH and

all of our Senate colleagues toward enacting the Long-Term Care Affordability and Security Act of 2007.

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. 2337

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 ''Long-Term Care Affordability and Security Act of 2007''.

SEC. 2. TREATMENT OF PREMIUMS ON QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.

(a) IN GENERAL.—

(1) CAFETERIA PLANS.—The last sentence of section 125(f) of the Internal Revenue Code of 1986 (defining qualified benefits) is amended by inserting before the period at the end ''; except that such term shall include the payment of premiums for any qualified long-term care insurance contract (as defined in section 7702B) to the extent the amount of such payment does not exceed the eligible long-term care premiums (as defined in section 213(d)(10)) for such contract''.

(2) FLEXIBLE SPENDING ARRANGEMENTS.—Section 106 of such Code (relating to contributions by an employer to accident and health plans) is amended by striking subsection (c) and redesignating subsection (d) as subsection (c).

(b) CONFORMING AMENDMENTS.—

(1) Section 6041 of such Code is amended by adding at the end the following new subsection:

''(h) FLEXIBLE SPENDING ARRANGEMENT DEFINED.—For purposes of this section, a flexible spending arrangement is a benefit program which provides employees with coverage under which—

''(1) specified incurred expenses may be reimbursed (subject to reimbursement maximums and other reasonable conditions), and

''(2) the maximum amount of reimbursement which is reasonably available to a participant for such coverage is less than 500 percent of the value of such coverage.

In the case of an insured plan, the maximum amount reasonably available shall be determined on the basis of the underlying coverage.''.

(2) The following sections of such Code are each amended by striking ''section 106(d)'' and inserting ''section 106(c)'': sections 223(b)(4)(B), 223(d)(4)(C), 223(f)(3)(B), 3231(e)(11), 3306(b)(18), 3401(a)(22), 4973(g)(1), and 4973(g)(2)(B)(i).

(3) Section 6041(f)(1) of such Code is amended by striking ''(as defined in section 106(c)(2))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 3. ADDITIONAL CONSUMER PROTECTIONS FOR LONG-TERM CARE INSURANCE.

(a) ADDITIONAL PROTECTIONS APPLICABLE TO LONG-TERM CARE INSURANCE.—Subparagraphs (A) and (B) of section 7702B(g)(2) of the Internal Revenue Code of 1986 (relating to requirements of model regulation and Act) are amended to read as follows:

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to any contract if such contract meets—

''(i) MODEL REGULATION.—The following requirements of the model regulation:

''(I) Section 6A (relating to guaranteed renewal or noncancellability), other than paragraph (5) thereof, and the requirements of section 6B of the model Act relating to such section 6A.

''(II) Section 6B (relating to prohibitions on limitations and exclusions) other than paragraph (7) thereof.

''(III) Section 6C (relating to extension of benefits).

''(IV) Section 6D (relating to continuation or conversion of coverage).

''(V) Section 6E (relating to discontinuance and replacement of policies).

''(VI) Section 7 (relating to unintentional lapse).

''(VII) Section 8 (relating to disclosure), other than sections 8F, 8G, 8H, and 8I thereof.

''(VIII) Section 11 (relating to prohibitions against post-claims underwriting).

''(IX) Section 12 (relating to minimum standards).

''(X) Section 13 (relating to requirement to offer inflation protection).

''(XI) Section 25 (relating to prohibition against preexisting conditions and probationary periods in replacement policies or certificates).

''(XII) The provisions of section 28 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4) of this subsection.

''(ii) MODEL ACT.—The following requirements of the model Act:

''(I) Section 6C (relating to preexisting conditions).

''(II) Section 6D (relating to prior hospitalization).

''(III) The provisions of section 8 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4) of this subsection.

''(B) DEFINITIONS.—For purposes of this paragraph—

''(i) MODEL REGULATION.—The term 'model regulation' means the long-term care insurance model regulation promulgated by the National Association of Insurance Commissioners (as adopted as of December 2006).

''(ii) MODEL ACT.—The term 'model Act' means the long-term care insurance model Act promulgated by the National Association of Insurance Commissioners (as adopted as of December 2006).

''(iii) COORDINATION.—Any provision of the model regulation or model Act listed under clause (i) or (ii) of subparagraph (A) shall be treated as including any other provision of such regulation or Act necessary to implement the provision.

''(iv) DETERMINATION.—For purposes of this section and section 4980C, the determination of whether any requirement of a model regulation or the model Act has been met shall be made by the Secretary.''.

(b) EXCISE TAX.—Paragraph (1) of section 4980C(c) of the Internal Revenue Code of 1986 (relating to requirements of model provisions) is amended to read as follows:

''(1) REQUIREMENTS OF MODEL PROVISIONS.—

''(A) MODEL REGULATION.—The following requirements of the model regulation must be met:

''(i) Section 9 (relating to required disclosure of rating practices to consumer).

''(ii) Section 14 (relating to application forms and replacement coverage).

''(iii) Section 15 (relating to reporting requirements).

''(iv) Section 22 (relating to filing requirements for marketing).

''(v) Section 23 (relating to standards for marketing), including inaccurate completion of medical histories, other than paragraphs (1), (6), and (9) of section 23C.

''(vi) Section 24 (relating to suitability).

''(vii) Section 27 (relating to the right to reduce coverage and lower premiums).

''(viii) Section 31 (relating to standard format outline of coverage).

''(ix) Section 32 (relating to requirement to deliver shopper's guide).

The requirements referred to in clause (vi) shall not include those portions of the personal worksheet described in Appendix B relating to consumer protection requirements not imposed by section 4980C or 7702B.

''(B) MODEL ACT.—The following requirements of the model Act must be met:

''(i) Section 6F (relating to right to return).

''(ii) Section 6G (relating to outline of coverage).

''(iii) Section 6H (relating to requirements for certificates under group plans).

''(iv) Section 6J (relating to policy summary).

''(v) Section 6K (relating to monthly reports on accelerated death benefits).

''(vi) Section 7 (relating to incontestability period).

''(vii) Section 9 (relating to producer training requirements).

''(C) DEFINITIONS.—For purposes of this paragraph, the terms 'model regulation' and 'model Act' have the meanings given such terms by section 7702B(g)(2)(B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to policies issued more than 1 year after the date of the enactment of this Act.

By Mr. REID (for Mr. DODD):

S. 2338. An original bill to modernize and update the National Housing Act and enable the Federal Housing Administration to more effectively reach underserved borrowers, and for other purposes; from the Committee on Banking, Housing, and Urban Affairs; placed on the calendar.

Mr. DODD. Mr. President, today I come to the floor to report the FHA Modernization Act of 2007. This is vitally important legislation, and I want to take a moment to express my thanks to Senator MARTINEZ for his very close collaboration and support in putting this legislation together. This is an original bill produced by the Senate Banking Committee, and as such, the rules prohibit us from obtaining cosponsors. However, I would like to recognize Senators REED, SCHUMER, BAYH, MENENDEZ, BROWN, KERRY, MURRAY, WHITEHOUSE, MARTINEZ, VOINOVICH, CORNYN, and COLEMAN for their support of this bill and for their offers of cosponsorship.

The mortgage markets—particularly the subprime market—are in the midst of a meltdown. Historically high default and foreclosure rates generated, in significant part, by abusive and predatory lending practices, are threatening millions of American families with the loss of their most significant financial asset—their homes—at a cost of over $160 billion in home equity, according to testimony presented before the Banking Committee.

While these problems are addressed, we need to make sure that credit is available, including for subprime borrowers, on fair terms so that the people of this country have an opportunity to build wealth for the future.

A revitalized, strengthened, and modernized FHA can be and, under this legislation, will be a source of this constructive, wealth-building credit, both

for new homeowners and for people who are seeking a way out of the abusive loans in which they are currently trapped.

In short, by providing low-cost credit, without prepayment penalties, without teaser rates, and without other deceptive terms, FHA is a part of the solution to the predatory lending crisis we are experiencing.

Moreover, FHA has traditionally been an important tool for creating new minority homeowners, and for lower-, moderate-, and middle-income families to become homeowners. By modernizing FHA, we will help millions of families achieve their American Dream. FHA is in a strong position to play this role: an independent audit report indicates that FHA has a record $22 billion in capital, and a capital ratio, 6.82 percent, that is more than three times higher the mandated level of 2 percent.

The bill passed by the Committee, and which is being filed today does a number of important things: it raises FHA loan limits so that the program can reach many more people; it lowers downpayment requirements, while still ensuring that people will have a real stake in their new homes; it expands the reverse mortgage program for elderly homeowners by both raising the loan limit and removing the current cap on the number of these mortgages FHA can insure. I know Senators REED, CRAPO, and ALLARD strongly support this program; it reduces the origination fee that elderly homeowners can be charged for these mortgages by one-quarter, from 2 percent to 1.5 percent making it more affordable for seniors to take out these loans; and, it includes a major overhaul of FHA's manufactured housing program, authored by our colleagues Senators BAYH and ALLARD.

Taken together, these changes will help make FHA a more relevant and effective program. This legislation is supported by the Mortgage Bankers Association, the National Association of Home Builders, the National Association of Realtors, AARP, the Manufactured Housing Association, the Manufactured Housing Institute, and others. I urge my colleagues to support this bill.

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 placed in the RECORD, as follows:

S. 2338

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 ''FHA Modernization Act of 2007''.

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

TITLE I—BUILDING AMERICAN HOMEOWNERSHIP

SEC. 101. SHORT TITLE.

This title may be cited as the ''Building American Homeownership Act of 2007''.

SEC. 102. MAXIMUM PRINCIPAL LOAN OBLIGATION.

Paragraph (2) of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended—

(1) by amending subparagraphs (A) and (B) to read as follows:

''(A) not to exceed the lesser of—

''(i) in the case of a 1-family residence, the median 1-family house price in the area, as determined by the Secretary; and in the case of a 2-, 3-, or 4-family residence, the percentage of such median price that bears the same ratio to such median price as the dollar amount limitation in effect under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) for a 2-, 3-, or 4-family residence, respectively, bears to the dollar amount limitation in effect under such section for a 1-family residence; or

''(ii) the dollar amount limitation determined under such section 305(a)(2) for a residence of the applicable size;

except that the dollar amount limitation in effect for any area under this subparagraph may not be less than the greater of (I) the dollar amount limitation in effect under this section for the area on October 21, 1998, or (II) 65 percent of the dollar limitation determined under such section 305(a)(2) for a residence of the applicable size; and

''(B) not to exceed 100 percent of the appraised value of the property.''; and

(2) in the matter following subparagraph (B), by striking the second sentence (relating to a definition of ''average closing cost'') and all that follows through ''section 3103A(d) of title 38, United States Code.''.

SEC. 103. CASH INVESTMENT REQUIREMENT AND PROHIBITION OF SELLER-FUNDED DOWNPAYMENT ASSISTANCE.

Paragraph 9 of section 203(b) of the National Housing Act (12 U.S.C. 1709(b)(9)) is amended to read as follows:

''(9) CASH INVESTMENT REQUIREMENT.—

''(A) IN GENERAL.—A mortgage insured under this section shall be executed by a mortgagor who shall have paid, in cash, on account of the property an amount equal to not less than 1.5 percent of the appraised value of the property or such larger amount as the Secretary may determine.

''(B) FAMILY MEMBERS.—For purposes of this paragraph, the Secretary shall consider as cash or its equivalent any amounts borrowed from a family member (as such term is defined in section 201), subject only to the requirements that, in any case in which the repayment of such borrowed amounts is secured by a lien against the property, that—

''(i) such lien shall be subordinate to the mortgage; and

''(ii) the sum of the principal obligation of the mortgage and the obligation secured by such lien may not exceed 100 percent of the appraised value of the property.

''(C) PROHIBITED SOURCES.—In no case shall the funds required by subparagraph (A) consist, in whole or in part, of funds provided by any of the following parties before, during, or after closing of the property sale:

''(i) The seller or any other person or entity that financially benefits from the transaction.

''(ii) Any third party or entity that is reimbursed, directly or indirectly, by any of the parties described in clause (i).''.

SEC. 104. MORTGAGE INSURANCE PREMIUMS.

Section 203(c)(2) of the National Housing Act (12 U.S.C. 1709(c)(2)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''or of the General Insurance Fund'' and all that follows through ''section 234(c),,''; and

(2) in subparagraph (A)—

(A) by striking ''2.25 percent'' and inserting ''3 percent''; and

(B) by striking ''2.0 percent'' and inserting ''2.75 percent''.

SEC. 105. REHABILITATION LOANS.

Subsection (k) of section 203 of the National Housing Act (12 U.S.C. 1709(k)) is amended—

(1) in paragraph (1), by striking ''on'' and all that follows through ''1978''; and

(2) in paragraph (5)—

(A) by striking ''General Insurance Fund'' the first place it appears and inserting ''Mutual Mortgage Insurance Fund''; and

(B) in the second sentence, by striking the comma and all that follows through ''General Insurance Fund''.

SEC. 106. DISCRETIONARY ACTION.

The National Housing Act is amended—

(1) in subsection (e) of section 202 (12 U.S.C. 1708(e))—

(A) in paragraph (3)(B), by striking ''section 202(e) of the National Housing Act'' and inserting ''this subsection''; and

(B) by redesignating such subsection as subsection (f);

(2) by striking paragraph (4) of section 203(s) (12 U.S.C. 1709(s)(4)) and inserting the following new paragraph:

''(4) the Secretary of Agriculture;''; and

(3) by transferring subsection (s) of section 203 (as amended by paragraph (2) of this section) to section 202, inserting such subsection after subsection (d) of section 202,

and redesignating such subsection as subsection (e).

SEC. 107. INSURANCE OF CONDOMINIUMS.

(a) IN GENERAL.—Section 234 of the National Housing Act (12 U.S.C. 1715y) is amended—

(1) in subsection (c), in the first sentence—

(A) by striking ''and'' before ''(2)''; and

(B) by inserting before the period at the end the following: '', and (3) the project has a blanket mortgage insured by the Secretary under subsection (d)''; and

(2) in subsection (g), by striking '', except that'' and all that follows and inserting a period.

(b) DEFINITION OF MORTGAGE.—Section 201(a) of the National Housing Act (12 U.S.C. 1707(a)) is amended—

(1) before ''a first mortgage'' insert ''(A)'';

(2) by striking ''or on a leasehold (1)'' and inserting ''(B) a first mortgage on a leasehold on real estate (i)'';

(3) by striking ''or (2)'' and inserting '', or (ii)''; and

(4) by inserting before the semicolon the following: '', or (C) a first mortgage given to secure the unpaid purchase price of a fee interest in, or long-term leasehold interest in, real estate consisting of a one-family unit in a multifamily project, including a project in which the dwelling units are attached, or are manufactured housing units, semi-detached, or detached, and an undivided interest in the common areas and facilities which serve the project''.

(c) DEFINITION OF REAL ESTATE.—Section 201 of the National Housing Act (12 U.S.C. 1707) is amended by adding at the end the following new subsection:

''(g) The term 'real estate' means land and all natural resources and structures permanently affixed to the land, including residential buildings and stationary manufactured housing. The Secretary may not require, for treatment of any land or other property as real estate for purposes of this title, that such land or property be treated as real estate for purposes of State taxation.''.

SEC. 108. MUTUAL MORTGAGE INSURANCE FUND.

(a) IN GENERAL.—Subsection (a) of section 202 of the National Housing Act (12 U.S.C. 1708(a)) is amended to read as follows:

''(a) MUTUAL MORTGAGE INSURANCE FUND.—

''(1) ESTABLISHMENT.—Subject to the provisions of the Federal Credit Reform Act of 1990, there is hereby created a Mutual Mortgage Insurance Fund (in this title referred to as the 'Fund'), which shall be used by the Secretary to carry out the provisions of this title with respect to mortgages insured under section 203. The Secretary may enter into commitments to guarantee, and may guarantee, such insured mortgages.

''(2) LIMIT ON LOAN GUARANTEES.—The authority of the Secretary to enter into commitments to guarantee such insured mortgages shall be effective for any fiscal year only to the extent that the aggregate original principal loan amount under such mortgages, any part of which is guaranteed, does not exceed the amount specified in appropriations Acts for such fiscal year.

''(3) FIDUCIARY RESPONSIBILITY.—The Secretary has a responsibility to ensure that the Mutual Mortgage Insurance Fund remains financially sound.

''(4) ANNUAL INDEPENDENT ACTUARIAL STUDY.—The Secretary shall provide for an independent actuarial study of the Fund to be conducted annually, which shall analyze the financial position of the Fund. The Secretary shall submit a report annually to the Congress describing the results of such study and assessing the financial status of the Fund. The report shall recommend adjustments to underwriting standards, program participation, or premiums, if necessary, to ensure that the Fund remains financially sound.

''(5) QUARTERLY REPORTS.—During each fiscal year, the Secretary shall submit a report to the Congress for each calendar quarter, which shall specify for mortgages that are obligations of the Fund—

''(A) the cumulative volume of loan guarantee commitments that have been made during such fiscal year through the end of the quarter for which the report is submitted;

''(B) the types of loans insured, categorized by risk;

''(C) any significant changes between actual and projected claim and prepayment activity;

''(D) projected versus actual loss rates; and

''(E) updated projections of the annual subsidy rates to ensure that increases in risk to the Fund are identified and mitigated by adjustments to underwriting standards, program participation, or premiums, and the financial soundness of the Fund is maintained.

The first quarterly report under this paragraph shall be submitted on the last day of the first quarter of fiscal year 2008, or on the last day of the first full calendar quarter following the enactment of the Building American Homeownership Act of 2007, whichever is later.

''(6) ADJUSTMENT OF PREMIUMS.—If, pursuant to the independent actuarial study of the Fund required under paragraph (4), the Secretary determines that the Fund is not meeting the operational goals established under paragraph (7) or there is a substantial probability that the Fund will not maintain its established target subsidy rate, the Secretary may either make programmatic adjustments under this title as necessary to reduce the risk to the Fund, or make appropriate premium adjustments.

''(7) OPERATIONAL GOALS.—The operational goals for the Fund are—

''(A) to minimize the default risk to the Fund and to homeowners by among other actions instituting fraud prevention quality control screening not later than 18 months after the date of enactment of the Building American Homeownership Act of 2007; and

''(B) to meet the housing needs of the borrowers that the single family mortgage insurance program under this title is designed to serve.''.

(b) OBLIGATIONS OF FUND.—The National Housing Act is amended as follows:

(1) HOMEOWNERSHIP VOUCHER PROGRAM MORTGAGES.—In section 203(v) (12 U.S.C. 1709(v))—

(A) by striking ''Notwithstanding section 202 of this title, the'' and inserting ''The''; and

(B) by striking ''General Insurance Fund'' the first place such term appears and all that follows through the end of the subsection and inserting ''Mutual Mortgage Insurance Fund.''.

(2) HOME EQUITY CONVERSION MORTGAGES.—Section 255(i)(2)(A) of the National Housing Act (12 U.S.C. 1715z–20(i)(2)(A)) is amended by striking ''General Insurance Fund'' and inserting ''Mutual Mortgage Insurance Fund''.

(c) CONFORMING AMENDMENTS.—The National Housing Act is amended—

(1) in section 205 (12 U.S.C. 1711), by striking subsections (g) and (h); and

(2) in section 519(e) (12 U.S.C. 1735c(e)), by striking ''203(b)'' and all that follows through ''203(i)'' and inserting ''203, except as determined by the Secretary''.

SEC. 109. HAWAIIAN HOME LANDS AND INDIAN RESERVATIONS.

(a) HAWAIIAN HOME LANDS.—Section 247(c) of the National Housing Act (12 U.S.C. 1715z–12(c)) is amended—

(1) by striking ''General Insurance Fund established in section 519'' and inserting ''Mutual Mortgage Insurance Fund''; and

(2) in the second sentence, by striking ''(1) all references'' and all that follows through ''and (2)''.

(b) INDIAN RESERVATIONS.—Section 248(f) of the National Housing Act (12 U.S.C. 1715z–13(f)) is amended—

(1) by striking ''General Insurance Fund'' the first place it appears through ''519'' and inserting ''Mutual Mortgage Insurance Fund''; and

(2) in the second sentence, by striking ''(1) all references'' and all that follows through ''and (2)''.

SEC. 110. CONFORMING AND TECHNICAL AMENDMENTS.

(a) REPEALS.—The following provisions of the National Housing Act are repealed:

(1) Subsection (i) of section 203 (12 U.S.C. 1709(i)).

(2) Subsection (o) of section 203 (12 U.S.C. 1709(o)).

(3) Subsection (p) of section 203 (12 U.S.C. 1709(p)).

(4) Subsection (q) of section 203 (12 U.S.C. 1709(q)).

(5) Section 222 (12 U.S.C. 1715m).

(6) Section 237 (12 U.S.C. 1715z–2).

(7) Section 245 (12 U.S.C. 1715z–10).

(b) DEFINITION OF AREA.—Section 203(u)(2)(A) of the National Housing Act (12 U.S.C. 1709(u)(2)(A)) is amended by striking ''shall'' and all that follows and inserting ''means a metropolitan statistical area as established by the Office of Management and Budget;''.

(c) DEFINITION OF STATE.—Section 201(d) of the National Housing Act (12 U.S.C. 1707(d)) is amended by striking ''the Trust Territory of the Pacific Islands'' and inserting ''the Commonwealth of the Northern Mariana Islands''.

SEC. 111. INSURANCE OF MORTGAGES.

Subsection (n)(2) of section 203 of the National Housing Act (12 U.S.C. 1709(n)(2)) is amended—

(1) in subparagraph (A), by inserting ''or subordinate mortgage or'' before ''lien given''; and

(2) in subparagraph (C), by inserting ''or subordinate mortgage or'' before ''lien''.

SEC. 112. HOME EQUITY CONVERSION MORTGAGES.

(a) IN GENERAL.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended—

(1) in subsection (b)(2), insert '' 'real estate,' '' after '' 'mortgagor','';

(2) in subsection (g)—

(A) by striking the first sentence; and

(B) by striking ''established under section 203(b)(2)'' and all that follows through ''located'' and inserting ''limitation established under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a 1-family residence'';

(3) in subsection (i)(1)(C), by striking ''limitations'' and inserting ''limitation''; and

(4) by adding at the end the following new subsection:

''(o) AUTHORITY TO INSURE HOME PURCHASE MORTGAGE.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary may insure, upon application by a mortgagee, a home equity conversion mortgage upon such terms and conditions as the Secretary may prescribe, when the home equity conversion mortgage will be used to purchase a 1- to 4-family dwelling unit, one unit of which that the mortgagor will occupy as a primary residence, and to provide for any future payments to the mortgagor, based on available equity, as authorized under subsection (d)(9).

''(2) LIMITATION ON PRINCIPAL OBLIGATION.—A home equity conversion mortgage insured pursuant to paragraph (1) shall involve a principal obligation that does not exceed the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a 1-family residence.''.

(b) MORTGAGES FOR COOPERATIVES.—Subsection (b) of section 255 of the National Housing Act (12 U.S.C. 1715z–20(b)) is amended—

(1) in paragraph (4)—

(A) by inserting ''a first or subordinate mortgage or lien'' before ''on all stock'';

(B) by inserting ''unit'' after ''dwelling''; and

(C) by inserting ''a first mortgage or first lien'' before ''on a leasehold''; and

(2) in paragraph (5), by inserting ''a first or subordinate lien on'' before ''all stock''.

(c) LIMITATION ON ORIGINATION FEES.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20), as amended by the preceding provisions of this section, is further amended—

(1) by redesignating subsections (k), (l), and (m) as subsections (l), (m), and (n), respectively; and

(2) by inserting after subsection (j) the following new subsection:

''(k) LIMITATION ON ORIGINATION FEES.—The Secretary shall establish limits on the origination fee that may be charged to a mortgagor under a mortgage insured under this section, which limitations shall—

''(1) equal 1.5 percent of the maximum claim amount of the mortgage unless adjusted thereafter on the basis of—

''(A) the costs to the mortgagor; and

''(B) the impact of such fees on the reverse mortgage market;

''(2) be subject to a minimum allowable amount;

''(3) provide that the origination fee may be fully financed with the mortgage;

''(4) include any fees paid to correspondent mortgagees approved by the Secretary; and

''(5) have the same effective date as subsection (o)(2) regarding the limitation on principal obligation.''.

(d) STUDY REGARDING PROGRAM COSTS AND CREDIT AVAILABILITY.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study regarding the costs and availability of credit under the home equity conversion mortgages for elderly homeowners program under section 255 of the National Housing Act (12 U.S.C. 1715z–20) (in this subsection referred to as the ''program'').

(2) PURPOSE.—The purpose of the study required under paragraph (1) is to help Congress analyze and determine the effects of limiting the amounts of the costs or fees under the program from the amounts charged under the program as of the date of the enactment of this Act.

(3) CONTENT OF REPORT.—The study required under paragraph (1) should focus on—

(A) the cost to mortgagors of participating in the program;

(B) the financial soundness of the program;

(C) the availability of credit under the program; and

(D) the costs to elderly homeowners participating in the program, including—

(i) mortgage insurance premiums charged under the program;

(ii) up-front fees charged under the program; and

(iii) margin rates charged under the program.

(4) TIMING OF REPORT.—Not later than 12 months after the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives setting forth the results and conclusions of the study required under paragraph (1).

SEC. 113. ENERGY EFFICIENT MORTGAGES PROGRAM.

Section 106(a)(2) of the Energy Policy Act of 1992 (42 U.S.C. 12712 note) is amended—

(1) by amending subparagraph (C) to read as follows:

''(C) COSTS OF IMPROVEMENTS.—The cost of cost-effective energy efficiency improvements shall not exceed the greater of—

''(i) 5 percent of the property value (not to exceed 5 percent of the limit established under section 203(b)(2)(A)) of the National Housing Act (12 U.S.C. 1709(b)(2)(A); or

''(ii) 2 percent of the limit established under section 203(b)(2)(B) of such Act.''; and

(2) by adding at the end the following:

''(D) LIMITATION.—In any fiscal year, the aggregate number of mortgages insured pursuant to this section may not exceed 5 percent of the aggregate number of mortgages for 1- to 4-family residences insured by the Secretary of Housing and Urban Development under title II of the National Housing Act (12 U.S.C. 1707 et seq.) during the preceding fiscal year.''.

SEC. 114. PILOT PROGRAM FOR AUTOMATED PROCESS FOR BORROWERS WITHOUT SUFFICIENT CREDIT HISTORY.

(a) ESTABLISHMENT.—Title II of the National Housing Act (12 U.S.C. 1707 et seq.) is amended by adding at the end the following new section:

''SEC. 257. PILOT PROGRAM FOR AUTOMATED PROCESS FOR BORROWERS WITHOUT SUFFICIENT CREDIT HISTORY.

''(a) ESTABLISHMENT.—The Secretary shall carry out a pilot program to establish, and make available to mortgagees, an automated process for providing alternative credit rating information for mortgagors and prospective mortgagors under mortgages on 1- to 4-family residences to be insured under this title who have insufficient credit histories for determining their creditworthiness. Such alternative credit rating information may include rent, utilities, and insurance payment histories, and such other information as the Secretary considers appropriate.

''(b) SCOPE.—The Secretary may carry out the pilot program under this section on a limited basis or scope, and may consider limiting the program to first-time homebuyers.

''(c) LIMITATION.—In any fiscal year, the aggregate number of mortgages insured pursuant to the automated process established under this section may not exceed 5 percent of the aggregate number of mortgages for 1- to 4-family residences insured by the Secretary under this title during the preceding fiscal year.

''(d) SUNSET.—After the expiration of the 5-year period beginning on the date of the enactment of the Building American Homeownership Act of 2007, the Secretary may not enter into any new commitment to insure any mortgage, or newly insure any mortgage, pursuant to the automated process established under this section.''.

(b) GAO REPORT.—Not later than the expiration of the two-year period beginning on the date of the enactment of this title, the Comptroller General of the United States shall submit to the Congress a report identifying the number of additional mortgagors served using the automated process established pursuant to section 257 of the National Housing Act (as added by the amendment made by subsection (a) of this section) and the impact of such process and the insurance of mortgages pursuant to such process on the safety and soundness of the insurance funds under the National Housing Act of which such mortgages are obligations.

SEC. 115. HOMEOWNERSHIP PRESERVATION.

The Secretary of Housing and Urban Development and the Commissioner of the Federal Housing Administration, in consultation with industry, the Neighborhood Reinvestment Corporation, and other entities involved in foreclosure prevention activities, shall—

(1) develop and implement a plan to improve the Federal Housing Administration's loss mitigation process; and

(2) report such plan to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

SEC. 116. USE OF FHA SAVINGS FOR IMPROVEMENTS IN FHA TECHNOLOGIES, PROCEDURES, PROCESSES, PROGRAM PERFORMANCE, STAFFING, AND SALARIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for each of fiscal years 2008 through 2012, $25,000,000, from negative credit subsidy for the mortgage insurance programs under title II of the National Housing Act, to the Secretary of Housing and Urban Development for increasing funding for the purpose of improving technology, processes, program performance, eliminating fraud, and for providing appropriate staffing in connection with the mortgage insurance programs under title II of the National Housing Act.

(b) CERTIFICATION.—The authorization under subsection (a) shall not be effective for a fiscal year unless the Secretary of Housing and Urban Development has, by rulemaking in accordance with section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section), made a determination that—

(1) premiums being, or to be, charged during such fiscal year for mortgage insurance under title II of the National Housing Act are established at the minimum amount sufficient to—

(A) comply with the requirements of section 205(f) of such Act (relating to required capital ratio for the Mutual Mortgage Insurance Fund); and

(B) ensure the safety and soundness of the other mortgage insurance funds under such Act; and

(2) any negative credit subsidy for such fiscal year resulting from such mortgage insurance programs adequately ensures the efficient delivery and availability of such programs.

(c) STUDY AND REPORT.—The Secretary of Housing and Urban Development shall conduct a study to obtain recommendations from participants in the private residential (both single family and multifamily) mortgage lending business and the secondary market for such mortgages on how best to update and upgrade processes and technologies for the mortgage insurance programs under title II of the National Housing Act so that the procedures for originating, insuring, and servicing of such mortgages conform with those customarily used by secondary market purchasers of residential mortgage loans. Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Secretary shall submit a report to the Congress describing the progress made and to be made toward updating and upgrading such processes and technology, and providing appropriate staffing for such mortgage insurance programs.

SEC. 117. POST-PURCHASE HOUSING COUNSELING ELIGIBILITY IMPROVEMENTS.

Section 106(c)(4) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(4)) is amended:

(1) in subparagraph (C)—

(A) in clause (i), by striking ''; or'' and inserting a semicolon;

(B) in clause (ii), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

''(iii) a significant reduction in the income of the household due to divorce or death; or

''(iv) a significant increase in basic expenses of the homeowner or an immediate family member of the homeowner (including the spouse, child, or parent for whom the homeowner provides substantial care or financial assistance) due to—

''(I) an unexpected or significant increase in medical expenses;

''(II) a divorce;

''(III) unexpected and significant damage to the property, the repair of which will not be covered by private or public insurance; or

''(IV) a large property-tax increase; or'';

(2) by striking the matter that follows subparagraph (C); and

(3) by adding at the end the following:

''(D) the Secretary of Housing and Urban Development determines that the annual income of the homeowner is no greater than the annual income established by the Secretary as being of low- or moderate-income.''.

SEC. 118. PRE-PURCHASE HOMEOWNERSHIP COUNSELING DEMONSTRATION.

(a) ESTABLISHMENT OF PROGRAM.—For the period beginning on the date of enactment of this Act and ending on the date that is 3 years after such date of enactment, the Secretary of Housing and Urban Development shall establish and conduct a demonstration program to test the effectiveness of alternative forms of pre-purchase homeownership counseling for eligible homebuyers.

(b) FORMS OF COUNSELING.—The Secretary of Housing and Urban Development shall provide to eligible homebuyers pre-purchase homeownership counseling under this section in the form of —

(1) telephone counseling;

(2) individualized in-person counseling;

(3) web-based counseling;

(4) counseling classes; or

(5) any other form or type of counseling that the Secretary may, in his discretion, determine appropriate.

(c) SIZE OF PROGRAM.—The Secretary shall make available the pre-purchase homeownership counseling described in subsection (b) to not more than 3,000 eligible homebuyers in any given year.

(d) INCENTIVE TO PARTICIPATE.—The Secretary of Housing and Urban Development may provide incentives to eligible homebuyers to participate in the demonstration program established under subsection (a). Such incentives may include the reduction of any insurance premium charges owed by the eligible homebuyer to the Secretary.

(e) ELIGIBLE HOMEBUYER DEFINED.—For purposes of this section an ''eligible homebuyer'' means a first-time homebuyer who has been approved for a home loan with a loan-to-value ratio between 97 percent and 98.5 percent.

(f) REPORT TO CONGRESS.—The Secretary of Housing and Urban Development shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representative—

(1) on an annual basis, on the progress and results of the demonstration program established under subsection (a); and

(2) for the period beginning on the date of enactment of this Act and ending on the date that is 5 years after such date of enactment, on the payment history and delinquency rates of eligible homebuyers who participated in the demonstration program.

SEC. 119. FRAUD PREVENTION.

Section 1014 of title 18, United States Code, is amended in the first sentence—

(1) by inserting ''the Federal Housing Administration'' before ''the Farm Credit Administration''; and

(2) by striking ''commitment, or loan'' and inserting ''commitment, loan, or insurance agreement or application for insurance or a guarantee''.

SEC. 120. LIMITATION ON MORTGAGE INSURANCE PREMIUM INCREASES.

(a) IN GENERAL.—Notwithstanding any other provision of law, including any provision of this Act and any amendment made by this Act—

(1) for the period beginning on the date of the enactment of this Act and ending on October 1, 2009, the premiums charged for mortgage insurance under multifamily housing programs under the National Housing Act may not be increased above the premium amounts in effect under such program on October 1, 2006, unless the Secretary of Housing and Urban Development determines that, absent such increase, insurance of additional mortgages under such program would, under the Federal Credit Reform Act of 1990, require the appropriation of new budget authority to cover the costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a) of such insurance; and

(2) a premium increase pursuant to paragraph (1) may be made only if not less than 30 days prior to such increase taking effect, the Secretary of Housing and Urban Development—

(A) notifies the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives of such increase; and

(B) publishes notice of such increase in the Federal Register.

(b) WAIVER.—The Secretary of Housing and Urban Development may waive the 30-day notice requirement under subsection (a)(2), if the Secretary determines that waiting 30-days before increasing premiums would cause substantial damage to the solvency of multifamily housing programs under the National Housing Act.

SEC. 121. SAVINGS PROVISION.

Any mortgage insured under title II of the National Housing Act before the date of enactment of this title shall continue to be governed by the laws, regulations, orders, and terms and conditions to which it was subject on the day before the date of the enactment of this title.

SEC. 122. IMPLEMENTATION.

The Secretary of Housing and Urban Development shall by notice establish any additional requirements that may be necessary to immediately carry out the provisions of this title. The notice shall take effect upon issuance.

TITLE II—MANUFACTURED HOUSING LOAN MODERNIZATION

SEC. 201. SHORT TITLE.

This title may be cited as the ''FHA Manufactured Housing Loan Modernization Act of 2007''.

SEC. 202. PURPOSES.

The purposes of this title are—

(1) to provide adequate funding for FHA-insured manufactured housing loans for low- and moderate-income homebuyers during all economic cycles in the manufactured housing industry;

(2) to modernize the FHA title I insurance program for manufactured housing loans to enhance participation by Ginnie Mae and the private lending markets; and

(3) to adjust the low loan limits for title I manufactured home loan insurance to reflect the increase in costs since such limits were last increased in 1992 and to index the limits to inflation.

SEC. 203. EXCEPTION TO LIMITATION ON FINANCIAL INSTITUTION PORTFOLIO.

The second sentence of section 2(a) of the National Housing Act (12 U.S.C. 1703(a)) is amended—

(1) by striking ''In no case'' and inserting ''Other than in connection with a manufactured home or a lot on which to place such a home (or both), in no case''; and

(2) by striking '': *Provided*, That with'' and inserting ''. With''.

SEC. 204. INSURANCE BENEFITS.

(a) IN GENERAL.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), is amended by adding at the end the following new paragraph:

''(8) INSURANCE BENEFITS FOR MANUFACTURED HOUSING LOANS.—Any contract of insurance with respect to loans, advances of credit, or purchases in connection with a manufactured home or a lot on which to place a manufactured home (or both) for a financial institution that is executed under this title after the date of the enactment of the FHA Manufactured Housing Loan Modernization Act of 2007 by the Secretary shall be conclusive evidence of the eligibility of such financial institution for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of the bearer from the date of the execution of such contract, except for fraud or misrepresentation on the part of such institution.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall only apply to loans that are registered or endorsed for insurance after the date of the enactment of this Act.

SEC. 205. MAXIMUM LOAN LIMITS.

(a) DOLLAR AMOUNTS.—Paragraph (1) of section 2(b) of the National Housing Act (12 U.S.C. 1703(b)(1)) is amended—

(1) in clause (ii) of subparagraph (A), by striking ''$17,500'' and inserting ''$25,090'';

(2) in subparagraph (C) by striking ''$48,600'' and inserting ''$69,678'';

(3) in subparagraph (D) by striking ''$64,800'' and inserting ''$92,904'';

(4) in subparagraph (E) by striking ''$16,200'' and inserting ''$23,226''; and

(5) by realigning subparagraphs (C), (D), and (E) 2 ems to the left so that the left margins of such subparagraphs are aligned with the margins of subparagraphs (A) and (B).

(b) ANNUAL INDEXING.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

''(9) ANNUAL INDEXING OF MANUFACTURED HOUSING LOANS.—The Secretary shall develop a method of indexing in order to annually adjust the loan limits established in subparagraphs (A)(ii), (C), (D), and (E) of this subsection. Such index shall be based on the manufactured housing price data collected by the United States Census Bureau. The Secretary shall establish such index no later than 1 year after the date of the enactment of the FHA Manufactured Housing Loan Modernization Act of 2007.''

(c) TECHNICAL AND CONFORMING CHANGES.—Paragraph (1) of section 2(b) of the National Housing Act (12 U.S.C. 1703(b)(1)) is amended—

(1) by striking ''No'' and inserting ''Except as provided in the last sentence of this paragraph, no''; and

(2) by adding after and below subparagraph (G) the following:

''The Secretary shall, by regulation, annually increase the dollar amount limitations in subparagraphs (A)(ii), (C), (D), and (E) (as such limitations may have been previously adjusted under this sentence) in accordance with the index established pursuant to paragraph (9).''.

SEC. 206. INSURANCE PREMIUMS.

Subsection (f) of section 2 of the National Housing Act (12 U.S.C. 1703(f)) is amended—

(1) by inserting ''(1) PREMIUM CHARGES.—'' after ''(f)''; and

(2) by adding at the end the following new paragraph:

''(2) MANUFACTURED HOME LOANS.—Notwithstanding paragraph (1), in the case of a loan, advance of credit, or purchase in connection with a manufactured home or a lot on which to place such a home (or both), the premium charge for the insurance granted under this section shall be paid by the borrower under the loan or advance of credit, as follows:

''(A) At the time of the making of the loan, advance of credit, or purchase, a single premium payment in an amount not to exceed 2.25 percent of the amount of the original insured principal obligation.

''(B) In addition to the premium under subparagraph (A), annual premium payments during the term of the loan, advance, or obligation purchased in an amount not exceeding 1.0 percent of the remaining insured principal balance (excluding the portion of the remaining balance attributable to the premium collected under subparagraph (A) and without taking into account delinquent payments or prepayments).

''(C) Premium charges under this paragraph shall be established in amounts that are sufficient, but do not exceed the minimum amounts necessary, to maintain a negative credit subsidy for the program under this section for insurance of loans, advances of credit, or purchases in connection with a manufactured home or a lot on which to place such a home (or both), as determined based upon risk to the Federal Government under existing underwriting requirements.

''(D) The Secretary may increase the limitations on premium payments to percentages above those set forth in subparagraphs (A) and (B), but only if necessary, and not in excess of the minimum increase necessary, to maintain a negative credit subsidy as described in subparagraph (C).''.

SEC. 207. TECHNICAL CORRECTIONS.

(a) DATES.—Subsection (a) of section 2 of the National Housing Act (12 U.S.C. 1703(a)) is amended—

(1) by striking ''on and after July 1, 1939,'' each place such term appears; and

(2) by striking ''made after the effective date of the Housing Act of 1954''.

(b) AUTHORITY OF SECRETARY.—Subsection (c) of section 2 of the National Housing Act (12 U.S.C. 1703(c)) is amended to read as follows:

''(c) HANDLING AND DISPOSAL OF PROPERTY.—

''(1) AUTHORITY OF SECRETARY.—Notwithstanding any other provision of law, the Secretary may—

''(A) deal with, complete, rent, renovate, modernize, insure, or assign or sell at public or private sale, or otherwise dispose of, for cash or credit in the Secretary's discretion, and upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by the Secretary, in connection with the payment of insurance heretofore or hereafter granted under this title, including any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section; and

''(B) pursue to final collection, by way of compromise or otherwise, all claims assigned to or held by the Secretary and all legal or equitable rights accruing to the Secretary in connection with the payment of such insurance, including unpaid insurance premiums owed in connection with insurance made available by this title.

''(2) ADVERTISEMENTS FOR PROPOSALS.—Section 3709 of the Revised Statutes shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of such property if the amount thereof does not exceed $25,000.

''(3) DELEGATION OF AUTHORITY.—The power to convey and to execute in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein heretofore or hereafter acquired by the Secretary pursuant to the provisions of this title may be exercised by an officer appointed by the Secretary without the execution of any express delegation of power or power of attorney. Nothing in this subsection shall be construed to prevent the Secretary from delegating such power by order or by power of attorney, in the Secretary's discretion, to any officer or agent the Secretary may appoint.''.

SEC. 208. REVISION OF UNDERWRITING CRITERIA.

(a) IN GENERAL.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

''(10) FINANCIAL SOUNDNESS OF MANUFACTURED HOUSING PROGRAM.—The Secretary shall establish such underwriting criteria for loans and advances of credit in connection with a manufactured home or a lot on which to place a manufactured home (or both), including such loans and advances represented by obligations purchased by financial institutions, as may be necessary to ensure that the program under this title for insurance for financial institutions against losses from such loans, advances of credit, and purchases is financially sound.''.

(b) TIMING.—Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall revise the existing underwriting criteria for the program referred to in paragraph (10) of section 2(b) of the National Housing Act (as added by subsection (a) of this section) in accordance with the requirements of such paragraph.

SEC. 209. PROHIBITION AGAINST KICKBACKS AND UNEARNED FEES.

Title I of the National Housing Act is amended by adding at the end of section 9 the following new section:

''SEC. 10. PROHIBITION AGAINST KICKBACKS AND UNEARNED FEES.

''(a) IN GENERAL.—Except as provided in subsection (b), the provisions of sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) shall apply to each sale of a manufactured home financed with an FHA-insured loan or extension of credit, as well as to services rendered in connection with such transactions.

''(b) AUTHORITY OF THE SECRETARY.—The Secretary is authorized to determine the manner and extent to which the provisions of sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) may reasonably be applied to the transactions described in subsection (a), and to grant such exemptions as may be necessary to achieve the purposes of this section.

''(c) DEFINITIONS.—For purposes of this section—

''(1) the term 'federally related mortgage loan' as used in sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) shall include an FHA-insured loan or extension of credit made to a borrower for the purpose of purchasing a manufactured home that the borrower intends to occupy as a personal residence; and

''(2) the term 'real estate settlement service' as used in sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) shall include any service rendered in connection with a loan or extension of credit insured by the Federal Housing Administration for the purchase of a manufactured home.

''(d) UNFAIR AND DECEPTIVE PRACTICES.—In connection with the purchase of a manufactured home financed with a loan or extension of credit insured by the Federal Housing Administration under this title, the Secretary shall prohibit acts or practices in connection with loans or extensions of credit that the Secretary finds to be unfair, deceptive, or otherwise not in the interests of the borrower.''.

SEC. 210. LEASEHOLD REQUIREMENTS.

Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

''(11) LEASEHOLD REQUIREMENTS.—No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it, made for the purposes of financing a manufactured home which is intended to be situated in a manufactured home community pursuant to a lease, unless such lease—

''(A) expires not less than 3 years after the origination date of the obligation;

''(B) is renewable upon the expiration of the original 3 year term by successive 1 year terms; and

''(C) requires the lessor to provide the lessee written notice of termination of the lease not less than 180 days prior to the expiration of the current lease term in the event the lessee is required to move due to the closing of the manufactured home community, and further provides that failure to provide such notice to the mortgagor in a timely manner will cause the lease term, at its expiration, to automatically renew for an additional 1 year term.''.

By Mr. MCCONNELL (for himself and Mr. STEVENS):

S. 2340. A bill making emergency supplemental appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes; read the first time.

Mr. MCCONNELL. 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 placed in the RECORD, as follows:

S. 2340

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2008.

TITLE I

MILIARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for ''Military Personnel, Army'', $6,158,778,000.

MILITARY PERSONNEL, NAVY

For an additional amount for ''Military Personnel, Navy'', $395,839,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for ''Military Personnel, Marine Corps'', $895,011,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for ''Military Personnel, Air Force'', $707,945,000.

REVERSE PERSONNEL, ARMY

For an additional amount for ''Reserve Personnel, Army'', $115,150,000.

RESERVE PERSONNEL, NAVY

For an additional amount for ''Reserve Personnel, Navy'', $35,000,000.

RESERVE PERSONNEL, MARINE CORPS

For an additional amount for ''Reserve Personnel, Marine Corps'', $7,710,000.

RESERVE PERSONNEL, AIR FORCE

For an additional amount for ''Reserve Personnel, Air Force'', $1,500,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for ''National Guard Personnel, Army'', $334,000,000.

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for ''Operation and Maintenance, Army'', $27,853,000,000.

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFERS OF FUNDS)

For an additional amount for ''Operation and Maintenance, Navy'', $2,664,000,000: *Provided*, That up to $98,000,000 shall be transferred to the Coast Guard ''Operating Expenses'' account.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for ''Operation and Maintenance, Marine Corps'', $2,649,807,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for ''Operation and Maintenance, Air Force'', $4,778,000,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for ''Operation and Maintenance, Defense-Wide'', $1,836,318,000, of which up to $300,000,000, to remain available until expended, may be used for payments to reimburse Pakistan, Jordan, and other key cooperating nations, for logistical, military, and other support provided, or to be provided, to United States military operations, notwithstanding any other provision of law: *Provided*, That such payments may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State, and in consultation with the Director of the Office of Management and Budget, may determine, in his discretion, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting officers of the United States, and 15 days following notification to the appropriate congressional committees: *Provided further*, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees on the use of funds provided in this paragraph.

OPERATION AND MAINTENANCE, ARMY RESERVE

For an additional amount for ''Operation and Maintenance, Army Reserve'', $77,736,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for ''Operation and Maintenance, Navy Reserve'', $41,657,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For an additional amount for ''Operation and Maintenance, Marine Corps Reserve'', $46,153,000.

OPERATIONS AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for ''Operation and Maintenance, Air Force Reserve'', $12,133,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For an additional amount for ''Operation and Maintenance, Army National Guard'', $327,000,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for ''Operation and Maintenance, Air National Guard'', $51,634,000.

IRAQ FREEDOM FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Iraq Freedom Fund'', $3,747,327,000, to remain available for transfer until September 30, 2009, only to support operations in Iraq or Afghanistan: *Provided*, That the Secretary of Defense may transfer the funds provided herein to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster, and Civic Aid; procurement; research, development, test and evaluation; and working capital funds: *Provided further*, That funds transferred shall be merged with and be available for the same purposes and for the same time period as the appropriation or fund to which transferred: *Provided further*, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the Secretary of Defense shall, not fewer than 5 days prior to making transfers from this appropriation, notify the congressional defense committees in writing of the details of any such transfer: *Provided further*, That the Secretary shall submit a report no later than 30 days after the end of each fiscal quarter to the congressional defense committees summarizing the details of the transfer of funds from this appropriation.

AFGHANISTAN SECURITY FORCES FUND

(INCLUDING TRANSFER OF FUNDS)

For the ''Afghanistan Security Forces Fund'', $1,350,000,000, to remain available until September 30, 2009: *Provided*, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Commander, Office of Security Cooperation–Afghanistan, or the Secretary's designee, to provide assistance, with the concurrence of the Secretary of State, to the security forces of Afghanistan, including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and funding: *Provided further*, That the authority to provide assistance under this heading is in addition to any other authority to provide assistance to foreign nations: *Provided further*, That the Secretary of Defense may transfer such funds to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster, and Civic Aid; procurement; research, development, test and evaluation; and defense working capital funds to accomplish the purposes provided herein: *Provided further*, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon a determination that all or part of the funds so transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That contributions of funds for the purposes provided herein from any person, foreign government, or international organization may be credited to this Fund, and used for such purposes: *Provided further*, That the Secretary shall notify the congressional defense committees in writing upon the receipt and upon the transfer of any contribution delineating the sources and amounts of the funds received and the specific use of such contributions: *Provided further*, That the Secretary of Defense shall, not fewer than five days prior to making transfers from this appropriation account, notify the congressional defense committees in writing of the details of any such transfer: *Provided further*, That the Secretary shall submit a report no later than 30 days after the end of each fiscal quarter to the congressional defense committees summarizing the details of the transfer of funds from this appropriation.

IRAQ SECURITY FORCES FUND

(INCLUDING TRANSFER OF FUNDS)

For the ''Iraq Security Forces Fund'', $1,500,000,000, to remain available until September 30, 2009: *Provided*, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Commander, Multi-National Security Transition Command–Iraq, or the Secretary's designee, to provide assistance, with the concurrence of the Secretary of State, to the security forces of Iraq, including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and funding: *Provided further*, That the authority to provide assistance under this heading is in addition to any other authority to provide assistance to foreign nations: *Provided further*, That the Secretary of Defense may transfer such funds to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster, and Civic Aid; procurement; research, development, test and evaluation; and defense working capital funds to accomplish the purposes provided herein: *Provided further*, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon a determination that all or part of the funds so transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That contributions of funds for the purposes provided herein from any person, foreign government, or international organization may be credited to this Fund, and used for such purposes: *Provided further*, That the Secretary shall notify the congressional defense committees in writing upon the receipt and upon the transfer of any contribution delineating the sources and amounts of the funds received and the specific use of such contributions: *Provided further*, That the Secretary of Defense shall, not fewer than five days prior to making transfers from this appropriation account, notify the congressional defense committees in writing of the details of any such transfer: *Provided further*, That the Secretary shall submit a report no later than 30 days after the end of each fiscal quarter to the congressional defense committees summarizing the details of the transfer of funds from this appropriation.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

(INCLUDING TRANSFER OF FUNDS)

For the ''Joint Improvised Explosive Device Defeat Fund'', $2,264,500,000, to remain available until September 30, 2010: *Provided*, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Director of the Joint Improvised

Explosive Device Defeat Organization to investigate, develop and provide equipment, supplies, services, training, facilities, personnel and funds to assist United States forces in the defeat of improvised explosive devices: *Provided further*, That within 60 days of the enactment of this Act, a plan for the intended management and use of the Fund is provided to the congressional defense committees: *Provided further*, That the Secretary of Defense shall submit a report not later than 30 days after the end of each fiscal quarter to the congressional defense committees providing assessments of the evolving threats, individual service requirements to counter the threats, the current strategy for predeployment training of members of the Armed Forces on improvised explosive devices, and details on the execution of this Fund: *Provided further*, That the Secretary of Defense may transfer funds provided herein to appropriations for military personnel; operation and maintenance; procurement; research, development, test and evaluation; and defense working capital funds to accomplish the purpose provided herein: *Provided further*, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon determination that all or part of the funds so transferred from this appropriation are not necessary for the purpose provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the Secretary of Defense shall, not fewer than 5 days prior to making transfers from this appropriation, notify the congressional defense committees in writing of the details of any such transfer.

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For an additional amount for ''Aircraft Procurement, Army'', $1,300,503,000, to remain available for obligation until September 30, 2010.

MISSILE PROCUREMENT, ARMY

For an additional amount for ''Missile Procurement, Army'', $133,621,000, to remain available for obligation until September 30, 2010.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For an additional amount for ''Procurement of Weapons and Tracked Combat Vehicles, Army'', $4,512,566,000, to remain available for obligation until September 30, 2010.

PROCUREMENT OF AMMUNITION, ARMY

For an additional amount for ''Procurement of Ammunition, Army'', $154,000,000, to remain available for obligation until September 30, 2010.

OTHER PROCUREMENT, ARMY

For an additional amount for ''Other Procurement, Army'', $2,300,942,000, to remain available for obligation until September 30, 2010.

AIRCRAFT PROCUREMENT, NAVY

For an additional amount for ''Aircraft Procurement, Navy'', $45,900,000, to remain available for obligation until September 30, 2010.

WEAPONS PROCUREMENT, NAVY

For an additional amount for ''Weapons Procurement, Navy'', $159,141,000, to remain available for obligation until September 30, 2010.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For an additional amount for ''Procurement of Ammunition, Navy and Marine Corps'', $304,945,000, to remain available for obligation until September 30, 2010.

OTHER PROCUREMENT, NAVY

For an additional amount for ''Other Procurement, Navy'', $140,061,000, to remain available for obligation until September 30, 2010.

PROCUREMENT, MARINE CORPS

For an additional amount for ''Procurement, Marine Corps'', $733,550,000, to remain available for obligation until September 30, 2010.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for ''Aircraft Procurement, Air Force'', $133,500,000, to remain available for obligation until September 30, 2010.

PROCUREMENT OF AMMUNITION, AIR FORCE

For an additional amount for ''Procurement of Ammunition, Air Force'', $52,203,000, to remain available for obligation until September 30, 2010.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for ''Other Procurement, Air Force'', $199,617,000, to remain available for obligation until September 30, 2010.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for ''Procurement, Defense-Wide'', $274,743,000, to remain available for obligation until September 30, 2010.

TITLE IV

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For an additional amount of ''Defense Working Capital Funds'', $1,000,000,000, to remain available for obligation until September 30, 2010.

TITLE V

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for ''Defense Health Program'', $575,701,000 for Operation and maintenance.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

For an additional amount for ''Drug Interdiction and Counter-Drug Activities, Defense'', $128,809,000.

TITLE VI

GENERAL PROVISIONS

SEC. 601. Appropriations provided in this Act are available for obligation until September 30, 2008, unless otherwise so provided in this Act.

SEC. 602. Notwithstanding any other provision of law or of this Act, funds made available in this Act are in addition to amounts appropriated or otherwise made available for the Department of Defense for fiscal year 2008.

(TRANSFER OF FUNDS)

SEC. 603. Upon the determination of the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer between appropriations up to $3,000,000,000 of the funds made available to the Department of Defense in this Act: *Provided*, That the Secretary shall notify the Congress promptly of each transfer made pursuant to the authority in this section: *Provided further*, That the authority provided in this section is in addition to any other transfer authority available to the Department of Defense.

SEC. 604. Funds appropriated in this Act, or made available by the transfer of funds in or pursuant to this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

SEC. 605. None of the funds provided in this Act may be used to finance programs or activities denied by Congress in fiscal years 2007 or 2008 appropriations to the Department of Defense or to initiate a procurement or research, development, test and evaluation new start program without prior written notification to the congressional defense committees.

SEC. 606. (a) AVAILABILITY OF FUNDS FOR CERP.—From funds made available in this Act to the Department of Defense, not to exceed $500,000,000 may be used, notwithstanding any other provision of law, to fund the Commander's Emergency Response Program, for the purpose of enabling military commanders in Iraq to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the Iraqi people, and to fund a similar program to assist the people of Afghanistan.

(b) QUARTERLY REPORTS.—Not later than 15 days after the end of each fiscal year quarter (beginning with the first quarter of fiscal year 2008), the Secretary of Defense shall submit to the congressional defense committees a report regarding the source of funds and the allocation and use of funds during that quarter that were made available pursuant to the authority provided in this section or under any other provision of law for the purposes of the programs under subsection (a).

SEC. 607. During the current fiscal year, funds available to the Department of Defense for operation and maintenance may be used, notwithstanding any other provision of law, to provide supplies, services, transportation, including airlift and sealift, and other logistical support to coalition forces supporting military and stability operations in Iraq and Afghanistan: *Provided*, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees regarding support provided under this section.

SEC. 608. During fiscal year 2008, supervision and administration costs associated with projects carried out with funds appropriated to ''Afghanistan Security Forces Fund'' or ''Iraq Security Forces Fund'' in this Act may be obligated at the time a construction contract is awarded: *Provided*, That for the purpose of this section, supervision and administration costs include all in-house Government costs.

SEC. 609. (a) REPORTS ON PROGRESS TOWARD STABILITY IN IRAQ.—Not later than 60 days after the date of the enactment of this Act and every 90 days thereafter through the end of fiscal year 2008, the Secretary of Defense shall set forth in a report to Congress a comprehensive set of performance indicators and measures for progress toward military and political stability in Iraq.

(b) SCOPE OF REPORTS.—Each report shall include performance standards and goals for security, economic, and security force training objectives in Iraq together with a notional timetable for achieving these goals.

(c) SPECIFIC ELEMENTS.—In specific, each report shall require, at a minimum, the following:

(1) With respect to stability and security in Iraq, the following:

(A) Key measures of political stability, including the important political milestones that must be achieved over the next several years.

(B) The primary indicators of a stable security environment in Iraq, such as number of engagements per day, numbers of trained Iraqi forces, and trends relating to numbers and types of ethnic and religious-based hostile encounters.

(C) An assessment of the estimated strength of the insurgency in Iraq and the

extent to which it is composed of non-Iraqi fighters.

(D) A description of all militias operating in Iraq, including the number, size, equipment strength, military effectiveness, sources of support, legal status, and efforts to disarm or reintegrate each militia.

(E) Key indicators of economic activity that should be considered the most important for determining the prospects of stability in Iraq, including—

(i) unemployment levels;

(ii) electricity, water, and oil production rates; and

(iii) hunger and poverty levels.

(F) The criteria the Administration will use to determine when it is safe to begin withdrawing United States forces from Iraq.

(2) With respect to the training and performance of security forces in Iraq, the following:

(A) The training provided Iraqi military and other Ministry of Defense forces and the equipment used by such forces.

(B) Key criteria for assessing the capabilities and readiness of the Iraqi military and other Ministry of Defense forces, goals for achieving certain capability and readiness levels (as well as for recruiting, training, and equipping these forces), and the milestones and notional timetable for achieving these goals.

(C) The operational readiness status of the Iraqi military forces, including the type, number, size, and organizational structure of Iraqi battalions that are—

(i) capable of conducting counter-insurgency operations independently;

(ii) capable of conducting counter-insurgency operations with the support of United States or coalition forces; or

(iii) not ready to conduct counter-insurgency operations.

(D) The rates of absenteeism in the Iraqi military forces and the extent to which insurgents have infiltrated such forces.

(E) The training provided Iraqi police and other Ministry of Interior forces and the equipment used by such forces.

(F) Key criteria for assessing the capabilities and readiness of the Iraqi police and other Ministry of Interior forces, goals for achieving certain capability and readiness levels (as well as for recruiting, training, and equipping), and the milestones and notional timetable for achieving these goals, including—

(i) the number of police recruits that have received classroom training and the duration of such instruction;

(ii) the number of veteran police officers who have received classroom instruction and the duration of such instruction;

(iii) the number of police candidates screened by the Iraqi Police Screening Service, the number of candidates derived from other entry procedures, and the success rates of those groups of candidates;

(iv) the number of Iraqi police forces who have received field training by international police trainers and the duration of such instruction; and

(v) attrition rates and measures of absenteeism and infiltration by insurgents.

(G) The estimated total number of Iraqi battalions needed for the Iraqi security forces to perform duties now being undertaken by coalition forces, including defending the borders of Iraq and providing adequate levels of law and order throughout Iraq.

(H) The effectiveness of the Iraqi military and police officer cadres and the chain of command.

(I) The number of United States and coalition advisors needed to support the Iraqi security forces and associated ministries.

(J) An assessment, in a classified annex if necessary, of United States military requirements, including planned force rotations, through the end of calendar year 2008.

SEC. 610. Each amount appropriated or otherwise made available in this Act is designated as an emergency requirement and necessary to meet emergency needs pursuant to subsections (a) and (b) of section 204 of S. Con. Res. 21 (110th Congress), the concurrent resolution on the budget for fiscal year 2008.

SEC. 611. None of the funds appropriated or otherwise made available by this Act may be obligated or expended to provide award fees to any defense contractor for performance that does not meet the requirements of the contract.

SEC. 612. No funds appropriated or otherwise made available by this Act may be used by the Government of the United States to enter into an agreement with the Government of Iraq that would subject members of the Armed Forces of the United States to the jurisdiction of Iraq criminal courts or punishment under Iraq law.

SEC. 613. Notwithstanding any other provision of law, the Secretary of the Army may reimburse a member for expenses incurred by the member or family member when such expenses are otherwise not reimbursable under law: *Provided,* That such expenses must have been incurred in good faith as a direct consequence of reasonable preparation for, or execution of, military orders: *Provided further,* That reimbursement under this section shall be allowed only in situations wherein other authorities are insufficient to remedy a hardship determined by the Secretary, and only when the Secretary determines that reimbursement of the expense is in the best interest of the member and the United States.

SEC. 614. In this Act, the term ''congressional defense committees'' means—

(1) the Committees on Armed Services and Appropriations of the Senate; and

(2) the Committees on Armed Services and Appropriations of the House of Representatives.

SEC. 615. This Act may be cited as the ''Emergency Supplemental Appropriations Act for Defense, 2008''.

By Mr. REID (for Mrs. CLINTON (for herself, Mr. ROCKEFELLER, and Ms. LANDRIEU)):

S. 2341. A bill to provide Individual Development Accounts to support foster youths who are transitioning from the foster care system; to the Committee on Health, Education, Labor, and Pensions.

Mrs. CLINTON. Mr. President, youth aging out of foster care constitute one of our Nation's most vulnerable populations. Not only do these young people carry wih them histories of child abuse and neglect, but they are also often unsupported in their transition from foster care to independent living. Today, I am pleased to introduce the Focusing Investments and Resources for a Safe Transition Act or FIRST Act, a piece of legislation that will offer much needed financial assistance to young adults as they exit the child welfare system.

Research shows that youth aging out of foster care fare worse than their counterparts in the general population on a variety of social, educational, and health indicators. These youth report significantly lower levels of education and are more likely to be unemployed or homeless. Research also shows that, as they prepare to exit foster care, these young adults do not receive the independent living services necessary to support them through their transition. When it comes to guidance on educational opportunities and employment, money management and housing, resources for foster youth are simply inadequate.

These young people need our help, and they need it now. According to the most recent Federal data, over 20,000 youth age out of the foster care system each year. We must intervene in order to prevent them from experiencing the unfavorable outcomes described in the research. The FIRST Act meets this task head on by addressing the financial status of youth exiting foster care. Specifically, the legislation supports states in setting up Individual Development Accounts, or IDAs, for those preparing to age out of the child welfare system. The accounts will contain a Federal deposit on behalf of foster youth matched by public and private community partners.

Upon transitioning from foster care, and after completing money management training, the legislation permits youths to withdraw their savings to pay for necessities such as educational opportunities, vocational training, and housing—elements critical to achieving self-sufficiency. In short, with these funds, youth aging out of the child welfare system will have a financial base on which they can build self-sustaining, goal-oriented, independent lives.

A similar program is currently being piloted in my State of New York. This summer, Mayor Mike Bloomberg announced that 450 New York City foster youths will be provided IDAs through a program called Youth Financial Empowerment. Similarly, the Jim Casey Youth Opportunities Passport program has experienced success in offering IDAs to foster youth in several cities.

For years I have been encouraging Congress to take action regarding the needs of foster youth. In 2002 I introduced the Opportunity Passport Act, which, among other provisions, called for the establishment of IDAs for those aging out of the child welfare system. Since that time we have failed to make progress on this issue while youth continue to exit foster care without the resources they need. It is under these circumstances that I come forward again today to present the needs of this vulnerable group of young people. It is my hope that you will join me in putting foster youth FIRST and support this important legislation.

By Mr. REED:

S. 2343. A bill to amend the Real Estate Settlement Procedures Act to require mortgage originators to make their fees more transparent; to the Committee on Banking, Housing, and Urban Affairs.

Mr. REED. Mr. President, today I introduce the Real Estate Transparency Act of 2007. This bill would amend the

Real Estate Settlement Practices Act of 1974 to improve the early loan disclosures given to those applying for a mortgage, ensure binding and transparent payment agreements between mortgage originators and borrowers, and require that a borrower be given a copy of their final settlement statement at least one business day before settlement so that it can be thoroughly examined before closing.

As we are all too aware, current Good Faith Estimates do not provide enough useful information to help borrowers truly make informed lending decisions. We have heard too many stories of borrowers not understanding the terms of their loan or not being told about unexpectedly high settlement fees until they are at the closing table. This lack of early and appropriate disclosures regarding the terms of a mortgage loan and the costs of closing on that loan hinders a family's ability to shop for the best loan product for the purchase of a home, and also has allowed families to be taken advantage of by unscrupulous brokers and lenders.

First and foremost, the Real Estate Transparency Act would replace the current Good Faith Estimate with an early written settlement statement of all of the costs to be charged to that person at or before settlement of the loan. It would require that this early settlement statement be in the same form as the final settlement statement, currently known as the HUD 1. The borrower would not be liable for any fees which are not disclosed on this early settlement statement, except for third party fees within 10 percent of the cost listed on the early settlement statement, or fees for bona fide and reasonable expenses not anticipated by the mortgage originator for an inspection, appraisal, survey, or flood certification. This early written settlement statement should allow consumers to compare the costs associated with different loan products from different mortgage originators and shop around for the best product for them early in the process.

Second, this legislation would require for the first time that the HUD 1 or final settlement statement be provided to the borrower at least one business day before settlement. If this final settlement statement is not provided to the borrower, then lenders will be subject to statutory damages.

Third, this bill would require mortgage originators to provide borrowers with a written agreement itemizing all of the fees they may charge the borrower, including any origination fees, underwriting fees, broker fees, or other fees to be charged at or before settlement of such loan to be paid to the lender, the broker, or affiliates of the lender or broker. In addition, this written agreement would have to set out and explain three possible methods of payment for such fees: payment in cash before or at settlement; adding such fees into the loan amount to be borrowed; and increasing the interest rate of the loan. The borrower also could choose to both pay in cash and incorporate some of the fees into the loan amount. This written agreement regarding mortgage origination fees would have to be provided to the borrower within three days of application and be signed before the borrower is obligated to pay any of these fees. Not only should this provide greater transparency regarding what fees are going to be charged by the mortgage originator, consumers also can decide not to sign on the dotted line if they do not like the costs associated with the loan.

Finally, the bill subjects mortgage originators to statutory damages for violations of these disclosure provisions equal to the sum of the borrower's actual damages plus $5,000 for each instance such instance of noncompliance.

Congress needs to take many steps to address the subprime mortgage crisis and to reinstate confidence among our nation's homeowners and those we hope will become homeowners. I believe that giving consumers the information they need regarding their loan costs is a vital part of improving this complicated and often overwhelming process. Borrowers need to better understand the financial ramifications of choosing a certain loan product from a certain mortgage originator early in this process, and before they actually consummate the loan. I hope my colleagues will join with me in supporting this legislation that I believe will greatly improve mortgage loan disclosures.

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. 2343

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 ''Real Estate Transparency Act of 2007''.

SEC. 2. GREATER TRANSPARENCY OF SETTLEMENT FEES.

(a) IN GENERAL.—Section 4 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2603) is amended—

(1) in subsection (a), in the first sentence, by striking ''The Secretary,'' and inserting ''PROVISION OF SETTLEMENT STATEMENT.—The Secretary,'';

(2) in subsection (b)—

(A) in the first sentence—

(i) by striking ''The form'' and inserting ''ADVANCE INSPECTION OF SETTLEMENT STATEMENT.—The form''; and

(ii) by striking '', except'' and all that follows through ''available at such time''; and

(B) in the second sentence—

(i) by striking ''Upon the request of the borrower to inspect the form prescribed under this section during the'' and inserting ''At least 1'';

(ii) by striking ''shall permit the'' and inserting ''shall provide a completed, written copy of the settlement statement to the''; and

(iii) by striking ''to inspect those'' and all that follows through ''preceding day''; and

(3) by adding at the end the following:

''(c) AGREEMENT FOR ORIGINATOR FEES.—

''(1) NOTICE OF FEES.—Not later than 3 days after a person applies for a federally related mortgage loan, the mortgage originator of such loan shall provide to that person a written agreement itemizing all of the fees that person may be charged by the mortgage originator, including any origination fees, underwriting fees, broker fees, and any other fees to be charged at or before the settlement of such loan to be paid to the mortgage originator. Bona fide discount points payable by such person to reduce the interest rate of such loan need not be included on any originator fees agreement under this paragraph.

''(2) METHOD OF PAYMENT.—

''(A) IN GENERAL.—Each originator fee agreement under paragraph (1) shall set out the following 3 methods for the payment of the fees described in any such agreement:

''(i) Payment in cash before or at settlement.

''(ii) Adding such fees into the total loan amount to be borrowed.

''(iii) Increasing the interest rate of the loan.

''(B) BORROWER'S CHOICE OF PAYMENT METHOD.—Each applicant for a federally related mortgage loan, in determining how to pay any of the fees described in an originator fees agreement under paragraph (1), shall choose one of the payment methods described under subparagraph (A), except that the applicant may choose to combine the payment methods described under clauses (i) and (ii) of subparagraph (A).

''(C) REQUIRED EXPLANATION.—

''(i) WRITTEN.—Each originator fee agreement under paragraph (1) shall include a written explanation of each of the payment options listed in subparagraph (A), along with a clear and concise illustration of the effect of each option on the amount borrowed, the interest rate, the payments required on the loan, and any other loan terms which might be affected by such option.

''(ii) ORAL.—Each mortgage originator of a federally related mortgage loan shall explain to each applicant for such a loan each of the payment options listed in subparagraph (A) before accepting any payment from that person.

''(D) REQUIRED SIGNATURE.—Before any applicant for a federally related mortgage loan is obligated to pay any of the fees described in the originator fees agreement under paragraph (1), the person shall have—

''(i) agreed to and signed the originator fees agreement described under paragraph (1); and

''(ii) exercised the option for determining the method of payment for such fees.

''(d) EARLY SETTLEMENT STATEMENT.—

''(1) IN GENERAL.—Not later than 3 days after a person applies for a federally related mortgage loan, the mortgage originator of such loan shall provide to that person a written early settlement statement of all of the settlement costs to be charged to that person at or before settlement. The early settlement statement shall be in the same or a similar form as the statement of settlement costs provided to the person pursuant to subsection (a).

''(2) REQUIRED INCLUSIONS.—Each early settlement statement under this subsection shall include an itemization of the following:

''(A) All fees agreed to by the applicant of a federally related mortgage loan pursuant to the originator fees agreement described under subsection (c)(1).

''(B) All fees to be charged to that applicant by independent third parties, including government agencies at or before settlement of the loan, plus all escrows reserves which may be required of that person.

''(e) BORROWER LIABILITY FOR FEES.—No borrower shall be liable for any fees which are not disclosed on an early settlement statement, except that the borrower is liable for such fees if—

''(1) the total amount charged for fees imposed by independent third parties is—

''(A) not more than 10 percent greater than that stated in the early settlement statement; or

''(B) greater than that allowed under subparagraph (A) because bona fide and reasonable expenses were incurred by such third parties for unanticipated inspection, appraisal, survey, or flood certification of the home which was the subject of such loan;

''(2) the mortgage originator provides a reasonable explanation of the circumstances surrounding the settlement of the loan of the borrower which were different than anticipated by the mortgage originator when the statement was provided; and

''(3) the mortgage originator does not engage in a pattern or practice of providing early settlement statements which disclose individual fees of independent third parties in different amounts than actually charged at settlement.

''(f) LIABILITY FOR FAILURE TO COMPLY.—

''(1) IN GENERAL.—Whoever fails to comply with any provision of this section shall be liable to the borrower for an amount equal to the sum of—

''(A) any actual damages to the borrower as a result of the failure; and

''(B) $5,000 for each such instance of noncompliance.

''(2) COURT COSTS.—In addition to any amount under paragraph (1), in the case of any successful action brought by a borrower under this subsection, such borrower shall be reimbursed for the costs of the action, together with any attorneys fees incurred in connection with such action as the court may determine to be reasonable under the circumstances.

''(g) DEFINITION.—As used in this section, the term 'mortgage originator'—

''(1) means any person who, for direct or indirect compensation or gain, or in the expectation of direct or indirect compensation or gain—

''(A) takes a residential mortgage loan application; or

''(B) assists a consumer in obtaining or applying to obtain a residential mortgage loan; and

''(2) includes any person who makes loans directly or brokers loans for others.''.

(b) CONFORMING AMENDMENT.—Section 5(c) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2604(c)) is hereby repealed.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 375—AMENDING SENATE RESOLUTION 400, 94TH CONGRESS, AND SENATE RESOLUTION 445, 108TH CONGRESS, TO IMPROVE CONGRESSIONAL OVERSIGHT OF THE INTELLIGENCE ACTIVITIES OF THE UNITED STATES, TO PROVIDE A STRONG, STABLE, AND CAPABLE CONGRESSIONAL COMMITTEE STRUCTURE TO PROVIDE THE INTELLIGENCE COMMUNITY APPROPRIATE OVERSIGHT, SUPPORT, AND LEADERSHIP, AND TO IMPLEMENT A KEY RECOMMENDATION OF THE NATIONAL COMMISSION ON TERRORIST ATTACKS UPON THE UNITED STATES

Mr. BURR (for himself, Mr. BAYH, Mr. SUNUNU, Ms. SNOWE, Mr. FEINGOLD, Mr. MCCAIN, and Mr. HAGEL) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 375

Whereas the National Commission on Terrorist Attacks Upon the United States (referred to in this Resolution as the ''9/11 Commission'') conducted a lengthy review of the facts and circumstances relating to the terrorist attacks of September 11, 2001, including those relating to the intelligence community, law enforcement agencies, and the role of congressional oversight and resource allocation;

Whereas in its final report, the 9/11 Commission found that congressional oversight of the intelligence activities of the United States is dysfunctional;

Whereas in its final report, the 9/11 Commission further found that under the rules of the Senate and the House of Representatives in effect at the time the report was completed, the committees of Congress charged with oversight of the intelligence activities lacked the power, influence, and sustained capability to meet the daunting challenges faced by the intelligence community of the United States;

Whereas in its final report, the 9/11 Commission further found that as long as such oversight is governed by such rules of the Senate and the House of Representatives, the people of the United States will not get the security they want and need;

Whereas in its final report, the 9/11 Commission further found that a strong, stable, and capable congressional committee structure is needed to give the intelligence community of the United States appropriate oversight, support, and leadership;

Whereas in its final report, the 9/11 Commission further found that the reforms recommended by the 9/11 Commission in its final report will not succeed if congressional oversight of the intelligence community in the United States is not changed;

Whereas the 9/11 Commission recommended structural changes to Congress to improve the oversight of intelligence activities;

Whereas the 9/11 Commission recommended that the authorizing authorities and appropriating authorities with respect to intelligence activities in each house of Congress be combined into a single committee in each house of Congress;

Whereas Congress has enacted some of the recommendations made by the 9/11 Commission and is considering implementing additional recommendations of the 9/11 Commission; and

Whereas the Senate adopted Senate Resolution 445 in the 108th Congress to address some of the intelligence oversight recommendations of the 9/11 Commission by abolishing term limits for the members of the Select Committee on Intelligence, clarifying jurisdiction for intelligence-related nominations, and streamlining procedures for the referral of intelligence-related legislation, but other aspects of the 9/11 Commission recommendations regarding intelligence oversight have not been implemented: Now, therefore, be it

Resolved,

SECTION 1. PURPOSES.

The purposes of this resolution are—

(1) to improve congressional oversight of the intelligence activities of the United States;

(2) to provide a strong, stable, and capable congressional committee structure to provide the intelligence community appropriate oversight, support, and leadership;

(3) to implement a key recommendation of the National Commission on Terrorist Attacks Upon the United States (the ''9/11 Commission'') that structural changes be made to Congress to improve the oversight of intelligence activities; and

(4) to provide vigilant legislative oversight over the intelligence activities of the United States to assure that such activities are in conformity with the Constitution and laws of the United States.

SEC. 2. INTELLIGENCE OVERSIGHT.

(a) AUTHORITY OF THE SELECT COMMITTEE ON INTELLIGENCE.—Paragraph (5) of section 3(a) of Senate Resolution 400, 94th Congress, agreed to May 19, 1976, is amended in that matter preceding subparagraph (A) by striking the comma following ''authorizations for appropriations'' and inserting ''and appropriations,''.

(b) ABOLISHMENT OF THE SUBCOMMITTEE ON INTELLIGENCE.—Senate Resolution 445, 108th Congress, agreed to October 9, 2004, is amended by striking section 402.

SENATE RESOLUTION 376—PROVIDING THE SENSE OF THE SENATE THAT THE SECRETARY OF COMMERCE SHOULD DECLARE A COMMERCIAL FISHERY FAILURE FOR THE GROUNDFISH FISHERY FOR MASSACHUSETS, MAINE, NEW HAMPSHIRE, AND RHODE ISLAND AND IMMEDIATELY PROPOSE REGULATIONS TO IMPLEMENT SECTION 312(a) OF THE MAGNUSON-STEVENS FISHERY CONSERVATION AND MANAGEMENT ACT

Mr. KERRY (for himself, Mr. KENNEDY, Ms. SNOWE, Mr. GREGG, Mr. SUNUNU, Mr. REED, and Ms. COLLINS) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 376

Whereas the Secretary of Commerce may provide fishery disaster assistance under section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(a)) if the Secretary determines that there is a commercial fishery failure due to a fishery resource disaster as a result of natural causes, man-made causes beyond the control of fishery managers to mitigate through conservation and management measures, including regulatory restrictions