

In fact, on Wednesday, I met with Gary Miller, a Vietnam veteran and current FedEx pilot based in Anchorage. If Congress would not have acted on this outdated regulation, Gary would have been forced to retire in February.

In addition, there are pilots like Captain Bill Green, one of Alaska's best Hercules pilots. The Hercules aircraft are used for transporting large cargo shipments. Captain Green turns 60 next April and would have been forced into retirement, despite the need for qualified, experienced pilots in Alaska.

Mike Redmond, who has experience flying every type of aircraft used in Alaska—in 2 years he will be 60 years old and under the Age 60 Rule Alaskans would have lost his wealth of knowledge and experience.

I have supported changing this rule for more than a decade, and I applaud the Senate's actions in finally taking hold and raising the age to 65.

These pilots are our most experienced aviators and are a valuable resource to the commercial aviation industry. This action today will allow them to continue serving our Nation.

It is rare that Congress passes legislation that has such an immediate personal impact on our citizens. This is a proud moment for me and for the Congress. I am proud to say the President signed this bill immediately when he received it last night.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

FHA MODERNIZATION

Mr. COLEMAN. Mr. President, I rise to add my voice to the important floor debate that has just occurred with respect to FHA reform and the subprime crisis.

Mr. President, this subprime crisis is one that is affecting folks all across the country, including my State of Minnesota. This isn't just a one-State issue or a regional issue, this is a national issue. This is a serious problem for States from Minnesota to Ohio to Florida to Nevada. And when you look at the current foreclosure numbers and the mortgage reset projections for the next 2 years, it is clear that the problem is not just short term but also one that will become worse in terms of the additional number of homeowners who will be affected.

Mr. President, when you consider my State of Minnesota, it may come as a surprise to some to learn that while Minnesota has consistently ranked as a leader in homeownership, Minnesota also unfortunately ranks up there in terms of the subprime crisis. For the third quarter, Minnesota ranks third in the Nation in terms of subprime mortgages in foreclosure. In this year alone, foreclosures are expected to increase by 84 percent to 20,573.

In the State, the subprime crisis isn't just affecting folks in the Twin Cities. This is affecting people in the suburbs

and in greater Minnesota. Just the other day, the Star Tribune ran a story, "Mortgage Foreclosures Ripple into Rural Minnesota," about how rural Minnesotans are being hit by the subprime crisis.

Behind all the terrible numbers are people like Ms. Shoua Yang, who spoke at last month's housing town hall forum I hosted in Minneapolis. Ms Yang spoke about how her mortgage payment has gone through the roof, from \$800 to \$1,300 per month, because her adjustable rate mortgage has reset. Now she and her three children are close to losing the roof over their heads.

But it isn't just homeowners with adjustable rate mortgages who are suffering.

It is renters, whose homes have been foreclosed through no fault of their own. It is construction workers—Minnesota has now lost nearly 7,000 construction jobs over the year.

One of those families who has been directly impacted by the housing downturn is the Buchite family of Zimmerman, MN. At last month's town hall forum, Audrey Buchite heartbreakingly spoke of how the loss of her husband's job as a house framer has left the family in dire financial straits, even though they have a fixed, 30-year mortgage. In order to make ends meet, they have dropped their health insurance and their college-bound daughter has decided to help with the family finances instead of going to college.

And it is also folks in the timber industry. I was recently up in Aitkin in northern Minnesota, timber country, as part of my tour of all 87 Minnesota counties this year.

While I was up there, loggers were telling me how the housing downturn is hurting their business by depressing softwood lumber prices.

Mr. President, as a former mayor, I strongly believe that home ownership brings about a boat load of social good. So it goes without saying that if home ownership does so much good, anything that threatens this social good threatens the whole community, not to mention the economy at large.

And so, Mr. President, with the worst still ahead of us, I approach this crisis with a sense of urgency and commitment to helping at-risk and distressed homeowners in a fair and responsible way.

To that end I am pleased that we just passed FHA reform legislation to enlist the Federal Housing Administration in efforts to stem the surge in housing foreclosures and also prevent buyers from resorting to risky mortgages they may not be able to afford. This is an important step in addressing the subprime crisis—the legislation will increase FHA single-family loan limits across the board, at both the high and low ends and will help people refinance into safer mortgages.

I am also pleased that the administration has rightly helped to bring industry together to come to terms on a

voluntary, market-driven mortgage relief plan.

Some would argue that the relief plan amounts to a bailout; that it violates free-market principles; that it merely kicks the can down the road. And others claim that it doesn't go far enough.

Well, the way I see it, mortgage servicers and investors have a collective self-interest in preventing mass foreclosures from happening. No one wins in a foreclosure.

Under the plan, as many as 1.2 million folks can be helped either by refinancing their mortgage or having their interest rates frozen for 5 years, which for many should give them the time needed to keep their homes. To put this in context, 1.8 million subprime mortgages will reset in 2008 and 2009.

It is important to also have the big picture in mind. If mass foreclosures happen, it isn't just the homeowner who has lost his or her house who is affected, but also the surrounding homeowners whose property values may decline, not to mention the impact on our communities. The key is to help folks who can be responsibly helped to keep their homes.

So the way I see it, the administration's mortgage relief plan is an important, responsible step towards preventing what could be a foreclosure catastrophe.

In no way however, is the administration's plan the entire solution. There is no one single solution. Rather it will require a comprehensive set of solutions including: the just passed FHA reform bill; making mortgage debt forgiveness tax free; allowing middle-income homeowners penalty-free access to their retirement savings in order to save their homes from foreclosure, as I propose through the HOME Act, the Home Ownership Mortgage Emergency Act S. 2201. This legislation is modeled after the Katrina Emergency Tax Relief Act of 2005; and providing temporary, middle-class mortgage bankruptcy relief as proposed by Senator SPECTER's "Home Owners Mortgage and Equity Savings Act," HOMES Act, of which I am a cosponsor.

We also clearly need better consumer safeguards, and to that end I am encouraged the Federal Reserve is planning to issue new rules relating to unfair or deceptive mortgage lending practices and mortgage disclosures.

But as we work to address the subprime crisis, we need to be careful that we do not unintentionally do harm with policies that could restrict mortgage credit to future home buyers. We have to be mindful of the unintended consequences of the policies we pursue.

I am just concerned that we could very well end up 5 years from now wondering why mortgage credit is not readily available to first-time home buyers.

Mr. President, I want to take some time now to speak to one aspect of the

fallout from the subprime crisis which is near and dear to my heart as a former mayor, and that is the collateral damage that is being inflicted upon communities by the subprime crisis.

The on-the-ground reality is that the subprime crisis is setting off a terrible chain reaction in our communities that, if not mitigated, has the potential to affect communities' standard of living for years to come.

According to Mayor Tim Howe of Coon Rapids, a suburban community just north of Minneapolis, one of the greatest effects of the subprime crisis has been the vandalism of foreclosed homes and associated petty crime in the hard-hit neighborhoods. To give you a sense of how quickly a foreclosed home can become the target of crime and a problem for communities, consider that in Cleveland a home is looted and vandalized in just 3 days. I am sure this is a similar story for communities all across the country.

I believe in the broken windows theory that it takes just one small act of crime to set in motion bigger troubles down the road. So the sooner we address the small problems, the better off we are.

For some communities in particular, the subprime crisis also has the potential to reverse years of hard-won economic and community revitalization progress, and in no time at all. As mayor, CDBG grants helped fund the Main Street Program helped to revitalize St. Paul, creating thousands of jobs and bringing people back to the city. However, the current mortgage crisis threatens to undo this very progress.

Another aspect of the subprime crisis is how renters, usually of modest means, are finding themselves without a home due to foreclosure. These are just one of the unintended victims of the subprime crisis.

So in an effort to enable communities to better deal with the impact of the subprime crisis, I introduced this week with Senator LEAHY the Community Foreclosure Assistance Act, S. 2455, which would provide emergency community development block grant funding.

From the housing town hall forum to my conversations with community leaders, I have been told this funding will provide critical support to communities ranging from renter assistance to mortgage counseling to dealing with abandoned, boarded-up homes. Due to the unique flexibility of CDBG, communities will be able to respond as they need to do and quickly.

CDBG is a program that has served our communities well overall, and in particular, during extraordinary economic distress. We turned to CDBG to provide \$16.7 billion in response to Hurricane Katrina and \$2.7 billion to New York following 9/11. Back home, Minnesota was helped by CDBG following the terrible 1997 Red River flood.

In a situation like this we cannot be penny-wise and pound-foolish.

Bottomline, this funding can help limit the terrible chain reaction that can be set off by a foreclosure. For if we do not reach out and help communities in trouble today, the cost to communities will be far greater and far more expensive to deal with in the future.

And so, Mr. President, as I have led the bipartisan fight against CDBG cuts in past years, I will fight to provide this emergency funding as a tool to help communities manage the mortgage crisis. Just because a foreclosure happens does not mean the entire community needs to suffer. That is the intent of this proposal.

Mr. President I ask unanimous consent to have printed in the RECORD a letter of support from the U.S. Conference of Mayors, National Association of Counties, National Community Development Association, National Association for County Community and Economic Development, and the National Association of Local Housing Finance Agencies, and letters of support from the Minnesota Association of Counties, the League of Minnesota Cities, and Mayor Mark Voxland of Moorhead, and an article from the Star Tribune.

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

[From the Minneapolis Star Tribune]
MORTGAGE FORECLOSURES RIPPLE INTO
RURAL MINNESOTA
(By Larry Oakes)

DULUTH.—Theresa Ross had reservations about the subprime mortgage she was offered three years ago but took a chance on the deal. It's a decision she regrets.

A licensed practical nurse with an older, two-bedroom house in Brainerd, Ross said the loan has wreaked havoc on her finances and brought her to the verge of foreclosure. Her monthly mortgage payment nearly doubled recently.

"I don't want to end up homeless because of this," she said.

Ross is part of a rural Minnesota demographic that might be feeling the subprime mortgage crisis more acutely than their urban counterparts.

Until the housing bubble burst, surging property values in rural Minnesota combined with lower, often-stagnant incomes made many rural residents targets for subprime loans, according to experts who have been analyzing foreclosure data.

In rural areas, many residents found themselves house rich but cash poor—and took advantage of loan offers that allowed them to convert some of their home equity to cash.

"It wasn't people buying homes they couldn't afford," said Dan Williams, whose work as senior program manager for Lutheran Social Service of Minnesota includes counseling rising numbers of homeowners near or in foreclosure. "It was lake and recreational property demand driving up the [local] property values, which created huge markets for cold-calling and 'cash-out' refinancing."

Although average overall foreclosure rates are higher in the seven-county Twin Cities area, six of the seven counties with the highest rates are in outstate Minnesota. Those six—Chisago, Kanabec, Isanti, Mille Lacs, Sherburne and Wright—are close enough to the metro area to be influenced by its property values and exurban expansion.

In those counties, an increase in younger home buyers with less wealth may explain some of the foreclosure problem, said Richard Todd, a vice president of the Federal Reserve Bank of Minneapolis.

Just as rural areas lag behind metro areas in fashion and other trends, the subprime wave took longer to reach outstate Minnesota, and it will take longer for the negative effects to fully materialize, Williams said.

And rural residents may have more difficulty getting back on their feet because of their lower incomes and because rural Minnesota has fewer housing options.

"I ACTED ON BLIND FAITH"

While sheriff's foreclosure sales shot up 125 percent last year in some metro counties, some of their rural counterparts, such as Rock and Traverse counties, were hit much harder, with increases of more than 200 percent, according to a report by the Greater Minnesota Housing Fund and Housing Link.

In Brainerd, Ross traces her troubles to a decision to price new vinyl windows and siding. When she said a contractor's quote of \$21,000 was too steep, he said that a mortgage company he worked with could refinance her house, improvements included.

Ross, 49, who is single, balked at the adjustable 7.7 percent interest rate; at the time she had a fixed rate of 5.4 percent. But the contractor and lender assured her that her home's rising value would allow her to refinance again in a couple of years at a favorable and fixed rate.

She said they also misled her about the projected payment amount, saying it included taxes and insurance when it did not.

Home values stalled, and now Ross is stuck with a mortgage rate at 9 percent, little equity and no chance of refinancing. Her monthly take-home pay barely covers her \$1,300 payment, and she ruefully longs for her old payment of \$695. Though she quit driving, canceled her cable and Internet service and line dries her clothes, she said she still can't make ends meet.

Even if she sells, the amount she's likely to get won't pay off the mortgage, she said.

"I acted on blind faith that they were sincere and trying to help me, but they were just out to make a buck," Ross said. "Now, if I don't sell the house or get a renter, I'll be in foreclosure in the next few months."

THE WORST IS YET TO COME

In St. Louis County, which contains Duluth, records show the Sheriff's Office handled 325 foreclosure sales in 2006, up from 219 the year before.

Duluth real-estate agent Michelle Lyons said that since March she's been inundated with requests by banks to sell properties in foreclosure.

"I went from two or three [requests] a month about a year ago to two or three a week now," said Lyons, of Port Cities Realty.

She predicts the numbers will only get worse in the next two years as even more loans adjust to their higher rates and borrowers find themselves unable to refinance.

"Yes, there were predatory lenders," she said. "But it also involved people living above their means, as well as divorces and medical problems."

Some of those in foreclosure "deserve to be foreclosed on," she said, including owners of a Duluth property who trashed their house before vacating. When the bank finally took possession, even the copper pipes had been ripped out, presumably for scrap value.

But others, she said, are good people who were misled by unscrupulous lenders or overtaken by forces beyond their control.

As an example, she cited her clients Dave and Marykay Andert, a rural Duluth couple who are trying to sell to avoid foreclosure.

Dave Andert, 46, is perhaps an unlikely victim of the subprime trap; he once worked as a loan officer, writing mortgages for Beneficial Corp.

So in 2005, when the Anderts sought a \$215,000 loan to buy a nearly new home tucked on a wooded lot in Solway Township, he spent four hours carefully reading the terms of the loan, offered by a now-defunct company called New Century.

In particular, Andert said, he made sure he was getting a fixed rate and disability insurance, which was important to him because he suffers from neurological condition that had been giving him chronic headaches.

Confident that he knew the terms, Andert didn't closely read the documents he signed at closing. He now believes a dishonest mortgage loan officer substituted new documents, giving him an adjustable rate and no disability insurance.

Now on long-term disability and bringing in only 40 percent of his previous income, Andert said his family will never afford the \$2,300 mortgage payment that will start next year, up from \$1,500 when they first got the loan.

Since then, the loan has been sold twice, and he's worked with the latest bank to get extensions to gain time to sell the house.

"We didn't plan on moving again," Andert said. "It's beautiful out here. It gets very emotional some days, to stand looking out my window and seeing the deer and thinking we have to leave."

— DECEMBER 11, 2007.

Senator NORM COLEMAN,
Senate Hart Office Building,
Washington, DC.

DEAR SENATOR COLEMAN: The undersigned organizations of local elected officials and housing and community development practitioners write in support of the Community Foreclosure Assistance Act of 2007. The legislation would provide \$1 billion through the Community Development Block Grant (CDBG) program to local governments and states to address the impact of foreclosures. Foreclosure-based rental assistance would also be provided to renters through the legislation.

Local governments are experiencing the growth in sub-prime mortgage foreclosures with dire predictions for citizens, neighborhoods, and local economies. With the mortgage crisis predicted to get worse over the next year, local governments are poised to tackle the issue on multiple fronts: support of strong federal anti-predatory and bankruptcy legislation, support of reform and modernization of the Federal Housing Administration (FHA), and through legislation such as the Community Foreclosure Assistance Act, assistance to citizens who have lost or are losing their homes.

We commend your legislative initiative which not only provides additional funding for CDBG, but allows more flexibility in the program by increasing the public services cap from 15% to 25% and lowers the current low- and moderate-income requirement from 70% to 50%. In addition, the bill allows local governments and states to request a general waiver to further provide foreclosure assistance. We would also request that the legislation permit 10% of the funds be used for administrative costs.

We look forward to working with you to pass this important legislation.

Sincerely,
U.S. Conference of Mayors.
National Association of Counties.
National Community Development Association.
National Association for County Community and Economic Development.
National Association of Local Housing Finance Agencies.

DECEMBER 11, 2007.
Senator NORM COLEMAN,
University Ave., West,
St. Paul, MN.

Hon. SENATOR COLEMAN: The Association of Minnesota Counties (AMC) would like to commend you for authoring the Community Foreclosure Assistance Act of 2007 and voice our support for your efforts to combat the effects caused by the recent trend of rising home foreclosures across the state of Minnesota. Although counties play a minor role in the homeownership process when consumers buy a home and choose a means of financing such a significant investment, counties do play a significant role when things go wrong for the homeowner.

Local governments are experiencing the growth in sub-prime mortgage foreclosures with dire predictions for citizens, neighborhoods, and local economies. With the mortgage crisis predicted to get worse over the next year, local governments are poised to tackle the issue on multiple fronts: support of strong federal anti-predatory and bankruptcy legislation, support of reform and modernization of the Federal Housing Administration (FHA), and through legislation such as the Community Foreclosure Assistance Act, assistance to citizens who have lost or are losing their homes.

We commend your legislative initiative which not only provides additional funding for CDBG, but allows more flexibility in the program by increasing the public services cap from 15% to 25% and lowers the current low- and moderate-income requirement from 70% to 50%. In addition, the bill allows local governments and states to request a general waiver to further provide foreclosure assistance. We would also request that the legislation permit 10% of the funds be used for administrative costs.

When a home slips into foreclosure there can be significant implications for the family who is losing their home, their neighbors and their community. AMC believes that Congress should take action to minimize the impacts of foreclosures on our communities and preserve the vitality of our neighborhoods.

Sincerely,
JAMES A. MULDER,
Executive Director,
Association of Minnesota Counties.

LEAGUE OF MINNESOTA CITIES,
St. Paul, MN, December 12, 2007.

Hon. NORM COLEMAN,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR COLEMAN: The League of Minnesota Cities supports measures incorporated into the Community Foreclosure Assistance Act of 2007 that you introduced today to address the growing problems and increasing costs that cities face to retain and protect vacant homes in foreclosure.

Cities, both large and small, face deteriorating conditions in many locations and are undertaking the often difficult and costly challenge of preserving neighborhoods and affordable housing stock threatened by growing numbers of foreclosures. The loss of housing for families and individuals who are often renting homes that are in foreclosure is another troubling source of neighborhood instability and personal hardship.

The Community Foreclosure Assistance Act proposes to address the impact of these foreclosures on local units of government through emergency appropriations to be added to the FFY 2008 funding for the Community Development Block Grant ("CDBG") Program. League support is also offered in view of the fact that funding for the Community Foreclosure Assistance Act will not be off-set from the critically important re-

sources committed to current and future CDBG activities.

The proposed provisions offer communities flexibility in addressing the most pressing problems resulting from residential foreclosures at the local level by raising the CDBG cap for public service expenditures to 25 percent and targeting the most at risk populations by lowering income requirements to 50 percent of area median income, but also allowing cities to request waivers from those requirements to address their specific circumstances.

Sincerely,

JAMES F. MILLER,
Executive Director.

— MOORHEAD, MN,
December 13, 2007.

Hon. NORM COLEMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR COLEMAN: I am writing to you today in support of the Community Foreclosure Assistance Act of 2007. The legislation would provide \$1 billion through the Community Development Block Grant (CDBG) program to local governments and states to address the impact of foreclosures. This legislation would give tools to cities across the country to address the negative effects of foreclosures on neighborhoods and communities.

Your support of innovative legislation such as the Foreclosure Assistance Act exemplifies your continued commitment to local units of government. As Mayor, I can speak firsthand to the positive impact that programs such as CDBG have on cities and our residents, and I would like to thank you for advancing this important piece of legislation. Your continued support of communities throughout Minnesota and the nation is very much appreciated.

I look forward to continuing our work with you on this and other matters in the future. Thank you.

Sincerely,

MARK VOXLAND,
Mayor.

Mr. COLEMAN. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Webb). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FARM, NUTRITION, AND BIOENERGY ACT OF 2007

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 2419, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2419) to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

Pending:

Harkin amendment No. 3500, in the nature of a substitute.

Chambliss (for Cornyn) amendment No. 3687 (to amendment No. 3500), to prevent duplicative payments for agricultural disaster assistance already covered by the agricultural disaster relief trust fund.

Chambliss (for Coburn) modified amendment No. 3807 (to amendment No. 3500), to