

REED) was added as a cosponsor of S. 1156, a bill to amend the Federal Food, Drug, and Cosmetic Act to reauthorize the Best Pharmaceuticals for Children program.

S. 1160

At the request of Ms. STABENOW, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 1160, a bill to ensure an abundant and affordable supply of highly nutritious fruits, vegetables, and other specialty crops for American consumers and international markets by enhancing the competitiveness of United States-grown specialty crops.

S. 1168

At the request of Mr. ALEXANDER, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 1168, a bill to amend the Clean Air Act to establish a regulatory program for sulfur dioxide, nitrogen oxides, mercury, and carbon dioxide emissions from the electric generating sector.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. AKAKA (for himself, Mr. DURBIN, Mr. LEAHY, and Mr. SCHUMER):

S. 1176. A bill to require enhanced disclosure to consumers regarding the consequences of making only minimum required payments in the repayment of credit card debt, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. AKAKA. Mr. President, today, I am introducing the Credit Card Minimum Payment Warning Act. I thank Senators DURBIN, LEAHY, and SCHUMER for cosponsoring this legislation.

Too many consumers in our country are burdened by significant credit card debt. Revolving debt, mostly comprised of credit card debt, has risen from \$54 billion in 1980 to more than \$883 billion in 2007.

We must make consumers more aware of the long-term effects of their financial decisions, particularly in managing credit card debt. While it is relatively easy to obtain credit, especially on college campuses, not enough is being done to ensure that credit is properly managed. Currently, credit card statements fail to include vital information that would allow individuals to make fully informed financial decisions. Additional disclosure is needed to ensure that consumers completely understand the implications of their credit card use and the costs of only making the minimum payments.

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 included a requirement that credit card issuers provide information to consumers about the consequences of only making the minimum monthly payment. However, this requirement fails to provide the detailed information on billing statements that consumers need to know to make informed decisions.

The bankruptcy law allows credit card issuers a choice between disclosure statements. The first option included in the bankruptcy bill would require a standard "Minimum Payment Warning." The generic warning would state that it would take 88 months to pay off a balance of \$1,000 for bank card holders or 24 months to pay off a balance of \$300 for retail card holders. This first option also includes a requirement that a toll-free number be established that would provide an estimate of the time it would take to pay off the customer's balance. The Federal Reserve Board is required to establish the table that would estimate the approximate number of months it would take to pay off a variety of account balances.

There is a second option that the law permits. The second option allows the credit card issuer to provide a general minimum payment warning and provide a toll-free number that consumers could call for the actual number of months to repay the outstanding balance.

The options available under the Bankruptcy Reform law are woefully inadequate. They do not require issuers to provide their customers with the total amount they would pay in interest and principal if they chose to pay off their balance at the minimum rate. Since the average household with debt carries a balance of approximately \$10,000 to \$12,000 in revolving debt, a warning based on a balance of \$1,000 will not be helpful. The minimum payment warning included in the first option underestimates the costs of paying a balance off at the minimum payment. If a family has a credit card debt of \$10,000, and the interest rate is a modest 12.4 percent, it would take more than ten and a half years to pay off the balance while making minimum monthly payments of four percent.

My legislation would make it very clear what costs consumers will incur if they make only the minimum payments on their credit cards. If the Credit Card Minimum Payment Warning Act is enacted, the personalized information consumers would receive for their accounts would help them make informed choices about their payments toward reducing outstanding debt.

My bill requires a minimum payment warning notification on monthly statements stating that making the minimum payment will increase the amount of interest that will be paid and extend the amount of time it will take to repay the outstanding balance. The legislation also requires companies to inform consumers of how many years and months it will take to repay their entire balance if they make only minimum payments. In addition, the total cost in interest and principal, if the consumer pays only the minimum payment, would have to be disclosed. These provisions will make individuals much more aware of the true costs of their credit card debt. The bill also requires that credit card companies provide useful information so that people

can develop strategies to free themselves of credit card debt. Consumers would have to be provided with the amount they need to pay to eliminate their outstanding balance within 36 months.

Finally, the legislation requires that creditors establish a toll-free number so that consumers can access trustworthy credit counselors. In order to ensure that consumers are referred only to trustworthy credit counseling organizations, these agencies would have to be approved by the Federal Trade Commission and the Federal Reserve Board as having met comprehensive quality standards. These standards are necessary because certain credit counseling agencies have abused their nonprofit, tax-exempt status and taken advantage of people seeking assistance in managing their debt.

In a report on customized minimum payment disclosures released in April 2006, the Government Accountability Office (GAO) found that consumers who typically carry credit balances found customized disclosures very useful and would prefer to receive them in their billing statements.

We must provide consumers with detailed personalized information to assist them in making better informed choices about their credit card use and repayment. Our bill makes clear the adverse consequences of uninformed choices, such as making only minimum payments, and provides opportunities to locate assistance to better manage credit card debt.

My bill is necessary to improve credit card disclosures so that consumers are provided relevant and useful information that hopefully will bring about positive behavior change among consumers. Consumers with lower debt levels will be better able to purchase a home, pay for their child's education, or retire comfortably on their own terms.

I will ask that a letter of support from the Consumer Federation of America, the Center for Responsible Lending, Consumer Action, Consumers Union, Demos, the National Association of Consumer Advocates, U.S. Public Interest Research Group, the National Council of La Raza, and the National Consumer Law Center be printed in the RECORD.

I will also ask that the text of the Credit Card Minimum Payment Warning Act be printed in the RECORD.

I urge my colleagues to support this important legislation that will empower consumers by providing them with detailed personalized information to assist them in making informed choices about their credit card use and repayment. This bill makes clear the adverse consequences of uninformed choices such as making only minimum payments and provides opportunities to locate assistance to reduce credit card debt.

Mr. President, I ask unanimous consent that the aforementioned materials be printed in the RECORD.

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

APRIL 17, 2007.

Hon. DANIEL K. AKAKA,
U.S. Senate,
Washington, D.C. 20510

DEAR SENATOR AKAKA: The undersigned national consumer and civil rights organizations write to strongly support the Credit Card Minimum Payment Warning Act. The Act would require credit card issuers to disclose more information to consumers about the costs associated with paying their bills at ever-declining minimum payment rates. The Act provides a personalized "price tag" so consumers can understand the real costs of credit card debt and avoid financial problems in the future.

Undisputed evidence links the rise in bankruptcy in recent years to the increase in consumer credit outstanding. These numbers have moved in lockstep for more than 20 years. Revolving credit, for example (most of which is credit card debt) ballooned from \$214 billion in January 1990 to \$873 billion currently. As family debt increases, debt service payments on items such as interest and late fees take an ever-increasing piece of their budget. For some families, this contributes to the collapse of their budget. Bankruptcy becomes the only way out.

Credit card issuers have exacerbated the financial problems that many families have faced by lowering minimum payment amounts. This decline in the typical minimum payment is a significant reason for the rise in consumer bankruptcies in recent years. A low minimum payment often barely covers interest obligations. It convinces many borrowers that they are financially sound as long as they can meet all of their minimum payment obligations. However, those who cannot afford to make these payments often carry so much debt that bankruptcy is usually the only viable option.

This bill will provide consumers several crucial pieces of information on their monthly credit card statement: A "minimum payment warning" that paying at the minimum rate will increase the amount of interest that is owed and the time it will take to repay the balance; The number of years and months that it will take the consumer to pay off the balance at the minimum rate; The total costs in interest and principal if the consumer pays at the minimum rate; The monthly payment that would be required to pay the balance off in 3 years.

The bill also requires that credit card companies provide a toll-free number that consumers can call to receive information about credit counseling and debt management assistance. In order to assure that consumers are referred to honest, legitimate non-profit credit counselors, the bill requires the Federal Reserve to screen these agencies to ensure that they meet rigorous quality standards.

Our groups commend you for offering this very important and long-overdue piece of legislation. It provides the kind of personalized, timely disclosure information that will help debt-choked families make informed decisions and, with the help of additional protections against abusive credit card lending, start to work their way back to financial health.

For more information, please contact Travis Plunkett at the Consumer Federation of America at 202-387-6121.

Sincerely,

Travis B. Plunkett, Legislative Director,
Consumer Federation of America; Gail Hillebrand, Senior Attorney, Consumers Union; Cindy Zeldin, Federal Affairs Coordinator, Economic Oppor-

tunity Program, Demos: A Network for Ideas & Action; Kim Warden, Vice President, Federal Affairs, Center for Responsible Lending; Alys Cohen, Staff Attorney, National Consumer Law Center; Edmund Mierzwinski, Consumer Programs Director, U.S. Public Interest Research Group; Linda Sherry, Director, National Priorities, Consumer Action; Ira Rheingold, Executive Director, National Association of Consumer Advocates; Beatriz Ibarra, Assets Policy Analyst, National Council of La Raza.

S. 1176

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 "Credit Card Minimum Payment Warning Act of 2007".

SEC. 2. ENHANCED CONSUMER DISCLOSURES REGARDING MINIMUM PAYMENTS.

Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

"(11)(A) Information regarding repayment of the outstanding balance of the consumer under the account, appearing in conspicuous type on the front of the first page of each such billing statement, and accompanied by an appropriate explanation, containing—

"(i) the words 'Minimum Payment Warning: Making only the minimum payment will increase the amount of interest that you pay and the time it will take to repay your outstanding balance.';

"(ii) the number of years and months (rounded to the nearest month) that it would take for the consumer to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments;

"(iii) the total cost to the consumer, shown as the sum of all principal and interest payments, and a breakdown of the total costs in interest and principal, of paying that balance in full if the consumer pays only the required minimum monthly payments, and if no further advances are made;

"(iv) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 36 months if no further advances are made; and

"(v) a toll-free telephone number at which the consumer may receive information about accessing credit counseling and debt management services.

"(B)(i) Subject to clause (ii), in making the disclosures under subparagraph (A) the creditor shall apply the interest rate in effect on the date on which the disclosure is made.

"(ii) If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision specifying a subsequent interest rate or applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then shall apply the adjusted interest rate, as specified in the contract. If the contract applies a formula that uses an index that varies over time, the value of such index on the date on which the disclosure is made shall be used in the application of the formula."

SEC. 3. ACCESS TO CREDIT COUNSELING AND DEBT MANAGEMENT INFORMATION.

(a) GUIDELINES REQUIRED.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Board of Governors of the Federal Reserve System and the Federal Trade Commission (in this

section referred to as the "Board" and the "Commission", respectively) shall jointly, by rule, regulation, or order, issue guidelines for the establishment and maintenance by creditors of a toll-free telephone number for purposes of the disclosures required under section 127(b)(11) of the Truth in Lending Act, as added by this Act.

(2) APPROVED AGENCIES.—Guidelines issued under this subsection shall ensure that referrals provided by the toll-free number include only those agencies approved by the Board and the Commission as meeting the criteria under this section.

(b) CRITERIA.—The Board and the Commission shall only approve a nonprofit budget and credit counseling agency for purposes of this section that—

(1) demonstrates that it will provide qualified counselors, maintain adequate provision for safekeeping and payment of client funds, provide adequate counseling with respect to client credit problems, and deal responsibly and effectively with other matters relating to the quality, effectiveness, and financial security of the services it provides;

(2) at a minimum—

(A) is registered as a nonprofit entity under section 501(c) of the Internal Revenue Code of 1986;

(B) has a board of directors, the majority of the members of which—

(i) are not employed by such agency; and

(ii) will not directly or indirectly benefit financially from the outcome of the counseling services provided by such agency;

(C) if a fee is charged for counseling services, charges a reasonable and fair fee, and provides services without regard to ability to pay the fee;

(D) provides for safekeeping and payment of client funds, including an annual audit of the trust accounts and appropriate employee bonding;

(E) provides full disclosures to clients, including funding sources, counselor qualifications, possible impact on credit reports, any costs of such program that will be paid by the client, and how such costs will be paid;

(F) provides adequate counseling with respect to the credit problems of the client, including an analysis of the current financial condition of the client, factors that caused such financial condition, and how such client can develop a plan to respond to the problems without incurring negative amortization of debt;

(G) provides trained counselors who—

(i) receive no commissions or bonuses based on the outcome of the counseling services provided;

(ii) have adequate experience; and

(iii) have been adequately trained to provide counseling services to individuals in financial difficulty, including the matters described in subparagraph (F);

(H) demonstrates adequate experience and background in providing credit counseling;

(I) has adequate financial resources to provide continuing support services for budgeting plans over the life of any repayment plan; and

(J) is accredited by an independent, nationally recognized accrediting organization.

By Mr. INOUE (for himself, Mr. STEVENS, Mr. PRYOR, and Mr. SMITH):

S. 1178. A bill to strengthen data protection and safeguards, require data breach notification, and further prevent identity theft; to the Committee on Commerce, Science, and Transportation.

Mr. INOUE. Mr. President, I rise today to introduce the Identity Theft

Prevention Act of 2007 with my colleagues Senator STEVENS and Senator PRYOR to protect Americans from identity theft.

The recent breaches of security that led to the loss of sensitive personal information remind all of us how vulnerable we are to thieves stealing our identity for criminal purposes. Identity theft is a growing threat to our personal security that must be met with new tactics and new laws in the information age.

We in the Congress and every consumer in America have seen the evolution of identity theft. The moment of greatest awareness was in February 2005 when ChoicePoint notified more than 145,000 people that their personal data had been accessed by unauthorized persons who used some of the information for identity theft. ChoicePoint was required to make these contacts under the California notification law, but this incident had nationwide effects. Since then, a number of data brokers, banks, universities and other entities that hold personal information have notified individuals that their personal information may have been compromised. The last major breach was made public in January 2007, when T.J. Maxx announced it had discovered a breach in the security of its customer payment data. As a result of hacker activity starting in 2005, information on more than 45 million credit and debit cards had been stolen.

The need to address this problem is long overdue. Every business that collects and stores sensitive personal information must ensure that the information is safeguarded. If a security breach occurs and the information could be used for identity theft, every affected consumer needs to be notified as soon as possible so they can best protect themselves and their families. The Identity Theft Prevention Act provides the Federal Trade Commission new enforcement tools to ensure businesses that hold a consumer's sensitive personal information use vigorous safeguards to prevent breaches from happening. The Act also requires businesses to appropriately notify consumers if their information is improperly released and could lead to identity theft. In addition, the Identity Theft Prevention Act provides consumers the ability to place a security freeze on their credit reports, so if they choose, they can eliminate the worry and the impact of an identity thief opening new lines of credit from stolen information.

Americans have demanded better protection for their sensitive personal information, and it is imperative that we respond to these demands effectively and expeditiously. I look forward to working with the other Members of the Senate to move this legislation forward.

By Mr. CASEY:

S. 1179. A bill to amend the Internal Revenue Code of 1986 to extend the financing for Superfund for purposes of

cleanup activities with respect to those Superfund sites for which removal and remedial action is estimated to cost more than \$50,000,000, and for other purposes; to the Committee on Finance.

Mr. CASEY. Mr. President, this Sunday we will celebrate Earth Day, a day when we should reaffirm our commitment to a clean, safe, and healthy environment for our children and future generations.

We have made a considerable amount of progress since Senator Gaylord Nelson established the first Earth Day thirty-seven years ago. We implemented the Clean Water Act and the Clean Air Act, both landmark bills that have made our beautiful country a cleaner place to live. We no longer have rivers so massively polluted they actually catch fire and burn. We no longer have unchecked amounts of toxic pollutants being pumped into the air we breathe. We should be proud of these accomplishments because they show us that we can pass meaningful and effective laws to protect the environment and public health without sacrificing our economy and economic productivity.

We still have serious threats to the safety and health of our environment. Obviously global climate change tops that list of threats. No other single issue has the potential to devastate our future and change the entire world so completely. We have an opportunity, if we get smart and take serious actions, to stop the cataclysmic changes that are just around the corner for this planet. The time to act is now. And I mean right now. Every year that we delay enacting a strong bill that forces us to make mandatory reductions to our carbon emissions the cost goes up. We simply cannot afford to wait. We cannot afford the cost of tackling an ever increasing carbon problem in future years. And we certainly cannot afford the long-term implications of climate change like rising sea levels that will displace large centers of population, droughts that will dramatically reduce fresh drinking water, and major storms like those that have hit the Gulf Coast and Atlantic seaboard over the past few years.

Climate change is certainly the most pressing environmental issue facing us today. But we should not forget about other important issues facing our constituents. Reducing mercury and other air pollutants, reducing pollution of our rivers and streams, preserving open space and stopping urban sprawl, increasing investments in renewable and alternative energy sources, establishing higher fuel efficiency standards, and reducing the number of unremediated Superfund sites continue to be top priorities for me.

For this reason and in honor of Earth Day, today I am introducing the Superfund Equity and Megosite Remediation Act of 2007. This legislation reinstates the polluter-pays tax that funds clean up of Superfund sites. In addition, my

bill ramps up the tax for limited 5-year period in order to create a fund to clean up megasites, which cost more than \$50 million each to remediate.

I know that Senator BOXER, the Chairman of the Environment and Public Works Committee, has been a longtime advocate for reinstating the polluter-pays principle in federal hazardous waste cleanup law. I look forward to working with her and all of my colleagues on the Environment Committee and the Finance Committee to make sure that we have a Superfund program that cleans up the polluted sites that blight our communities and prevent development and reuse, and does so in a way that polluters foot the bill, and not taxpayers. I urge all of my colleagues to join me in support of this bill, and do the right thing for our local towns on Earth Day.

By Ms. LANDRIEU:

S. 1180. A bill to amend the Internal Revenue Code of 1986 to extend the placed-in-service date requirement for low-income housing credit buildings in the Gulf Opportunity Zone, and for other purposes; to the Committee on Finance.

Ms. LANDRIEU. Mr. President, as the gulf coast recovers from Katrina and Rita, rebuilding our housing remains the key to our recovery. I have talked about this issue on this floor before. We need housing so that our citizens have a place to live while they rebuild our businesses, restore our infrastructure, and renew our communities. Congress and the President responded by making billions of dollars available to us and we are grateful for this assistance.

I am proud to say that this assistance is working. Every time I go home I see signs of improvement. They are often small: a gas station or a store reopening on a corner; children playing on a street where no one lived only a few months before. I wish I could say that these signs are everywhere, but they are not. Some parts of New Orleans are doing well, some are not. We knew from the start that recovery would take longer in some areas than in others; and we all knew that nothing would happen overnight.

America has never rebuilt a city of 500,000 people before. Our experience in Louisiana and in the Gulf has taught us some valuable lessons about postcatastrophe rebuilding and recovery. We have learned about the shortcomings of government programs at FEMA, the Small Business Administration, and other agencies. In responding to Katrina they used the systems that worked great for smaller disasters, but were woefully inadequate for larger ones. For future megacatastrophes we now understand that it may take government programs several months to ramp up before they are in a position to distribute assistance.

One of the key lessons we have learned from this catastrophe has been the affect of such massive destruction

and displacement on the supply and the costs of labor and building materials, and the impact these have on how long it takes to rebuild. New Orleans, for example, is about half the population it used to be. We do not have enough workers in building and contracting to meet the huge demand we have for this work. As a result, it may take several months to get building started. Developers are also having difficulty getting insurance and the infrastructure in many areas is still heavily damaged.

This timing delay means that Congress will have to reexamine the policies that we have enacted to help rebuild the Gulf region in order to ensure that they are meeting the new kinds of disaster recovery challenges Katrina and Rita have posed. The Gulf Opportunity Zone Act of 2005 was one of the major pieces of legislation that we passed. The GO Zone Act provided important tax incentives to encourage investment in businesses and housing in the Gulf.

To help ensure that we can rebuild our housing, GO Zone Act increased the state's allocation of Low Income Housing Tax Credits, LIHTC. These credits finance affordable and mixed income housing. Under the GO Zone Act, any housing developed with these tax credits must be built and operating by December 31, 2008. The statute refers to this as the "placed in service" date. This date is consistent with the normal LIHTC program guidelines that require tax credit housing developments to be placed in service within 2 years of allocation.

The Louisiana Housing Finance Agency, LHFA, reports that there was a great demand for these GO Zone credits. For the credits allocated in 2006, the LHFA received 266 applications from developers for more than \$253 million. But it only funded 102 projects with \$56.9 million in tax credits.

For 2007 and 2008, however, the State received far fewer applications. The reason for this is because of the placed-in-service date. Because of the labor shortage, increased costs, and lack of insurance that we are facing in the Gulf, developers are not sure whether they can get their projects placed in service by the end of 2008. Yet there is still a huge need for the housing that these credits will fund.

The placed-in-service date is also raising new concerns. I have heard from a number of organizations that already received tax credit allocations before 2006 who are concerned that they will not be able to get their developments placed in service by the end of 2008. The LHFA estimates that 65 percent of the affordable housing units under development in New Orleans, roughly 11,050 units, will not make the deadline to be available for rent by the end of 2008. In the surrounding parishes, home sales prices have literally hit the roof meaning working and middle-income families cannot reasonably justify living in the area that they still call home, 19 months since the storm.

Again, the culprit is the shortages and increased costs that I mentioned before. Some developers have even told me that they face losing credits that had been allocated to them before the storm because building has been delayed in the region. Since Katrina, rental prices have increased by 39 percent.

Today, I am introducing legislation that will help to ensure that these housing tax credits are available so that we can continue the road to recovery. The Workforce Housing for the GO Zone Act of 2007 will extend the placed-in-service date for the GO Zone Low Income Housing Tax Credit by an additional 2 years. This will allow developers to make full use of the credits that are available to build affordable housing in the Gulf Coast.

Another critical provision lets GO Zone low-income housing projects receive additional federally subsidized loans without losing tax credits. The Low Income Housing Tax Credit provisions included in this bill further assist our people to return home. These credits are competitively awarded to qualified developers and subject to constant oversight by the State housing authority to make sure that only quality affordable housing is being constructed. The citizens of the gulf coast are ready to go back home, and this legislation helps get them there.

I ask unanimous consent that a copy of the legislation 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. 1180

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 "Workforce Housing Construction for the GO Zone Act of 2007".

SEC. 2. EXTENSION OF PLACED-IN-SERVICE DATE REQUIREMENT FOR LOW-INCOME HOUSING CREDIT BUILDINGS IN GULF OPPORTUNITY ZONE.

Section 1400N(c) of the Internal Revenue Code of 1986 is amended—

(1) by striking "or 2008" in paragraph (3)(A) and inserting "2008, 2009, or 2010",

(2) by striking "during such period" in paragraph (3)(B)(ii) and inserting "during the period described in subparagraph (A)", and

(3) by striking "or 2008" in paragraph (4)(A) and inserting "2008, 2009, or 2010".

SEC. 3. PRESERVATION OF PREVIOUS LOW-INCOME HOUSING CREDIT BUILDINGS IN GULF OPPORTUNITY ZONE.

(a) IN GENERAL.—If an owner of a qualified low-income building (as defined in section 42(c)(2) of the Internal Revenue Code of 1986) located in the GO Zone (as defined in section 1400M(1) of such Code) in the second taxable year or later of the credit period (as defined in section 42(f)(1) of such Code) for such building—

(1) suffers a reduction in the qualified basis (as determined under section 42(b)(1) of such Code) of such building (hereinafter referred to as the "lost qualified basis") as a result of a disaster that caused the President to issue a major disaster declaration as a result of Hurricanes Katrina and Rita, but under subsection (j)(4)(E) of section 42 of such Code

avoids recapture or loss of low-income housing credits previously allowed under such section with respect to such building (hereinafter referred to as the "existing credits") by restoring the lost qualified basis by reconstruction, replacement, or rehabilitation within a reasonable period established by the Secretary of the Treasury, and

(2) obtains an allocation of additional low-income housing credits under such section to fund, in whole or in part, the reconstruction, replacement, or rehabilitation of such building (hereinafter referred to as the "new credits"),

then the qualified basis of such building for purposes of determining the new credits shall equal the excess (if any) of such building's qualified basis as of the close of the first taxable year of the credit period (as so defined) with respect to the new credits (assuming such reconstruction, replacement, or rehabilitation expenditures meet the requirements for treatment as a separate new building), over such building's qualified basis with respect to the existing credits as determined immediately prior to the disaster referred to in paragraph (1).

(b) SPECIAL RULE FOR TIME FOR MAKING ALLOCATIONS OF CREDITS.—For purposes of section 42(h)(1)(E)(ii) of the Internal Revenue Code of 1986, buildings described in subsection (a) shall be deemed to be qualified buildings.

(c) AVOIDANCE OF RECAPTURE OF CREDIT.—For purposes of section 42(j)(4)(E) of the Internal Revenue Code of 1986, qualified low-income housing projects (as defined in section 42(g)(1) of such Code) suffering casualty as a result of a disaster that caused the President to issue a major disaster declaration for the GO Zone (as defined in section 1400M(1)) shall be deemed to have restored any casualty loss by reconstruction or replacement within a reasonable period if such loss is restored before January 1, 2011.

SEC. 4. CREDIT ALLOWABLE FOR CERTAIN BUILDINGS ACQUIRED DURING 10-YEAR PERIOD IN THE KATRINA, RITA, AND WILMA DISASTER AREAS.

Section 1400N(c) of the Internal Revenue Code of 1986 is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) CREDIT ALLOWABLE FOR BUILDINGS ACQUIRED DURING 10-YEAR PERIOD.—A waiver may be granted under section 42(d)(6)(A) (without regard to any clause thereof) with respect to any building in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone."

SEC. 5. INCLUSION OF BASIS OF PROPERTY FOR MIXED INCOME HOUSING IN KATRINA, RITA, AND WILMA DISASTER AREAS.

Section 1400N(c) of the Internal Revenue Code of 1986, as amended by this Act, is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

"(6) INCREASE IN APPLICABLE FRACTION FOR MIXED INCOME PROJECTS.—

"(A) IN GENERAL.—In the case of any qualified low-income housing project under section 42(g) which is located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone and in which the applicable fraction for any building of such qualified low-income housing project is not less than 20 percent and not more than 60 percent but for the provisions of this subparagraph, the numerator of the applicable fraction under section 42(c)(1)(B) shall be increased by—

"(i) one or 5 percent of the total number of units (whichever adjustment provides the largest unit fraction) for each building in the qualified low income housing project in the case of the unit fraction under section 42(c)(1)(C), and

“(ii) five percent of the total floor space in the case of the floor space fraction under section 42(c)(1)(D).”

“(B) APPLICATION.—Subparagraph (A) shall apply to—

“(i) housing credit dollar amounts allocated after December 31, 2007, and

“(ii) buildings placed in service after such date to the extent paragraph (1) of section 42(h) does not apply to any building by reason of paragraph (4) thereof, but only with respect to bonds issued after such date.”.

SEC. 6. OVER INCOME LOANS FOR KATRINA, RITA, AND WILMA DISASTER AREAS.

(a) IN GENERAL.—Section 1400N(a)(5)(B) of the Internal Revenue Code of 1986 is amended by adding “and” at the end of clause (ii), by striking clause (iii), and by redesignating clause (iv) as clause (iii).

(b) MORTGAGE REVENUE BONDS.—Section 1400T(a) of the Internal Revenue Code of 1986 is amended by adding “and” at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 7. COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUBSIDIZED.

Section 1400N(c) of the Internal Revenue Code of 1986, as amended by this Act, is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

“(7) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUBSIDIZED.—For purpose of applying section 42(i)(2)(D) to any building which is placed in service in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone during the period beginning on January 1, 2006, and ending on December 31, 2010, a loan shall not be treated as a below market Federal loan solely by reason of any assistance provided under section 106, 107, or 108 of the Housing and Community Development Act of 1974 by reason of section 122 of such Act or any provision of the Department of Defense Appropriations Act, 2006, or the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.”.

SEC. 8. APPLICATION OF THE DEFINITIONS AND SPECIAL RULES UNDER SECTION 42(I) OF THE INTERNAL REVENUE CODE OF 1986 FOR BOND-FINANCED PROJECTS.

(a) IN GENERAL.—For purposes of qualifying as a qualified residential rental project under section 142(d)(1) of the Internal Revenue Code of 1986 [in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone], the special definitions and special rules for low-income units in section 42(i)(3) of such Code shall apply.

(b) EFFECTIVE DATE.—This section shall take apply to bonds issued after the date of the enactment of this Act.

SEC. 9. SPECIAL TAX-EXEMPT BOND FINANCING RULE FOR REPAIRS AND RECONSTRUCTIONS OF RESIDENCES IN THE GO ZONES.

Section 1400N(a) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(7) SPECIAL RULE FOR REPAIRS AND RECONSTRUCTIONS.—

“(A) IN GENERAL.—For purposes of section 143 and this subsection, any qualified GO Zone repair or reconstruction shall be treated as a qualified rehabilitation.

“(B) QUALIFIED GO ZONE REPAIR OR RECONSTRUCTION.—For purposes of subparagraph

(A), the term ‘qualified GO Zone repair or reconstruction’ means any repair of damage caused by Hurricane Katrina, Hurricane Rita, or Hurricane Wilma to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone (or reconstruction of such building in the case of damage constituting destruction) if the expenditures for such repair or reconstruction are 25 percent or more of the mortgagor’s adjusted basis in the residence. For purposes of the preceding sentence, the mortgagor’s adjusted basis shall be determined as of the completion of the repair or reconstruction or, if later, the date on which the mortgagor acquires the residence.

“(C) TERMINATION.—This paragraph shall apply only to owner-financing provided after the date of the enactment of this paragraph and before January 1, 2011.”.

By Mr. DODD (for himself, Mr. LIEBERMAN, Mr. KERRY, and Mr. KENNEDY):

S. 1182. A bill to amend the Quinebaug and Shetucket Rivers Valley National Heritage Corridor Act of 1994 to increase the authorization of appropriations and modify the date on which the authority of the Secretary of the Interior terminates under the Act; to the Committee on Energy and Natural Resources.

Mr. DODD. Mr. President, today I join with my colleagues, Senators LIEBERMAN, KERRY, and KENNEDY, to introduce the Quinebaug and Shetucket Rivers Valley National Heritage Corridor Amendments Act of 2007. Representatives COURTNEY and NEAL have introduced a companion bill in the House.

The Quinebaug and Shetucket Rivers Valley National Heritage Corridor, or QSHC, was established in 1994 as the fifth National Heritage Corridor. National Heritage Areas are designated by Congress to preserve distinctive landscapes of historic, cultural, natural, and recreational resources. The QSHC is commonly known as “The Last Green Valley,” a rare rural landscape in the populous Northeast. In fact, the Valley stands out in night images from space for its absence of lights. It contains aboriginal and colonial archaeological sites, mills and mill villages that preserve the history of the early industrial revolution, and traditional farming communities. The QSHC non-profit management entity has restored architecturally and historically important buildings, developed interpretive projects, and developed conservation and open space plans. It has consistently leveraged an average of \$19 for every \$1 of appropriated Federal money.

The QSHC has developed a plan to become a self-sustaining entity by 2015, as laid out in “The Trail to 2015: A Sustainability Plan for the Last Green Valley.” The plan calls for replacing Federal funds with fees for services, private and corporate support, and income from a permanent fund. In the interim, Federal funds are necessary for capacity-building, awareness programs, and ongoing education of land-use decision-makers.

The Quinebaug and Shetucket Rivers Valley National Heritage Corridor has created a collaboration of 35 municipalities dedicated to preserving a unique slice of our American heritage. With an extension of its authorization, this preserve can exist in perpetuity. I urge my colleagues to support reauthorization of the QSHC.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 162—COMMEMORATING AND ACKNOWLEDGING THE DEDICATION AND SACRIFICE MADE BY THE MEN AND WOMEN WHO HAVE LOST THEIR LIVES WHILE SERVING AS LAW ENFORCEMENT OFFICERS

Mr. LEAHY (for himself, Mr. SPECTER, Mr. BIDEN, Mr. GRASSLEY, Mr. CORNYN, Ms. STABENOW, Mr. REID, Mr. DURBIN, and Mr. MENENDEZ) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 162

Whereas the well-being of all citizens of the United States is preserved and enhanced as a direct result of the vigilance and dedication of law enforcement personnel;

Whereas more than 900,000 men and women, at great risk to their personal safety, presently serve their fellow citizens as guardians of the peace;

Whereas peace officers are on the front lines in preserving the right of the children of the United States to receive an education in a crime-free environment, a right that is all too often threatened by the insidious fear caused by violence in schools;

Whereas 147 peace officers across the United States were killed in the line of duty during 2006, which is below the decade-long annual average of 167 deaths;

Whereas a number of factors contributed to this reduction in deaths, including—

- (1) better equipment and increased use of bullet-resistant vests;
- (2) improved training;
- (3) longer prison terms for violent offenders; and
- (4) advanced emergency medical care;

Whereas every other day, 1 out of every 16 peace officers is assaulted, 1 out of every 56 peace officers is injured, and 1 out of every 5,500 peace officers is killed in the line of duty somewhere in the United States; and

Whereas on May 15, 2007, more than 20,000 peace officers are expected to gather in Washington, D.C., to join with the families of their recently fallen comrades to honor those comrades and all others who went before them: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes May 15, 2007, as “Peace Officers Memorial Day”, in honor of the Federal, State, and local officers that have been killed or disabled in the line of duty; and

(2) calls on the people of the United States to observe that day with appropriate ceremonies and respect.

Mr. LEAHY. Mr. President, I am proud to submit today a bipartisan resolution to designate May 15, 2007, as National Peace Officers Memorial Day. Joining me in the submission of this resolution are Senators SPECTER, REID, BIDEN, GRASSLEY, CORNYN, and STABENOW. I thank them for their leadership in recognizing the sacrifices