

Delaware Latin American Community Center will honor Joe and Joanne for their contributions to the Delaware community at their Annual Grand Ball, Una Noche en España.

Joe's life in public service began following his 1970 graduation from Lincoln University when he accepted a position teaching in the Wilmington School District in Wilmington, Delaware. He continued teaching in the Christina School District until his retirement in 2001. In 1975, he earned a masters degree from West Chester University and completed post-graduate degree work at the University of Delaware. Joe's career in politics began in 1992 when he was elected to the New Castle County Council, serving until his election to the Delaware House of Representatives in 1998. As a member of Delaware's General Assembly, Joe has been a strong advocate of an increased focus on improving education statewide and nationwide, joining such associations as the Delaware State Education Association and the Association of Teachers of Foreign Language.

Likewise, Joanne has dedicated herself toward improving education for our youth in Delaware and across America. Her undergraduate and graduate degrees from the University of Delaware and background in education and school counseling have served her well in numerous influential leadership positions, including serving as vice president of the College of Education, Human Services and Public Policy at the University of Delaware and as president of the Delaware School Counselors Association and the Delaware Counseling Association. Joanne also served as a board member of the National Association for the Education of Homeless Children and Youth. Joanne currently serves as an education associate for school improvement with the Delaware Department of Education.

In addition, Joe and Joanne have been very active members in the Hispanic community. Joe currently serves as the President of the National Hispanic Caucus of State Legislators and as a member of the Governor's Advisory Council on Hispanic Affairs. From 1994 to 2002, Joe was a board member of the Latin American Community Center in Delaware. Joanne continues to lend her support to Joe's efforts in representing the interests of Latinos in Delaware and throughout the United States.

I acknowledge and thank Representative Joe and Joanne Miro for their service to the State of Delaware and our country. I am confident that they will remain active and enthusiastic advocates for these causes that are so dear to their hearts.

#### HONORING SHERIFF RICHARD ROTH

#### HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 26, 2008*

Ms. ROS-LEHTINEN. Madam Speaker, I would like to take this opportunity to offer my highest commendations to Sheriff Richard Roth and to thank him for the nearly twenty years of service that he has selflessly dedicated to Monroe County.

It is a testament to the greatness of our nation that a native of Minneapolis, Minnesota can find his calling in the Law Enforcement

community of Florida and work his way up from a radio dispatcher to the Sheriff of Monroe County.

Sheriff Roth has committed himself wholly and unwaveringly to the safety of our community. Throughout his career, he has sought to further his expertise in law enforcement with a degree in Police Administration from Florida Keys Community College, as well as successfully completing courses at the National Sheriff's Academy and the prestigious FBI National Academy for police executives all so that he may better serve our community.

As Sheriff, his efforts to boost community involvement have resulted in nearly 140 Crime Watch groups in Monroe County and recognition at the State and National level for its accomplishments; not the least of which is reducing crime in Monroe County by fifty percent during his tenure as Sheriff.

His service to his country in the United States Navy and to his community in the Monroe County Sheriff's Department have benefited us all, and I know that I sleep soundly at night knowing that Sheriff Richard Roth is watching over all of our neighbors.

#### IN HONOR OF COMMISSIONER CYNTHIA WHITE

#### HON. MICHAEL C. BURGESS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 26, 2008*

Mr. BURGESS. Madam Speaker, I rise today to honor Denton County Commissioner Cynthia White and her years of service to Denton County and the North Texas region.

Cynthia White began her career in public service as a Constituent Liaison for U.S. Congressman Dick Armey. She then began a distinguished career in local government serving on the City of Lewisville Planning and Zoning Commission as well as the Board of Adjustment. In 1992 Commissioner White was elected to the Lewisville City Council where she served as Mayor Pro-Tem from 1994 to 1995. She was elected Commissioner in Denton County in 2000 where she has since worked hard for the people of Precinct 1 and beyond.

Commissioner White has become known as a leader on transportation issues for her region. Her dedication has helped pave the way for numerous projects in Precinct 1 from safety improvements along Highway 377 to providing needed funding for FM 423 to partnering with local cities to secure funding for improvements on FM 2181. When the Lewisville Lake Bridge/FM 720 concept stalled, Commissioner White brought concerned parties back to the table to get the project moving again. Thanks to her efforts, that bridge is now being constructed and will soon help provide needed relief to traffic congestion. The Commissioner has served as the Chair of the Regional Transportation Council, a board member of the Dallas Regional Mobility Coalition, and has spoken on transportation to audiences throughout the state, including the Texas Senate.

Commissioner White's public service goes far beyond government. She has volunteered with organizations such as the United Way, the Boys and Girls Club, the Denton Benefit League, the American Heart Association, and the Salvation Army of Denton Advisory Board.

In addition to this, she remains an active member of her church, a certified personal trainer and promoter for health and fitness issues, and often performs as a musician in the community.

It is with great honor that I recognize Commissioner Cynthia White for her years of hard work and dedication given to the citizens of Denton County and North Texas region. I am proud to represent her in Washington. Her service sets a standard of devotion and true leadership, one that will never be forgotten.

#### TRIBUTE TO HONOR FLIGHT

#### HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 26, 2008*

Mr. SHAYS. Madam Speaker, I pay tribute today to Honor Flight for its dedication to our World War II Veterans.

In Connecticut, we have been blessed by the vision of Christopher Coutu, Founder of American Warrior. This organization is dedicated to bringing World War II Veterans from Connecticut to Washington, DC to see their monument erected for their service to our country during its darkest hour. Mr. Coutu created American Warrior with the ideas of Honor Flight in mind and has helped many Veterans see this important memorial for the first time.

Honor Flight has done this for many Veterans around the country. Their dedication has given so much back to the generation that defended us and sacrificed so much to keep their fellow Americans safe.

We cannot do enough for our Veterans in exchange for what they gave us, but we can honor them and give them opportunities to be thanked by a grateful nation. I stand in awe of Honor Flight, American Warrior for giving our World War II Veterans the opportunity to see their memorial erected in their honor.

#### RECOGNIZING THE CAREER AND SERVICE OF REPRESENTATIVE RAY LAHOOD

#### HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 26, 2008*

Ms. SCHAKOWSKY. Madam Speaker, I rise today to acknowledge my friend and colleague Representative RAY LAHOOD, who is retiring from the House after 14 years of service to the 18th District of Illinois.

I have had the pleasure of working with RAY LAHOOD on many issues of importance to our State. We have not always agreed on every policy issue, but we have always been able to discuss our differences with respect and good will and we have always been able to work together to promote the interests of Illinois. His common sense and sense of fairness are recognized and valued not just within the Illinois delegation, but within the entire House of Representatives.

A member of the House Appropriations Committee, RAY LAHOOD has been a strong advocate of Illinois farmers and rural communities. When the Republicans were in the majority, he was often called on to chair the

House, not only because of his knowledge of procedures but because of his ability to maintain order in a calm and fair fashion.

Representative LAHOOD has a long and distinguished record of serving his district, from his leadership in establishing the Abraham Lincoln President Library and Museum in Springfield to his work to spur economic growth while protecting the environment. A teacher by training, he has worked to preserve and improve the Library of Congress—our Nation's preeminent library.

I will miss RAY LAHOOD and, like his constituents, I wish him all the best and thank him for his years of public service.

#### AN ALTERNATIVE TO THE PAULSON PLAN

**HON. VIRGINIA FOXX**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 26, 2008*

Ms. FOXX. Madam Speaker, I submit the following for the RECORD:

BRANCH BANKING & TRUST CO.,

Winston-Salem, NC, September 26, 2008.

Hon. VIRGINIA FOXX,

House of Representatives, Cannon House Office Building, Washington DC.

DEAR REPRESENTATIVE FOXX: Unfortunately, while under normal circumstances there would be a free market solution, given the publicity and psychological mindset which has been created, Congress not acting is extraordinarily risky. Therefore, an alternative to the Paulson Plan must be developed. A much more effective, far less expensive solution to the financial crisis than the Treasury Secretary presented is outlined below.

It is important to recognize that the fundamental problem is in the real estate market. We have built too many houses, built too expensive houses, built houses in the wrong places, etc. We have an excess of housing inventory. Problems in the mortgage market which are causing the problems in capitals markets are being created by the problems in the real estate market. House prices in many areas have been out of line with peoples income and rental alternatives. In the long term, the price of houses is determined by production costs, people's incomes (affordability) and the relative cost of rental alternatives. Based on these factors, the price of houses in the United States on average need to fall approximately 30% from the peak of the market to sell the unsold inventory. (The numbers used here are rough approximations and vary significantly by individual market, but they make the point.) We have effectively wasted \$600 billion on housing which should have been put to more productive uses such as technological investment, education, agricultural advancement, etc. Without Freddie Mac and Fannie Mae and the affordable housing program (sub prime), we could never have made a misallocation of capital of this magnitude.

However, the mistakes have been made and we have to live with them. Housing prices nationally have already fallen approximately 20%. The good/bad news is approximately \$500 billion of the projected \$600 billion in losses have already been taken by financial institutions, and substantial capital raised to cover some of the losses. House prices need to fall another 10% or approximately \$100 billion to clear the market. Ironically, if the market knew that housing prices were going to fall exactly 10%, the

market would stabilize. Uncertainty about the bottom of the market is what is creating the disruption in the capital markets.

The goal is to cut the effective economic cost to the buyer without cutting the price to the seller which will solve the problem in the housing market. Congress can approve a house purchase income tax credit equal to 10% of the cost of the house with some maximum (such as \$40,000). This will cut the effective economic cost to the buyer without cutting the price to the seller. The tax credit would be available to anybody and would be a true tax credit in the sense that you would still get the interest deduction. The government would be sponsoring a "fire sale" of houses. The tax credit would only apply to existing house inventory, i.e. new houses which were completed or under construction as of September 1, 2008 and existing houses which could be proven to be on the market as of September 1, 2008. The tax credit would be available for a limited time, for example until June 30, 2009. In order to motivate rapid sales activity, Congress would approve a fixed amount of tax credit and make it available on a first come, first serve basis. For example, the amount of the tax credit could be \$100 billion to the first purchasers of houses. This would force individuals to act quickly. The goal is to entice people to make real estate investments who otherwise would not and clear the housing inventory.

Let me give you some concrete examples. There is a house on the road which I travel to work that has been on the market for \$200,000. I am not interested in purchasing at that price. However, a 10% tax credit of \$20,000 makes the effective cost of the house to me \$180,000. At that cost, I would be willing to purchase the house. In addition, the tax credit makes it an even better deal since I personally hate to pay taxes.

Tom, who owns the home, wants to sell his house so he can buy a new home that is a few blocks away. If he can sell his house for \$200,000, he would have enough equity to buy his new house. (He sells for \$200,000 and yet the house cost me \$180,000.)

I already have a house and do not need to have a second house to live in, so this house would be an investment for me because I think house prices will ultimately appreciate, particularly off of the 10% reduced cost base. I would be motivated to rent the house because having an empty house is not productive. I would rent it based on the \$180,000 price or less because any rental income would be better than none. I may rent it to Fred and his family who are moving out of a falling-down mobile home which would improve the quality of their life. Tom would have a better house for himself and his family. Fred would have a better house for himself and his family, and I would have a good investment. The realtor who sold both houses would have more income to pay for her house and the builder would be out from under a financial bind. The bank that financed the new house would have less risk and more capital. Having an empty house is not only a waste of capital, it reduces the standard of living.

Here is another concrete example. Janet and Jim who live in the northeast have long coveted a vacation/retirement house in Florida. With this once in a life time buying opportunity covered by the housing tax credit, and given that house prices in Florida have already fallen significantly, Janet and Jim would be motivated to buy that dream vacation/retirement home in Florida and they can afford to do it at this reduced price. Because they are not ready to retire, they may put the house they have purchased up for rent for vacationers and/or for individuals living in Florida at a lower rental rate based on the cost and the fact that any rental in-

come is better than no income. Again, this would be a good situation in that Janet and Jim would be happy, the builder would be better off financially, the bank that financed the house would be better off financially, the realtor in Florida who sold the house would be able to make her house payments and the renters or vacationers would have a better quality of life.

This program can all be accomplished for \$100 to \$150 billion and solves the real estate problem and with it the capital markets problem. While expensive, this program is dramatically less expensive than Paulson's \$700 billion dollar program.

Our program would be a huge economic stimulus far more effective than sending people \$100 checks so that they can eat out an extra meal. Rich people would benefit from the tax credit (this is not an egalitarian measure), but the country as a whole would tremendously benefit. All homeowners would benefit because this would stabilize housing values nationally. The interesting fact is that there are less than a million extra houses for 300 million people in America. The incentive does not have to impact the decision making of many families to have a significant impact on the U.S. economy.

To understand the problem in a broader context, it is appropriate to reflect on it from a very basic perspective. My early career in the bank was devoted to financing farmers. An interesting thing happens in agricultural markets, farmers have to guess what to produce based on what they expect the price to be in the fall. Hedging helps but production can not be totally hedged. In the spring, many farmers think that soybean prices will be high in the fall so they grow a lot of soybeans. The weather is very good and soybeans production is good and soybean prices fall because there are so many soybeans. This is an economic miscalculation, and it is an unavoidable calculation because as human beings we are not omniscient. The fact that farmers would have been better off growing more sun flower seeds and fewer soybeans is not known before the process starts. The soybean market corrects almost immediately. The reason this happens is that soybean farmers have an interesting dilemma; they have soybeans which they have to do something with because they can not eat them all themselves. They can sell the soybeans or store them. If they choose to store them they have the cost of storage, the risk of physical damage and the risk that the price will be even lower in the spring. That is a risk some farmers assume and others don't, but the market quickly clears all the soybeans that are for sale, and the people that store them are making a rational economic decision based on the facts. They are at risk if the decision is wrong so they are more likely to sell.

In theory the housing market should work in the same way, i.e., housing prices should have quickly fallen 30% and we should be through the market correction, particularly given that the housing market has been in a correction for over 2 years. Unfortunately, we have factors that prevent the natural free market correction process from working effectively in the housing market. One factor is human psychology in that people tend to make less rational decisions in regards to their home because of the emotional attachment (which farmers do not have for soybeans). There is probably not much we can do about this fact.

The other factor is structural and it reflects on who is taking the risk. Let me give you an example. You make a loan to James who is someone you know, but not a close friend. James is buying a \$200,000 house and he is willing to put \$10,000 down and you loan