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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable BENJAMIN L. CARDIN, a Senator from the State of Maryland.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

O God, our help in ages past, our hope for years to come, thank You for the gift of another day. Because of You, we live and breathe and have our being, and we would not take the gift of our heartbeats for granted.

Guide our Senators in their labors. Give them the grace to work together in the strategic mix that is our legislative process. Make them such models of integrity that their actions will match their words. Help them to resist the tendency to rely too much on their own wisdom, as they permit You to lead them to truth. Grant that their lives this day will be infused with Your presence, love, wisdom, and power.

We pray in the Redeemer's Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable BENJAMIN L. CARDIN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,

Washington, DC, February 27, 2008.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable BENJAMIN L. CARDIN, a Senator from the State of Maryland, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. CARDIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following my remarks and those of the Republican leader, there will be a period of morning business for an hour, with the Republicans controlling the first half, the majority controlling the final half. Following morning business, we will resume the motion to proceed to S. 2633, a bill that calls for the safe redeployment of the troops in Iraq. Today, the Senate will stand in recess from 12:30 until 2:15 p.m.

IRAQ

Mr. President, another day in Iraq. As we see from the morning papers—the Washington Post is a good example—headline: “Suicide Bomber Hits Bus in Iraq’s North.” Among other things, the article goes on to state:

A suicide bomber detonated his explosives belt outside a bus in northern Iraq on Tuesday, killing at least eight people and injuring many more.

In a different paragraph:

The Tall Afar bombing followed a bloody weekend of attacks against Shiite pilgrims, the deadliest incident taking place on Sunday when a suicide bomber killed at least 63 pilgrims near the southern town of Iskandariyah. Even as overall violence has fallen, the recent attacks underscore the tenuous security environment and the resiliency of the insurgency.

In volatile Diyala province, armed men set up a fake checkpoint and kidnapped 21 people.

Near the oil-rich city of Kirkuk, gunmen attacked a checkpoint manned by Sunni volunteers, killing the Sunni volunteers.

Mr. President, this is 1 day and a half billion dollars. That is what is going on in Iraq.

What impact does that have? General Casey testified here yesterday. General Casey said:

The cumulative effects of the last 6-plus years of war have left the Army out of balance, consumed by the current fight, unable to do the things we know we need to do.

And I failed to mention in my earlier comments that below the article about the suicide bomber is the report of three more dead American soldiers: CPT Nathan R. Raudenbush, LCpl Drew W. Weaver, and SPC Keisha M. Morgan.

So that is where we are on the Iraq debate today. I will sum up in a short time, after I make a few other remarks, and I will ask consent so that we have some idea today as to how we will proceed.

I would tell all Senators that we will have, sometime today, either after the 30 hours or before a vote on the motion to proceed to the matter that is now before the Senate—immediately after that, no matter what happens on that—we will have a cloture vote on the second matter, which is, as we all know, a piece of legislation that calls for periodic reports by the President on the war on terror. Following that, when that is disposed of, we will go to the housing stimulus package. That is what I would like to spend a few minutes on because we will get to that sometime this week. It is only a question of when we get to it.

HOUSING

Mr. President, the sights and signs of America’s housing crisis are all around us. There is not a State in the Union that doesn’t feel the housing crisis. Neighborhood streets are dotted with one “For Sale” sign after another. And once we have one “For Sale” sign or, even worse, the bank has a foreclosure sign on it, it affects the whole neighborhood.

• This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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One of my boys lives in Las Vegas, in a nice neighborhood. The housing prices there in the last 3 months have dropped 20 percent—20 percent. In Las Vegas, last month, there were more foreclosures than there were sales of new homes. This is very unusual because Las Vegas has been the fire that has burned upward for 20 years, creating such an economic strong point that it has been known for 20 years as the most rapidly growing State in the Union.

In these struggles, construction workers are having trouble finding jobs. Construction workers are having trouble making payments on their homes. In desperation, hard-working people have been talked into bad mortgages and are now seeing their homes just slip away. Every day, new statistics illuminate the depth of this growing crisis in the housing market.

The crisis is everywhere. Today, the Associated Press reported that the number of homes facing foreclosure across our country grew by 57 percent in the month of January. That is compared to a year ago. We also now know that sales prices have lost almost 10 percent in the final quarter of last year, and I am sure this quarter is going to be even worse. The last quarter marked the steepest drop in the 20-year history of the Standard & Poor's housing index.

In the crisis in Nevada, I have mentioned briefly last month that we saw the rate of foreclosures rise 95 percent from the previous year; in Reno and Sparks, 611 percent. Now, who suffers from these foreclosures? Families who own the homes? Of course they do, but they aren't the only ones. It is the whole neighborhood, those who live near foreclosures, families who have done nothing wrong, who have paid their bills on time. Yet they are seeing the value of their property zapped.

The Center for Responsible Lending has estimated that 40 million neighboring homes will experience a loss in equity if the expected foreclosures materialize. That would likely lead to a total decline of more than \$200 billion in home equity, and some say that is very conservative. This could mean more than \$3 billion in losses for Nevada alone.

If that is not bad enough for homeowners, it is very bad for local governments that have already been forced to cut services as a result of the shrinking tax base. One example: Washaw County—that is Reno—is facing a \$26 million cut to its local budget, and they say it is mainly due to the housing crisis, and \$26 million to Washaw County is a lot of money.

These numbers are staggering. We all know the housing crisis isn't just about statistics, it is about families. I have had, in the State of Nevada, six mobile resource centers where I bring in people. We do advertising and let them know we are going to be there. We bring in experts to talk, and we have people who service the loans there, we

have credit counselors, and we have representatives from FHA. We have a wide range of experts there to talk to these desperate people to see if anything can be done to help them, and there are some things that can be done to help. These centers bring borrowers and mortgage services together to talk about how to help homeowners facing foreclosure.

The stories they tell are heart-breaking. I could tell lots of stories, but the one that stands out in my mind is a man by the name of Elisario. What extraordinary challenges this man and his family face. He is a marine veteran of the Iraq war. He has three children, three little girls. Like thousands of others of these heroes returning from Iraq and Afghanistan, the war took its toll on him. He suffers from post-traumatic stress disorder and is recovering from many surgeries related to injuries he sustained in Iraq. As a result of the injuries he suffered in service to our country, his family was forced, for a time, to rely on the income from his wife's part-time job. Now, remember the three little girls. They fell behind in their mortgage payments. That doesn't surprise anyone. He called his lender but was told it was his responsibility to pay the loan. They weren't willing to work with them at all. He was told to sell the home and get an apartment.

All across the country, people just like Elisario are looking to us for help. In far too many cases, people like him saw their mortgage payments skyrocket after the interest rate on their loan was reset. The sudden loss of income combined with the dramatic increase in the monthly payment is lethal for any homeowner. These are the families whom the legislation we will get to—hopefully sooner rather than later—this week will help.

This legislation we have is not for speculators. It is not for speculators who lost a bet. Are we going to bail out lenders who underwrote mortgages? No. They shouldn't have made those loans. That is their problem. We are not trying to bail out borrowers who should have known better. We are trying to give families like Elisario's a chance to keep their homes and stabilize the Nation's economy in the process.

The administration deserves credit for taking some first steps. I appreciate Secretary Paulson and like him a lot. He has led the efforts to gather mortgage servicers, investors, and housing counselors to form the Hope Now Alliance and Project Lifeline. These efforts should help, but it is such a tiny bit of help, and they are all voluntary. They fall completely short. Some estimate that less than 3 percent of at-risk families will be reached under his proposals—less than 3 percent. We have to help the 97½ percent who won't be reached.

The legislation before us does that. It will keep families in their homes by increasing preforeclosure counseling

funds, expanding refinancing opportunities, and amending the Bankruptcy Code to allow more home loans on primary residences to be modified. This will help communities impacted by foreclosures by allowing parts of the country with high foreclosure rates to access Federal funds to purchase foreclosed properties for rehabilitation, rent, or resale.

The bill will help struggling businesses by making it easier for them to utilize losses incurred in 2006, 2007, and 2008 to offset prior years' income to recoup previously paid income taxes. This was the provision that was in our previous stimulus package that our colleagues on the other side of the aisle stopped us from moving forward on. It is one the home builders liked very much.

The legislation that will be before the Senate shortly will help families avoid foreclosure in the future by improving loan disclosures during the original loan and refinancing process. And one of the provisions that was also in our package that we had, that my good friends on the other side of the aisle defeated, was one the President called for in his State of the Union Message—revenue bonds to help people get into some of these homes that are being foreclosed upon.

Title IV of the legislation makes changes to the Bankruptcy Code. These changes would allow a bankruptcy judge to modify the terms of a mortgage on a primary residence but only under very limited circumstances, limited in scope and duration. Only families who can pass a strict means test in bankruptcy and are currently struggling with an adjustable rate mortgage and subprime loan that already exists are eligible. That is all.

There are limits to the modifications a judge can make to the interest rate, term, the principal amount of the mortgage. We do not aim to drive struggling families into bankruptcy with this proposal. No one should abuse the Bankruptcy Code to get out of debts they owe.

The means test provided in this legislation should prevent that from happening. Remember the reason this is necessary today. For example, in Las Vegas, if you own a home down on the oceanfront in Malibu, you buy that and finances go bad, you can go to bankruptcy court. The bankruptcy court can readjust that loan on your vacation property, your second home, but cannot do that on your primary residence. That is not the way it should be.

We are also mindful of concerns that this provision could make access to mortgages more difficult by increasing costs, it could inject more uncertainty into the market. All the experts say that is untrue. Georgetown has completed a study.

In today's New York Times, there is an article: "Getting Real About the Rescue." That is what it is about. And they go on to state how important it is that we do this stimulus package but

especially we do this bankruptcy provision. This editorial says, among other things:

If the bankruptcy provision becomes law, as it should, lenders will have a powerful incentive, which they currently do not have, to modify troubled loans voluntarily. If they can't or won't come to new terms with borrowers, then they would run the risk that a bankruptcy court would do the modifying for them.

But most, or all, I repeat, independent experts agree that any increase in costs would be nonexistent. Meanwhile, this modified bankruptcy language would help more than 200,000 families avoid foreclosure. It would stabilize the housing market, prevent future, perhaps deeper losses to families, investors—and that is so important, we have to do that. That is why we have to act.

There may be no perfect solution to the growing housing crisis, but standing back and doing nothing would be a real mistake. The legislation that will shortly be before us will make a real difference to homeowners, neighborhoods, and our economy.

More than 700,000 families will benefit from the policies in this measure, 80,000 vacant foreclosed homes will be put back to productive use, 30,000 jobs, and \$10 billion in economic activity will be created.

I hope my colleagues will join us to support cloture on the motion to proceed to this matter so we can pass the legislation and bring the relief to hundreds of thousands of Americans.

UNANIMOUS-CONSENT REQUEST

Mr. REID. Mr. President, yesterday, at 3:16 in the afternoon, the Senate voted to invoke cloture on the motion to proceed to S. 2633, which is a bill to provide for the safe redeployment of U.S. troops from Iraq.

After the cloture vote, I made a proposal that we would have postcloture debate for a period of time, a significant period of time, agree to the motion, and then go to the bill. But once we completed action on this, S. 2633, we would have a cloture vote on the motion to proceed to the next matter that I talked about earlier today. That consent was rejected.

I ask unanimous consent that all postcloture time be yielded back, and the motion to proceed be agreed to; that upon disposition of S. 2633, the Senate proceed to vote on the motion to invoke cloture on the motion to proceed to S. 2634; further, that if cloture is invoked, notwithstanding rule XXII, the Senate then proceed to vote on the motion to invoke cloture on the motion to proceed to H.R. 3221, the housing bill.

The ACTING PRESIDENT pro tempore. The Republican leader.

Mr. MCCONNELL. Reserving the right to object, the question of the Iraq debate, once again at this particular juncture, was not the decision of the minority. Nevertheless, having put the

Iraq issue back before the Senate, there are a number of members of my conference, many of whom have been to Iraq recently, who were anxious to discuss the undeniable progress that has occurred in Iraq over the last 6 months.

We had a good discussion yesterday. I have more members who would like to continue the discussion today. There is obviously an opportunity later in the morning or this afternoon to discuss further with the majority leader the possibility of shortening the time.

But for the moment, there are a number of Senators on my side of the aisle who are anxious to discuss the progress in Iraq, happy to have the debate time. Therefore, for the time being, I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. MCCONNELL. Mr. President, let me say briefly, the matter before us, the Feingold withdrawal amendment is in basically the form it has been before us, has been voted on four times before. Each of the times it was voted on in the past, one could argue that things were going less well in Iraq than they are today. The highest number of votes the Feingold withdrawal proposal has received at any point in these 4 votes is 29 votes.

It will be, should it be voted on, defeated once again. It certainly should be because now we have had 6 months or so of undeniable progress on all fronts. The security situation is dramatically improved. Even on the political side, where I think Members on both sides were frustrated with the new Iraqi democracy, they finally have begun to take the kind of steps that are needed—the deBaathification law was approved, local elections have been scheduled for later in the year.

They are finally making some progress on the Government side as well as the undeniable progress on the security side, at this point, not brought about strictly by American troops but also the sons of Iraq. These people who decided to defend their neighborhoods and defeat, help us defeat al-Qaida, have grown dramatically in terms of numbers and commitment.

So there is, as I indicated, a lot of interest on our side in continuing to at least point out the progress that has been made in Iraq, both in terms of security and on the political side. So we will have that discussion later into the morning, and the majority leader and I will have an opportunity later in the day to discuss where we go from here.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period of morning business for

60 minutes, with Senators permitted to speak for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

TENNESSEE TORNADOS

Mr. CORKER. Mr. President, thank you for the opportunity to speak for a few minutes this morning.

While I would like to speak about health care and on some of the comments made about the stimulus package that is going to be debated apparently in upcoming days, I would first like to make mention of the tornado damage that has occurred in our State.

We have officially 32 deaths. That number may rise. Certainly, we have had numbers of people in our State who have gone without housing. They have lost their worldly possessions. They have lost family members. In this time of grief for many people, I think we have also seen something that has been very uplifting.

Certainly, after other disasters that have taken place in this country in recent times, there, in some cases, has been a sense of concern about whether our Government is able to meet the needs of these disasters we have seen in various parts of the country and in some cases the world.

In the State of Tennessee FEMA, under the leadership of Director Paulison, and TEMA, under the leadership of General Bassham, and then the leadership of various local agencies that deal with disasters have responded in incredible ways.

In our State, I think what we have seen is an unprecedented cooperation that has taken place, one that I think is going a long ways toward causing people to see our Government responding in a way that is very responsible.

We have also seen numbers of people who have given of themselves to help their neighbors. We have had Red Cross personnel on site, we have had lots of volunteers from various organizations throughout our State helping those in need.

It has caused me to feel great about our leadership, Federal, State and local, as it relates to responding to these people in times of need. I know this will continue as 16 counties right now are under the Federal disaster designation; there may be more coming. But my hat is off to all those who have been involved in helping people in this time of need.

ECONOMIC STIMULUS

Mr. CORKER. Mr. President, I do wish to refer briefly to the stimulus package that was discussed by our majority leader. I have a great deal of respect for him. I was 1 of 16 Senators who voted against the last stimulus