the broken immigration system, offering only divisive measures and empty rhetoric that subvert our values as a Nation of immigrants, undermine our national security, and leave American jobs unprotected.

It is time to get real. Approximately 12 million people are living in our country outside the system. That is more than the population of New York City. Illegal immigrants are here because there are jobs, and there are jobs because employers know they can get away with breaking the law and abusing illegal workers. The past 7 years should have taught the Republicans that deportation alone doesn't work.

Don't the Republicans get it? Deportation-only policies have failed spectacularly. Existing control efforts are unacceptably costly. We now spend over $10 billion on border and interior enforcement, and the system is more dysfunctional and lawless than ever.

These expenditures barely scratch the surface of the true costs enacted by our current policies. Heavy-handed enforcement hurts U.S. citizens living in the border region. These communities bear the brunt of environmental degradation, noise and light pollution and surging border-area violence. In spite of these escalating costs, illegal immigration continues unchecked.

Even when Republicans are given the tools, they don't use them. Last year, the Bush administration prosecuted only four employers for hiring illegal immigrants. It is time to stop coddling employers who break our laws and undercut American workers. It is time to force bad actor employers to respect our immigration and labor laws, to provide fair wages, to offer decent working conditions, to value the rights and contributions of the workers they employ, including American workers. And it is time to punish those employers who don't.

Let it be known the Republican agenda isn't based on real solutions. Instead, they have been cynically using the immigration problem to stir up local resentment and fear. They have vilified and attacked immigrants, especially Latinos. First, they proposed to criminalize priests and those who help immigrants. Remember the bill that passed the House of Representatives under the Republican leadership that said you have situations where we have several million children who are American citizens; they have mothers who may be undocumented. Under their law, the mothers had to be deported. If a mother went and talked to a priest and asked: Where is my responsibility, to comply with the law or look after my child, if that priest were to suggest that her first responsibility was to look after that child, under the Republican law, that priest could have been indicted as an accessory after the fact. That was Cardinal Mahoney, the great cardinal from Los Angeles, who spoke out on this issue with such credibility and outrage. Then they opposed comprehensive immigration reform that we had on the floor of the Senate. Two-thirds of the Democrats said yes; two-thirds of the Republicans said no. Now we have their proposal as introduced this week.

What do the Republicans have against immigrants?

When immigrants are abused, all Americans suffer. Employers can get away with depressing our wages, neglecting working conditions for all workers, immigrants, and citizens.

This isn't leadership and, sadly, it is not new. It is a continuation of a decades-old Republican strategy to scapegoat and marginalize vulnerable minority communities, to fan the flames of fear and divert attention away from their own inaction and failures.

The Republican leadership may not get it, but the American public does. Americans understand that reforming our immigration system is a complex challenge and requires a tough, fair and, above all, realistic solution. They know it is time for change and time to find a way forward.

We need to require the 12 million undocumented immigrants in this country to register with the Government and get legal. This includes payment of appropriate fees and fines, submitting to extensive security and background checks, learning English, and paying any U.S. taxes they owe. We need to deport those who have committed serious crimes or represent a threat to our national security; to implement border control that is well resourced, utilizes modern technology and is effective and humane at the same time; target and punish employers who flaunt the law by hiring those who are not authorized to work; assist States and local communities that are affected by high rates of immigration by helping to defray health, education, and criminal costs; and ensure that American workers are helped, not harmed, by U.S. immigration policy.

Instead of embracing these goals, the Republicans want to deny local communities funding for community policing because such communities recognize that earning the trust of immigrant communities helps to combat crime. They would condemn victims of domestic and sexual violence to a life of abuse, unable to come forward to report such crimes.

They want to force all American workers to prove their eligibility to work based on a database that is so flawed it will result in the denial of employment to millions of authorized workers, including American workers and American citizens. This in a time when workers are struggling to put food on the table, pay their bills, and hold onto their homes.

They want to subsidize sweetheart Government contracts with taxpayers' money to build exorbitantly expensive fences that have shown little promise in stopping illegal immigration, and they want to take property away from American landowners to build these fences. These ideas don't just hurt immigrants, they hurt Americans.

Senate Democrats have led an effort to fix our broken immigration system not once but twice. That legislation was pragmatic, recognizing it is impractical to deport 12 million illegal immigrants. That legislation recognized the Government must seize control of our immigration system and implement border enforcement that is both effective and humane, while aggressively going after and penalizing employers that knowingly break the law and profit off illegal immigrants. It also included a roadmap for future orderly immigration that would uphold American values, support the American economy, and ensure that immigration, first and foremost, serves the interests of Americans.

The majority of Republicans turned their backs on workable solutions. They chose instead to grandstand the issue and push a delusional ''round 'em up and kick 'em out'' agenda. And here they are again in this new political season playing the same old tired tune. This country deserves better.

I challenge my Republican colleagues to demonstrate the courage and fortitude it will take to pass legislation that is tough, effective, workable, and gives the American public what it deserves: an immigration system that serves the economic, social, and security needs of 21st century America. Anything less is a disgraceful insult to the American people.

CREDIT MARKET AND STUDENT LOANS

Mr. KENNEDY. Mr. President, I wish to take a few moments to discuss a growing problem for students and families struggling to pay for college.

Americans are anxious about their economic futures. They are seeing volatile markets, disappearing jobs, home foreclosures, rising debt, and declining benefits. Now the crisis in the credit market, stemming from irresponsible lending practices in the mortgage industry, may impact their ability to secure student loans at fair rates so their children can go to the college of their choice.

We all know that student loans are critical for millions of students and parents trying to pay for college. In the last 20 years, as the cost of college has tripled, more and more students are relying on students loans to afford a college education.

In 1993, less than half of all graduates had to take out loans, but in 2004, nearly two-thirds had to take out loans to finance their education.

This chart shows how more students must take out loans to finance their education. In 1993, if you look at the students taking out loans, and then here in 2004, you can see that as the cost of college has risen and grant aid has not kept pace, more and more students have to turn to loans. This difference has made students borrowing in the private sector—in many instances at exorbitant rates. It is this area, in the private sector, that is at risk. The federal student loan system is not affected in the same way. I will say more about that in my remarks.

Last year, we passed legislation that increased grant aid and ensured that Federal loans were cheaper for students by cutting interest rates. We also ensured that no graduate would have to pay more than 15 percent of their income in monthly loan payments and that those who enter public service will have their loans forgiven. But these benefits will be meaningless if these students cannot access the loans they need to be able to afford the college of their choice.

In recent weeks, the credit market crisis has made it more difficult for student lenders to secure capital. This has increased the cost of lending, causing some lenders to pull out of the student loan market and causing those operating outside the Federal loan program to cut back on lending to high-risk borrowers.

Due to the attractiveness of the Federal guarantee in the federally subsidized program—so far—other lenders are stepping up to fill in the gaps in that program. And the interest rates in that program are capped so students are protected from inflated interest payments.

But students who need to go beyond the Federal loan program will have a tougher time finding lenders, and their rates will go up in the fall. Schools are beginning to sound alarm bells and telling students to get their loans now because they may be less available in the fall.

We must take action to ensure that students have the resources they need to attend college. We must ensure that the backstops built into the Federal loan program, designed to protect students and parents from the kind of credit market disruptions we are seeing today, are ready to be implemented.

One of those backstops is the Direct Loan Program. It allows students and parents to borrow directly from the Federal Government without going through a bank. The Secretary of Education uses funds from the U.S. Treasury to make the loans. This program does not rely on capital from the private financial markets, so it is completely insulated from the disruptions the market is experiencing today.

Current law allows the Secretary to advance capital to designated Lenders-of-Last-Resort so they can step in if students are having trouble finding loans through other banks.

These programs are already in the law. And nearly 2,000 colleges are already either using or signed up to use the Direct Loan Program. Last week, I wrote to Secretary Spellings urging her to take any necessary action to ensure that schools that rely solely on private banks can easily access the Direct Loan Program and to ensure that procedures are in place to set up lenders of last resort.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter to Secretary Spellings at the end of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. Mr. President, we must also ensure that students who are borrowing outside the Federal loan program are protected. A good first step is to make sure parents and students are aware of their options. According to the Department of Education, many students who turn to private loans—high-cost loans that are not subsidized by the Federal Government—are not taking advantage of the grant aid and low-interest loans that they are eligible for under Federal programs. This is unacceptable. We need to make sure college financial aid advisers are giving students the information they need to maximize student aid and get the best deals on their loans.

We are currently in conference with the House on the Higher Education Act. That bill will ensure that we do just that. It will help students make the most of the college aid they are eligible for by requiring lenders to disclose—on private loan applications and the documents they sign before a loan is made—that students may be eligible for grants from the Federal Government, their State, and their college, as well as lower-cost loans from the federally subsidized program. We also require additional counseling by the financial aid experts for students regarding their student aid options.

For families who need additional loans beyond the Federal loans while they are in school, we must ensure they can access loans at affordable rates in the private markets. We are working with our colleagues in the Banking Committee, led by the committee's chair, Senator DODD, on this issue. I also plan to offer legislation that will expand the eligibility for low-cost Government loans for these students.

In the coming weeks, the Committee I chair, which deals with education issues, will convene hearings so we can hear directly from those affected. We will also continue to monitor the Department of Education's efforts to implement the existing safeguards in the Federal programs.

In today's uncertain economy, Congress has an obligation to provide a steady hand and to shore up programs on which Americans depend. Nothing can be more important than ensuring that families can afford a college degree.

EXHIBIT 1

Washington, DC, February 28, 2008.

Hon. MARGARET SPELLINGS,
Secretary of Education, U.S. Department of Education, Washington, DC.

DEAR SECRETARY SPELLINGS: As you know, the U.S. capital market has been experiencing stress as a result of the sub-prime mortgage crisis and investor uncertainty about the condition of the economy. Recently, certain student loan lenders have encountered difficulties in accessing the capital market to finance their lending activity. While these disruptions have had an impact on some lenders, they so far have not negatively affected students' ability to access federal loans. Some lenders have expressed concern about their ability to continue to make loans through the Federal Family Education Loan Program (FFELP), but others are anticipating increasing their student loan business in response to changes in the FFEL marketplace. As you know, there are several tools already in statute that protect against any unforeseen disruptions in the private capital markets. We urge you to take any steps necessary to ensure that these options are readily available so that recent activity in the credit markets does not adversely affect students' ability to secure federal student loans in a timely manner

Since the capital market disruptions began, we have been closely monitoring the situation and its potential impact on the Federal student loan programs. We and our staffs have held in-depth discussions, and will continue meeting with, the many stakeholders involved in delivering Federal college loans to students and families, including schools, lenders, guaranty agencies, secondary markets, investment bankers, and officials of various Federal agencies, including the Departments of Education and Treasury. Through these discussions we have gained a detailed understanding of how the current difficulties in the credit markets might affect some segments of the FFELP industry, especially those lenders that have relied on the auction rate securities market.

While we are hopeful that overall credit market conditions will soon improve, subsequently easing the constraints some in the FFELP industry currently face, it is only prudent to prepare now to ensure that these conditions do not negatively impact students' ability to access Federal student loans. As we have seen far too often, shocks in the credit and financial markets come as a surprise, leaving those affected little time to react.

Having plans in place and operational now will help ensure that all stakeholders, including institutions and the federal government, can respond to any potential loan access problems with the least possible delay for students, families, and schools. More importantly, such plans will provide students and families with the assurance that they will continue to be able to obtain Federal student loans to finance their education.

The Department of Education needs to be prepared to use the tools the Congress has provided to ensure that all eligible students continue to have uninterrupted and timely access to Federal student loans, in the unlikely event that stress in the credit market leads a significant number of lenders to substantially reduce their activity in FFELP.

First, the Department of Education should update plans to implement a lender-of-last resort program in the instance that there are widespread student loan access problems and take all available steps to ensure these plans can become operational quickly, if necessary. As you know, under existing law FFELP guaranty agencies are obligated to serve as lenders-of-last resort to avert any possible problem in access to student loans, thereby providing a nationwide network of backstop lenders. Further, you have the authority to advance federal funds to guaranty agencies to provide them with loan capital if needed. While such a program has not been previously implemented for the FFELP, the Department had established such a plan in 1998, when some FFELP lenders were then indicating that they might withdraw from the guaranteed loan program. Updating these plans now will help ensure that deploying such a contingency can he done at the first sign of any problems experienced by schools or borrowers in obtaining Federal student loans from a FFELP lender.

Second, the Department of Education should take action to ensure that the Direct Loan program is fully prepared to respond to any unanticipated increase in demand for the program. As you know, the Direct Loan program does not rely on private lenders and therefore will not be affected by the changes in the credit market. Based on our discussions with Department officials, financial aid officials from schools currently participating in the Direct Loan program, and others, we are confident that the program could help alleviate any potential problem that borrowers or schools may face should FFELP lenders continue to face difficulties and withdraw from the program. The Department needs to take steps to ensure its plans to facilitate and expedite a school's transition from the FFELP to the Direct Loan program on either a temporary or permanent basis can be immediately executed, should a school so desire. In addition, it is important for the Department to ensure that adequate capacity exists to absorb any increases in additional loan volume.

Finally, we understand that you will soon be corresponding with colleges about the state of the Federal student loan programs. We request that in such correspondence you make readily available information on the option of participating in the Direct Loan program and on lender of last resort procedures.

We are encouraged that the Department has begun to examine these options, but we look forward to hearing about further contingency plans that would allow the Department to act immediately to ensure all students and families continue to have access to federal student loans in a timely manner.

We stand ready to provide you with any needed assistance that you believe will be necessary in undertaking the two important steps outlined above.

Sincerely,

EDWARD M. KENNEDY,
Chairman, Senate Committee on Health, Education, Labor, and Pensions.

GEORGE MILLER,
Chairman, House Committee on Education and Labor.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SALAZAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSING CRISIS

Mr. SALAZAR. Mr. President, I come to the floor of the Senate today to call again upon our colleagues in this chamber to move forward with a package that addresses housing challenges we face here in America today.

The dream of American home ownership is very much at risk today. We are seeing a housing crisis and a financial crisis here in America that is unparalleled in recent times. In fact, when you speak to the home mortgage industry as well as the homebuilders, as well as the homeowners, they will all tell you we have not seen anything like this in America since the Great Depression. The statistics and the facts are there to demonstrate this, as well as the reality of people who are losing their homes, and more than even those who are losing their homes, who have to go through the pain and heartache of losing their homes because they cannot afford to pay the adjusted rate mortgages which are putting them in a position where they cannot afford to stay in their homes. It is also a pain that spreads across to all homeowners of America because when you have the kind of foreclosure situation in which we find ourselves in America today, that pain is one that is felt by all of those who are homeowners.

This chart is a chart that was prepared by Moody's, a group of economists that came up essentially to give us the facts and the statistics that demonstrate, without equivocation, that this is an unprecedented housing downturn we are seeing. This is a worse downturn than anything we saw in the 1990s and the 1980s, and, in fact, their conclusion is that we have never seen such a downturn since the Great Depression.

I wish to point out two things on this chart. The first is that the housing prices are projected to decline overall across the Nation by nearly 16 percent. We know that most Americans, most middle-class Americans in this country who are in a home have most of their equity, their value in life, tied up in their home. So when you have a decline in their home values by 16 percent, you are impacting the American homeowners in a very significant way. That is why, when we talk about the foreclosure crisis which is facing America, it is not about those who are on the verge of losing their homes; it is about all American homeowners because of the kind of price decline we are seeing in values in homes all across America.

A 16-percent decline in home values, I would suspect, is something that is of grave concern to most Americans. I would think this Chamber, as well as our colleagues in the House of Representatives, as well as the White House, should be saying that as part of an economic stimulus package, we ought to pivot over to the housing issues that face America and do something to restore confidence in the housing markets of America.

Another indicator from Moody's, as you see in this chart, is with respect to housing starts. You look at the trough in housing starts in the 1980s, where housing starts declined to about 58 percent. Well, the economists are telling us now that given the high rates of foreclosure, what is happening is there is no end in sight. This red line has no end in sight, where you have a 60-percent decline in housing starts. We do not know how far that is going to go. When you have that kind of decline in housing starts, you are going to be affecting several hundred thousand Americans who are in the job market as part of the housing industry.

So these statistics, which are national statistics out of Moody's, should be telling us all that we should be doing something about the housing crisis here in America.

I am certain the Presiding Officer from Ohio can paint a similar picture about the housing problems in Ohio because there is a problem in the Presiding Officer's State as well as Florida and Nevada and California and many other States around the country.

When I look at what the housing crisis means for the 5 million people in Colorado, it tells me we have a severe problem in my State as well. Today in Colorado, 1 out of every 376 homes is in foreclosure. That is the highest rate of foreclosure we have seen in the history of the State. It is unprecedented. We are not yet at the point where we have hit bottom.

If you look at foreclosures that are expected to occur between 2008 and 2009 in Colorado, projections are that nearly 50,000 homes—49,923—will go into foreclosure. For a State with 5 million people, that is a significant number. What will that mean in terms of the impact on other homeowners around the State? About 748,000 homes are going to suffer a significant decline in value. That is about half of all the homes in the State of Colorado.

When Majority Leader REID, now more than a week ago, came to the Chamber and said what we ought to do is pivot off of the economic stimulus package, which we worked out with the President, and move forward to address some other ailments in the economy—and he said the first of those ailments is the housing crisis—he was right. This Chamber should have moved forward and started to address the housing crisis. Instead, we ended up in 1 of the now 73 filibusters we have had to address.

I hope my colleagues, Republican and Democratic, come back and say: No, this is too serious an issue. It is something we have to address with the 2008 Foreclosure Prevention Act which Majority Leader REID had filed at the desk and, with amendments, we can try to make sure we have an effective remedy for this ailment we are facing in America today.

When you pick up the newspapers of today, they show this is a problem that continues to be at the highest level of attention for our people. USA Today, in its headline, talks about how home equity is below the 50-percent level. That is a figure that came out of the Federal Reserve Board yesterday. It is the lowest home equity level since 1945. To me that is another clarion call for this Congress to do something about the housing issue.

Pick up the Wall Street Journal from today. It reads: ‘‘Housing and Bank