

Troubles Deepen." The statistics are all there. We know we have a huge problem on our hands in terms of this pillar of the economy ailing. We also know this is causing pain to American homeowners, and the dream of American home ownership is in jeopardy today.

I call on my colleagues in the Senate to move forward and address this issue in a robust way. I am hopeful in succeeding weeks we are able to put together a coalition of Democrats and Republicans who say that this housing crisis must be addressed now for the sake of the American people.

I yield the floor and 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. KYL. I ask unanimous consent that the order for the quorum call be rescinded.

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

#### FOREIGN INTELLIGENCE SURVEILLANCE

Mr. KYL. Mr. President, it has now been 20 days since the law that allows us to collect foreign intelligence abroad has lapsed. We are without the authority we need to collect intelligence against our terrorist enemy. The law expired February 16. The Senate passed a bill, a bipartisan bill, with 68 Senators voting yes, Democrats and Republicans. It was fashioned by the Intelligence Committee which passed it 13 to 2, a wide bipartisan margin, clearly a consensus that the United States must have authority for intelligence collection against our terrorist enemies. We passed that bill, sent it to the House of Representatives hoping that the House would act quickly, send it to the President for signature so we could get on with this important aspect of the war against terror. So far the House of Representatives leadership has not brought the bill to the floor of the House; this notwithstanding the fact that it clearly would pass. We know, because of letters Members of the House of Representatives have written to their leadership, that Democrats and Republicans together have more than enough votes to pass this legislation we in the Senate passed. Yet the House leadership sits on its hands.

Three weeks ago the House leadership said it needed 3 weeks to get the job done. That 3 weeks expires Sunday. But the House is not even in session now. So today I rise to urge our House colleagues and especially the House leadership to step to the plate and pass this foreign intelligence surveillance act reauthorization to enable us to collect intelligence.

I am going to, at the conclusion of my remarks, ask unanimous consent to put a variety of things in the RECORD.

But I am going to refer to them now and talk a little bit about why this is so important.

Let's start by stating the premise on which I think we all agree. This is something that does not divide Democrats and Republicans. We have some divisions about the war against terror. We have some divisions about the war in Iraq. But all of us understand, first and foremost, you defeat terrorists with good intelligence. You find out what they are up to, and you are, therefore, better able to stop their plans before they are able to execute them.

Without this intelligence, bad things happen. We did not have the intelligence we needed before 9/11, and we all know what happened. Since then, a lot of changes have been made. Among other things, we have made changes to the law that enables us to collect intelligence abroad. As a result of all of those changes, we have not had an attack on the homeland.

God forbid we should have such an attack, but if we did, the new 9/11 Commission—whatever that would be called—would point the finger directly at the leadership of the House of Representatives for not reauthorizing this intelligence collection because every day that goes by we are losing important intelligence.

As we found out through the 9/11 Commission after that fateful day, we failed to see things we could have known about that might have prevented us from suffering that attack on 9/11. But because of the law that existed at the time, because of the wall that existed between the CIA and the FBI, for example, they were not able to share this information. As a result, we were not able to intercept two of the hijackers.

Well, now, today we have a situation where the law that enables us to collect this foreign intelligence has expired. There are two problems with that expiration. The first is that every day that goes by new intelligence is not being collected. You could have a terrorist in Afghanistan calling a terrorist in Germany, plotting some action against the United States, and because the call happened to be routed through a U.S. connection of some kind the law would not enable us to collect that intelligence. So every day we are losing intelligence.

Secondly, because the telecommunications companies that help us in this effort have been sued by trial lawyers, we need to provide protection against these lawsuits. If we do not, there will come a time, in my opinion, that it will be very difficult for these telecommunications companies to continue to cooperate with the U.S. Government. Then, no matter what kind of law we passed, we would not have the support of the only folks who can help us collect this intelligence. So we need this legislation, and the House of Representatives needs to act soon.

There was recently an op-ed that was written by Senator KIT BOND and Rep-

resentatives PETE HOEKSTRA and LAMAR SMITH. It occurred in the Wall Street Journal on February 26. They point out, in this op-ed, that the intercept of these terrorist communications "requires the cooperation of our telecommunications companies. They're already being sued for having cooperated with the government after 9/11." They go on to say:

So without explicit protection for future actions (and civil liability protection for the help they provided in the past), those companies critical to collecting actionable intelligence could be sidelined in the fight.

They go on to say:

It has already happened, briefly.

They quote Director of Intelligence Mike McConnell and Attorney General Michael Mukasey saying:

[W]e have lost intelligence information . . . as a direct result of [this] uncertainty.

So, Mr. President, I ask unanimous consent this article, dated February 26, 2008, be printed in the RECORD.

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

[From the Wall Street Journal, Feb. 26, 2008]

IN CASE YOU MISSED IT: HARD OF HEARING

(By Reps. Kit Bond, Pete Hoekstra and Lamar Smith)

Are Americans as safe today as they were before Congress allowed the Protect America Act to expire on Feb. 16?

House Speaker Nancy Pelosi and other Democrats say we are. They go so far as to say that the Protect America Act—put in place last year to overcome obstacles in the Foreign Intelligence Surveillance Act (FISA) that make it harder to intercept terrorist communications—was not even necessary. In the Washington Post yesterday, Sens. Jay Rockefeller and Patrick Leahy, and Reps. Silvestre Reyes and John Conyers, wrote that our intelligence agencies can collect all the intelligence they need under FISA.

That is simply false. We are less safe today and will remain so until Congress clears up the legal uncertainty for companies that assist in collecting intelligence for the government—and until it gives explicit permission to our intelligence agencies to intercept, without a warrant, foreign communications that pass through the U.S. Here's why:

Intercepting terrorist communications requires the cooperation of our telecommunications companies. They're already being sued for having cooperated with the government after 9/11. So without explicit protection for future actions (and civil liability protection for the help they provided in the past), those companies critical to collecting actionable intelligence could be sidelined in the fight.

It has already happened, briefly. "[W]e have lost intelligence information this past week as a direct result of the uncertainty created by Congress' failure to act," Director of National Intelligence Mike McConnell and Attorney General Michael Mukasey wrote in a letter dated Feb. 22 to Mr. Reyes, the chairman of the House Intelligence Committee.

The old FISA law does not adequately protect the U.S., which is why it was revised by the Protect America Act last summer. The problem is that, although it has a few work-around-provisions, such as allowing intelligence agencies to conduct surveillance for up to 72 hours without a warrant, FISA ultimately requires those agencies to jump through too many legal hurdles. Those include the Fourth Amendment's "probable

cause" requirements, protections never intended for suspected terrorists' communications that are routed through the U.S.

It is true that the FISA Court approves the vast majority of warrants sought by intelligence agencies. This demonstrates that our intelligence agencies are professional and painstakingly provide all of the necessary evidence to establish probable cause to the Court. But in the fast-paced intelligence world, and when dealing with foreign communications, we need our agencies to be able to intercept a far greater number of communications—notably those of foreign terrorists—than can be justified under the Fourth Amendment.

Telecommunications companies are for now, after intense negotiations, cooperating with the government under the assumption that protections granted to them under the Protect America Act will be upheld in court, even though the law is now defunct. But there is no guarantee that the courts will do any such thing. There is also no guarantee that corporate executives, under pressure from their legal counsels and shareholders to limit liabilities, will continue to cooperate.

The cooperation of the telecommunications companies is limited to intercepting communications of terrorists identified before the Protect America Act lapsed. Until intelligence agencies can chase leads involving foreign communications, the U.S. will not be as safe as it was just a few weeks ago.

Further extending the Protect America Act is no way to fight a war against a determined enemy that uses our infrastructure against us. We need a long-term fix for FISA; and that is what a bipartisan majority in the Senate tried to accomplish earlier this month when it passed its FISA modernization bill by a 68-29 margin.

The problem is in the House, where Democratic leaders prefer to play an obstructionist role instead of constructing the architecture we need to fight an intelligence-driven war. Instead of voting on the Senate bill, even though a majority of House members stand ready to pass it, Mrs. Pelosi is still sitting on it. She is now pushing for a "compromise" that would gut many of the provisions that secure the cooperation of telecommunications companies.

Our troops collect intelligence in Iraq and Afghanistan on a daily basis. We must exploit quickly the leads they turn up. Court orders should not be necessary to engage foreign targets in foreign countries. The Senate bill must be allowed to come to a vote in the House of Representatives without further delay.

Mr. KYL. Secondly, a letter was written to Congressman HOEKSTRA, the ranking member of the House Intelligence Committee, and LAMAR SMITH, ranking member of the House Committee on the Judiciary, dated March 6 of this year, signed by Attorney General Mukasey and Admiral McConnell, Director of National Intelligence. I am going to quote a couple of lines from it:

We write in response to your letter of March 5 concerning the core surveillance authorities needed in any modernization of the Foreign Intelligence Surveillance Act of 1978.

... As we have explained in prior correspondence, the RESTORE Act—

Which is the bill that had been passed by the House of Representatives earlier—

... would seriously undermine these authorities and may well reopen the gaps temporarily closed by the Protect America Act. The RESTORE Act, or legislation similar to

it, is, in short, no substitute for the bipartisan Senate bill.

Mr. President, I ask unanimous consent that this letter of March 6, to which I just referred, be printed in the RECORD.

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

MARCH 6, 2008.

Hon. PETE HOEKSTRA,  
*Ranking Member, House Permanent Select Committee on Intelligence, House of Representatives, Washington, DC.*

Hon. LAMAR SMITH,  
*Ranking Member, House Committee on the Judiciary, U.S. House of Representatives, Washington, DC.*

DEAR CONGRESSMAN HOEKSTRA AND CONGRESSMAN SMITH: We write in response to your letter of March 5 concerning the core surveillance authorities needed in any modernization of the Foreign Intelligence Surveillance Act of 1978 (FISA). We appreciate the seriousness of Congress's engagement in this critical issue. As you note, much of the recent discussion concerning FISA reform has centered on liability protection for electronic communication service providers who assisted the Government in preventing another terrorist attack after September 11, 2001. The liability protection provisions of the Rockefeller-Bond FISA modernization bill, passed by a strong bipartisan majority in the Senate and now pending in the House of Representatives, provide precisely the protection from civil suits that our national security requires. Although liability protection is critical to any FISA modernization proposal, equally if not more important to our efforts to protect our nation from terrorist attack and other foreign intelligence threats are the carefully drafted authorities that modernize FISA for the technologies of the 21st century. These authorities address the operational aspects of conducting surveillance of foreign terrorists and other threats overseas, and we urge that they not be altered.

Over the past year, the Intelligence Community and the Department of Justice have worked closely with Congress, first to pass the Protect America Act last summer by a bipartisan majority in both the House and Senate as a short-term measure to enable us to close dangerous intelligence gaps and then to create a long-term framework for foreign intelligence surveillance of individuals outside the United States. Those months of bipartisan effort and of careful compromise are reflected in the bill passed by the Senate, a bill that we believe would also enjoy the support of a majority of the members of the House of Representatives. Title I of the Senate bill would preserve the core authorities of the Protect America Act—authorities that have helped us to obtain exactly the type of information we need to keep America safe. For example, the Senate bill would allow the Government to continue collecting foreign intelligence information against foreign terrorists and other foreign intelligence targets located outside the United States without obtaining prior court approval. Initiating surveillance of individuals abroad without awaiting a court order will ensure that we will keep closed the intelligence gaps that existed before the passage of the Protect America Act.

It is essential to our national security that any legislation passed by the House of Representatives not weaken the intelligence collection authorities provided in the Protect America Act, which are preserved in Title I of the Senate bill. As we have explained in prior correspondence, the RESTORE Act,

passed by the House last November, would seriously undermine these authorities and may well reopen the gaps temporarily closed by the Protect America Act. The RESTORE Act, or legislation similar to it, is, in short, no substitute for the bipartisan Senate bill. Even seemingly small changes to the Senate bill may have serious operational consequences. It is our firm belief that the Senate bill provides our intelligence professionals the tools they need to protect the country.

Title I of the Senate bill also protects the civil liberties of Americans. In fact, the privacy protections for Americans in the Senate bill exceed the protections contained in both the Protect America Act and the RESTORE Act. For example, the bill would require for the first time that a court order be obtained to conduct foreign intelligence surveillance of an American abroad. Historically, such surveillance has been conducted pursuant to Executive Branch procedures when, for example, a U.S. person was acting as an agent of a foreign power, e.g., spying on behalf of a foreign government. This change contained in the Senate bill is a significant increase in the involvement of the FISA Court in these surveillance activities. Other provisions of the bill address concerns that some have voiced about the Protect America Act, such as clarifying that the Government cannot "reverse target" without a court order.

The bill substantially increases the role of the FISA Court and of Congress in overseeing acquisitions of foreign intelligence information from foreign terrorists and other national security threats located outside the United States. Under the Senate bill, the Court would review certifications by the Attorney General and the Director of National Intelligence relating to such acquisitions, the targeting procedures used by the Government to conduct acquisitions under the Act, and the minimization procedures used by the Government to ensure that such acquisitions do not invade the privacy of Americans. The bill would require the Attorney General and the Director of National Intelligence to conduct semiannual assessments of compliance with targeting procedures and minimization procedures and to submit those assessments to the FISA Court and to Congress. The FISA Court and Congress would also receive annual reviews relating to those acquisitions prepared by the heads of agencies that use the authorities of the bill. In addition, the bill requires the Attorney General to submit to Congress a report at least semiannually concerning the implementation of the authorities provided by the bill and would expand the categories of FISA-related court documents that the Government must provide to the congressional intelligence and judiciary committees.

We remain prepared to work with Congress towards the passage of a long-term FISA modernization bill that would strengthen the Nation's intelligence capabilities while protecting the civil liberties of Americans, so that the President can sign such a bill into law. Congress has such legislation before it—the bipartisan Senate bill—and the authorities provided in Title I of that bill strike a careful balance and should not be altered.

Sincerely,

MICHAEL B. MUKASEY,  
*Attorney General.*  
J.M. MCCONNELL,  
*Director of National Intelligence.*

Mr. KYL. The point of this letter, of course, is to urge the House to adopt the bill passed by the Senate.

The next item I would like to have printed in the RECORD is a note from

the American Legion Commander, in which he urges, on February 25 of this year, that Congress pass the bill passed by the Senate. He pointed out that "the National Intelligence Estimate noted that the United States will face a persistent and evolving threat over the next three years, with the main threat coming from Islamic terrorist groups and cells." And he says:

It defies all common sense to give lawsuits a higher priority than national security. The American people expect Congress to protect America, not the lawsuit lobby. This surveillance is aimed at terrorists who want to kill innocent Americans. The government is not interested in phone calls that you make to Aunt Sally.

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

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

AMERICAN LEGION COMMANDER TO CONGRESS:  
PASS SURVEILLANCE LAW NOW

INDIANAPOLIS (February 25, 2008).—Congress should put America's national security ahead of frivolous lawsuits, American Legion National Commander Marty Conatser said today. The head of the nation's largest veterans organization sent a letter to members of the House of Representatives, urging them to pass an important intelligence-gathering law immediately.

"Since this war began, the Congress has done an exemplary job of ensuring that the nation's fighting men and women are the best-trained and best-equipped military ever in American history," National Commander Marty Conatser wrote. "Today, The American Legion asks you to continue this precedent by equipping the intelligence assets with the necessary tools needed to provide these dedicated troops the very best information available by timely enactment of S. 2248, The Foreign Intelligence and Surveillance Act (FISA)."

The bill had bipartisan support in the Senate but is stuck in the House because leaders there do not believe telecommunications companies should be protected from lawsuits that arise from cooperating with surveillance requests.

Sen. Jay Rockefeller, D-West Va., the Chairman of the Select Committee on Intelligence, also supports the bill. "Unfortunately, much of the debate over this bill has focused on liability protection for telecommunication carriers, instead of the new civil liberties protections and oversight mechanisms that have been included," Rockefeller said in statement posted on his Senate web site. "We should not hold the carriers hostage to years of litigation for stepping forward when the country asked for help and providing assistance they believed to be legal and necessary. The fact is, if we lose cooperation from these or other private companies, our national security will suffer."

Conatser pointed out to Representatives that the National Intelligence Estimate noted that the United States will face a persistent and evolving threat over the next three years, with the main threat coming from Islamic terrorist groups and cells.

"It defies all common sense to give lawsuits a higher priority than national security," Conatser said. "The American people expect Congress to protect America, not the lawsuit lobby. This surveillance is aimed at terrorists who want to kill innocent Americans. The government is not interested in phone calls that you make to Aunt Sally."

With a current membership of 2.7-million wartime veterans, The American Legion, [www.legion.org](http://www.legion.org), was founded in 1919 on the four pillars of a strong national security, veterans affairs, Americanism, and patriotic youth programs. Legionnaires work for the betterment of their communities through more than 14,000 posts across the nation.

Mr. KYL. Finally, a letter was written by a bipartisan group of 25 State attorneys general dated March 4, 2008. It is a letter directed to the four leaders of the House of Representatives. Among other things, these 25 Democratic and Republican attorneys general note the fact that:

Passing [this legislation] S. 2248 would ensure our intelligence experts are once again able to conduct real-time surveillance. As you know, prompt access to intelligence data is critical to the ongoing safety and security of our nation.

As Attorneys General, we are our states' chief law enforcement officials and therefore responsible for taking whatever action is necessary to keep our citizens safe. With S. 2248 still pending in the House of Representatives, our national security is in jeopardy.

They close by saying:

We therefore urge the House of Representatives to schedule a vote and pass the FISA Amendments Act of 2007.

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

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

MARCH 4, 2008.

Re FISA Amendments Act of 2007 (S. 2248).

Hon. NANCY PELOSI,  
*Speaker of the House,*  
*Washington, DC.*

Hon. STENY HOYER,  
*Majority Leader,*  
*Washington, DC.*

Hon. JOHN BOEHNER,  
*Minority Leader,*  
*Washington, DC.*

Hon. ROY BLUNT,  
*Minority Whip,*  
*Washington, DC.*

DEAR MADAM SPEAKER PELOSI, MAJORITY LEADER HOYER, MINORITY LEADER BOEHNER AND MINORITY WHIP BLUNT: We urge the House of Representatives to schedule a vote and pass S. 2248, the FISA Amendments Act of 2007. This bipartisan legislation is critical to the national security of the United States. Once passed, S. 2248 will ensure intelligence officials have the ability to collect vitally important information about foreign terrorists operating overseas.

Senate Intelligence Committee Chairman John D. Rockefeller (D-WV) authored S. 2248 to solve a critical problem that arose when the Protect America Act was allowed to lapse on February 16, 2008. The root of the problem stems from a Foreign Intelligence Surveillance Act ("FISA") Court order that jeopardizes America's national security efforts. Under that decision, U.S. intelligence agencies must obtain a FISA warrant before initiating surveillance involving suspected foreign terrorists located outside the United States.

The FISA Court's decision hinged on the fact that those entirely foreign communications are frequently routed through telecommunications facilities that happen to be located in the United States. Because modern global communications networks routinely route data through numerous facilities in a myriad of countries, the nation

in which the call originates may be completely unrelated to the nation through which that call is ultimately routed.

A bipartisan majority of the United States Senate recently approved S. 2248. But until it is also passed by the House of Representatives, intelligence officials must obtain FISA warrants every time they attempt to monitor suspected terrorists in overseas countries. Passing S. 2248 would ensure our intelligence experts are once again able to conduct real-time surveillance. As you know, prompt access to intelligence data is critical to the ongoing safety and security of our nation.

As Attorneys General, we are our states' chief law enforcement officials and therefore responsible for taking whatever action is necessary to keep our citizens safe. With S. 2248 still pending in the House of Representatives, our national security is in jeopardy. We therefore urge the House of Representatives to schedule a vote and pass the FISA Amendments Act of 2007.

Sincerely,

Hon. Greg Abbott, Attorney General of Texas; Hon. Roy Cooper, Attorney General of North Carolina; Hon. W.A. Drew Edmondson, Attorney General of Oklahoma; Hon. Bill McCollum, Attorney General of Florida; Hon. Troy King, Attorney General of Alabama; Hon. Talis Colberg, Attorney General of Alaska; Hon. Dustin McDaniell, Attorney General of Arkansas; Hon. John Suthers, Attorney General of Colorado; Hon. Thurbert Baker, Attorney General of Georgia; Hon. Lawrence Wasden, Attorney General of Idaho; Hon. Steve Carter, Attorney General of Indiana; Hon. Stephen Six, Attorney General of Kansas; Hon. Doug Gansler, Attorney General of Maryland.

Hon. Mike Cox, Attorney General of Michigan; Hon. Jon Bruning, Attorney General of Nebraska; Hon. Kelly Ayotte, Attorney General of New Hampshire; Hon. Wayne Stenehjem, Attorney General of North Dakota; Hon. Tom Corbett, Attorney General of Pennsylvania; Hon. Patrick Lynch, Attorney General of Rhode Island; Hon. Henry McMaster, Attorney General of South Carolina; Hon. Larry Long, Attorney General of South Dakota; Hon. Mark Shurtleff, Attorney General of Utah; Hon. Robert McDonnell, Attorney General of Virginia; Hon. Rob McKenna, Attorney General of Washington; Hon. Darrell McGraw, Attorney General of West Virginia.

Mr. KYL. So in conclusion, the bottom line is, we have a bill passed by the Senate Intelligence Committee 13 to 2, passed by the Senate with 68 affirmative votes. I believe it was 28 or 29 negative votes—clearly, a bipartisan effort. The President has indicated he would sign this legislation. It has now been 19 days since it has been sent to the House of Representatives which said it needed 3 weeks to get the job done.

During that period of time, we have lost intelligence—we do not know how critical. We will never know because we will never gather it. The phone call was made yesterday or the day before or the day before that. It is gone now, and we cannot go back and get it. But what we can do is ensure that from now on we are going to collect that critical intelligence. Unless this legislation is

passed, the telecommunications companies that are critical to the collection of this intelligence are less and less likely to support our efforts. That is why it is critical this legislation, rather than some other version of it, be passed.

Mr. President, I urge the House leadership to call up this legislation. Next week is the last week it can be acted on before yet another 2-week recess. The House recessed before without adopting it. It would be absolutely a dereliction of responsibility, in my view, for the Congress not to conclude its work on this matter and ensure that the President can sign this important legislation into law before the Easter recess; that is to say, by the end of next week, 1 week from right now.

I urge our House colleagues to please—in fact, I implore them to understand the danger in which they have placed the American people by not acting on this legislation—the fact that we are not collecting intelligence today because the authority has lapsed—and that according to the people who know best, the Attorney General and the Director of National Intelligence, it is no answer to say that warrants that have previously been issued will continue in force. All that means is the actions that have been taken in the past can continue. It does not do anything about intelligence gathering today and tomorrow and the next day. And it does not do anything to assuage the concerns of the very companies that are critical to the operation of this program.

So I urge our House colleagues to act on this legislation as soon as possible for the safety and security of the American people.

The PRESIDING OFFICER (Mr. CASEY). The Senator from Ohio.

#### ORDER OF PROCEDURE

Mr. LEAHY. Mr. President, if the Senator will yield for a unanimous consent request?

Mr. President, I ask unanimous consent that upon the completion of the statement by the Senator from Ohio, I be recognized, and that upon the completion of my statement, I believe the Senator from Texas, Mr. CORNYN, wishes to be recognized.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Ohio.

Mr. BROWN. Mr. President, I thank the senior Senator from Vermont for his courtesy.

#### HOUSING CRISIS

Mr. BROWN. Mr. President, I say to the Presiding Officer, it seems as though every day in your State of Pennsylvania and my State of Ohio and across the country the news brings us more evidence of the length and the breadth of the housing crisis in this country.

Yesterday, the Mortgage Bankers Association released statistics on the fourth quarter of 2007, and the news is grim. The rate of foreclosure starts and the percentage of loans in the foreclosure pipeline are the highest ever.

My State set a record for foreclosures last year of more than 83,000 foreclosures, according to the Ohio Supreme Court. That is more than 200 every day—Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday—more than 200 every day, and more than 300 a day for every day the courts are in session.

Every week, 1,500 families in Ohio—just in Ohio—lose their homes—week in, week out. Four percent of home loans in Ohio are in foreclosure, the highest rate in the Nation. And the end is nowhere in sight. In Ohio, there are another 120,000 home loans that are delinquent. Nationally, one of the ratings agencies is now predicting a 50-percent—nationally, a 50-percent—default rate for subprime loans made in the fourth quarter of 2006. That means the rates for those loans will reset in the fourth quarter of this year.

Think about that: One of every two subprime loans made in the fall of 2006 will go bad. That is not lending; that is gambling with somebody else's home.

The losses on these loans to lenders are substantial—on the order of 40 percent nationwide and about 65 percent in my State. That means only 35 cents on the dollar is preserved, if you will.

We have sheriffs' sales in Ohio that are attracting no bidders whatsoever. And the trend lines have been straight down.

Congress must act in the face of this crisis. Majority Leader REID, to his credit, brought legislation—of which the Presiding Officer is a cosponsor, and many others of us—before the Senate that would take several steps to help homeowners faced with foreclosure and the communities in which they live.

The needs of communities are critical because this crisis has an impact far beyond just the people—as large a number as that is, as tragic as it is for them—an impact far beyond just the people who lose their homes. Whenever a home goes into foreclosure, the value of neighboring properties is reduced. It is not confined to our large cities or to our small towns. It is rural areas. It is inner ring suburbs. It is outer ring suburbs.

In many areas, criminals move in quickly in these abandoned homes to strip the copper pipe and aluminum siding from a home. A copper processor in northwest Ohio told me the other day that copper prices are now exceeding \$3 a pound, which just encourages more and more vandalism of these homes.

Crime goes up just when property tax revenues are plunging and the resources of a city or town are stretched to the limit.

So Senator REID's bill would include \$4 billion in funding for the Commu-

nity Development Block Grant Program so communities that have been hit hard could renovate or rebuild or, in some cases, raze those properties. This legislation would also provide another \$200 million for supporting the efforts of nonprofit agencies across the country to counsel homeowners on how to work with a lender to stave off foreclosure. That part is so very important.

Senator CASEY, the Presiding Officer, Senator SCHUMER, and I, a year ago, on the Banking Committee, began to try to get money appropriated, which the President initially vetoed, to these counseling agencies, these not-for-profit groups in our communities that help people stave off foreclosure—no bailout, no Federal dollars to pay the mortgages, but simply to help them find a lender and trace their mortgage and help to restructure their payments so they can pay it off. This is no easy task.

Once upon a time, you took out a loan with your local bank to buy a home. You knew the people at the bank. They knew you. They had just as much interest in you paying off your loan as you did in paying off your loan and staying in your house. Today, especially for subprime loans, that doesn't happen. So help in navigating this mortgage maze is essential.

Senator REID's bill also provided bankruptcy judges the ability to modify mortgage terms on a primary residence in the same way—get this—that the judge today can modify a mortgage on an investment home or vacation property or a boat. I heard one of my Republican colleagues today talk about this whole issue of bankruptcy and how that is going to be a problem, and that is why they seem to oppose this bill—because of the bankruptcy provisions. But they never really answer the question: Why can't a judge modify a mortgage in bankruptcy for a home, for a personal home, when under the law they can on a vacation home in Florida or Arizona? They can on a boat, they can on an investment property.

Lenders and their servicers cannot keep up with the flood of foreclosures they are facing. Much has been made of the number of loans that have been changed as a result of voluntary efforts. That is a good thing; I don't discount those efforts at all. But tacking late fees and penalties on the back end of a loan doesn't do much to help a family make their monthly payment.

One woman who called my office recently reported a loan modification she had gotten to reduce the interest rate on her loan from 11 percent to 10 percent. With the late fees and the penalties folded in, her monthly payment barely changed.

Modifications such as these simply aren't going to help. It is essential that we permit bankruptcy courts to serve as a backstop.

So with the housing crisis spreading across the country and Senator REID's proposal before us, what did the Senate