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## Senate

(Legislative day of Thursday, March 13, 2008)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. WEBB).

The ACTING PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Rev. Elliot Foss, the national chaplain of the American Legion.

### PRAYER

The guest Chaplain offered the following prayer:

Let us pray.

God, bless America. You have shined Your face on us before, and we need Your guidance and protection, now more than ever.

God, bless America. Bless our President, our leaders in Congress, and our State and local leaders, as they all seek to serve those who have entrusted them to their offices. May Your light shine in their hearts always.

God, bless America. And for these men and women here today, I ask You to give them wisdom, courage, and hope for the future. Give them Your grace and Your peace; that as they seek Your face, You would impart to them Your wisdom, Your courage, and Your hope, that they will do Your will at all times.

Please, God, bless America and our citizens who seek to live in peace and harmony with one another in this country of "One nation under God." Encourage them to "Do unto others" that we all might be prosperous in all we do, by helping those in need and less fortunate.

May Your love surround our citizen soldiers, sailors, airmen, marines, Coast Guard personnel, and their families each and every day throughout this world, and please, God, bless America and bring our troops safely home when all is done. Amen.

### PLEDGE OF ALLEGIANCE

The ACTING PRESIDENT pro tempore 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.

### 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, if he chooses to make remarks, there will be a period of morning business until 12:30 p.m., with Senators permitted to speak for up to 10 minutes each. The Senate will recess from 12:30 p.m. until 2:15 p.m. for our normal weekly caucus luncheons. Following the recess, the Senate will resume consideration of the motion to proceed to H.R. 3221, which is the housing bill. At approximately 2:30 p.m., the Senate will proceed to vote on the motion to invoke cloture on the motion to proceed to this legislation. The last 15 minutes is set aside for the two leaders, and if we choose to use that time, that is equally divided. The vote will occur, as I have indicated, at 2:30 this afternoon.

### 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, the

Senate will proceed to a period of morning business until 12:30 p.m., with the time equally divided between the two leaders or their designees and with Senators permitted to speak therein for up to 10 minutes each.

The Senator from Georgia.

### WELCOMING THE GUEST CHAPLAIN

Mr. CHAMBLISS. Mr. President, I rise this morning to recognize the Reverend Elliot Foss, who is our guest Chaplain this morning. Reverend Foss is quite a unique individual. He is currently the national chaplain of the American Legion. He was appointed by Commander Martin Conaster on August 30, 2007, to that position.

Reverend Foss is a retired U.S. Navy command master chief and hospital corpsman, having served in the Submarine Service. He served in the Navy during Vietnam and through the Persian Gulf war.

He attended Candler Seminary and School of Ministry at Emory University in Atlanta, GA. He served as a pastor in the States of Maine, Virginia, Connecticut, Florida, and Georgia.

He currently resides in Kingsland, GA, with his wife Arlene. He is an ordained Southern Baptist minister. He is a member of American Legion Post 317 in the coastal area of Georgia, where he serves as post commander. He also has served as the Eighth District vice commander and as Post 9 commander in Brunswick, GA. He has served as the American Legion Department of Georgia chaplain for the past 7 years.

I think in this difficult time our country is faced with right now, where we all are very cognizant of the fact that we have a number of men and women in harm's way as well as a number of veterans who have served our country so valiantly in the past, it is

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



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very appropriate that we have the current chaplain of the American Legion in this great country of ours to stand before us and ask for blessings upon all Members of this body as well as the other leadership from a civilian standpoint as well as a military standpoint.

Reverend Foss is a terrific individual. I happened to be with him last week in Kings Bay, GA, which is the home of a submarine fleet. We had the USS *Georgia*, which is a converted nuclear submarine, return to Kings Bay, where it is going to be stationed now. We had a very great ceremony on Friday of last week at Kings Bay, and Reverend Foss was very much involved in the planning for that ceremony.

So I say to him, thanks for coming and for extending that great blessing to us, and congratulations on serving as the national chaplain of the American Legion.

With that, Mr. President, I yield back.

The ACTING PRESIDENT *pro tempore*. The Senator from Missouri.

### HOUSING CRISIS

Mr. BOND. Mr. President, as I think we all know, far too many families in America are seeing the American dream of owning their own home slip away.

Over the Easter break, I toured the State of Missouri. In every community around the State I met with people who are struggling under the threat of foreclosure, neighborhood groups concerned about the impact of foreclosure on their families and on their communities, mayors, city council leaders who are seeing their communities threatened seriously by this spate of subprime foreclosures, and most of all mothers and fathers with children who are facing the loss of their home.

I did not talk with speculators, investors, or the folks on Wall Street, but the people I talked to did have a number of thoughts—thoughts they believe would help them keep the promise of keeping their home. They did not want a Federal bailout. But they were looking for ways to make the system work for them.

Some of the suggestions they made were at the macro level and, among others, they said there ought to be regulation—probably Federal regulation—of those who originate mortgages. Now, many of the bricks-and-mortar lending institutions—banks, and savings and loans in the community—are regulated, but there are many mortgages, subprime mortgages, that were sold over the Internet and by fax. Whenever I go home, my fax machine is filled with 1 percent mortgage teaser rates.

They also want to see HUD be able to move more quickly in getting the FHA secured loans. That is a good idea—to go in and to help homeowners whose mortgages have reset and caused them to lose their homes—but it is too narrow. They think that ought to be reformed.

I believe that through FHA, we, as taxpayers, should not be put at risk by insuring loans where there is zero downpayment. Regrettably, zero downpayment too often means the homeowner can't afford that mortgage and they walk away. The often cited program, the Nehemiah Program, which provides charitable contributions to take care of the downpayment requirements, has an appalling 30 percent default rate. That is a raid on the Federal Treasury. We ought not to be doing that. Before people make a loan, they ought to have counseling and education to make sure their finances, their income will support the mortgage payments.

Also, when you buy a home, you might have to support the replacement of a furnace that blows or a leaky roof, things that renters don't have to pay. If they can't afford to buy a home, we want to see them in a good home that could be a rental home.

But the most important thing they said we could do now is provide counseling, to bring together those homeowners whose homes are in foreclosure or who are facing foreclosure, to sit down with the lenders and see if they can work out an agreement before they go to foreclosure. Everybody says: Well, what interest does a lender have in avoiding foreclosure? Well, foreclosures are expensive. They drive down the value of the property and potentially put at risk the value behind other mortgages they may own in the same community.

Last fall, Senator DODD and I agreed to include \$180 million in the Housing and Urban Development Appropriations bill to begin counseling. The first \$130 million has gone out. We are beginning to see the results of that. Those counseling dollars can help homeowners, if they will go to a counseling entity such as The United Way or local governments to get counseling, before they wind up on the courthouse steps.

In addition, there need to be dollars available to buy down mortgages where the mortgage rates have skyrocketed because of the subprime crisis. That is why, in the SAFE Act which I have introduced with my colleagues—the Security Against Foreclosure and Education Act—we make sure there is money available through the State Housing Finance agencies. I know well the Housing Finance Agency in Missouri—the Missouri Housing Development Corporation—and they have a great plan. If they can have more money, maybe \$160 million to \$180 million, possibly \$200 million in Missouri, they could go in and buy out mortgages where the private mortgage holder has had to increase substantially the rate because of the overall market conditions. If these HFAs can sell paper, tax-exempt paper, they can bring back the mortgage rates to the level that was affordable initially.

It is very important for fixed-income homeowners to count on a certain

mortgage payment. Some have seen it go up 50 percent, and too many of them are being forced to the choice of walking away because they can't meet it. We need to get HFAs to have the ability to go in and refinance those mortgages.

In addition, with Senator ISAKSON, we have included in the SAFE Act a measure to provide a tax credit for families willing to buy a home in foreclosure or going into foreclosure. In other words, it would be a \$5,000 tax credit for each of 3 years for families who would move into one of these homes either in foreclosure or facing foreclosure. That not only gives a boost to first-time home buyers, but the most important thing it can do for communities is avoid the problem of having a community with 20 percent of the homes in foreclosure.

This isn't a problem for just the 20 percent of the families who are facing foreclosure; that is a potential disaster for the other 80 percent of the homeowners because what it does to the value of their homes and to the value of every house in that community is to drive the values down significantly, so they may find their home is worth less than the value of the mortgage.

Finally, we want loan transparency. As a former lawyer, I have had the dubious pleasure of going through home purchasing documents several times recently. They give you a stack of paper this high that has all been written by lawyers, God bless them, and it has every contingency spelled out. But most people who go through the purchase process spend 40 minutes signing the papers without knowing what is in them. What we want is a very simple disclosure on top, which is binding on the lender and on the borrower, that says what the rate will be, if it is adjustable, how high it can adjust, when it can adjust, if there is a prepayment penalty, and what are the other terms that might cause significant economic distress to the home buyer. They need to know that in advance. Also, there ought to be counseling to help those prospective home buyers measure their financial ability, their ability, through their income, to buy a home and to make sure they can afford the mortgage they are seeking.

I hope this is the basis on which almost all of us in this body can agree. We have heard a lot about what is going on at the macro level. There are important things happening with the Fannie Mae and the Freddie Mac, such as getting \$200 billion more that they can loan, and the Federal Reserve moving in. All these things are important on a large national scale.

This is not only, however, a national and international problem; most of all, it is a community problem. The proposals we have set forth in the SAFE Act are designed to help build up from the community level the solutions we need for home buyers and homeowners, particularly those threatened with foreclosure. We are only going to solve