

Before I speak to the amendment, I would like to thank, first, the chairman of the Banking Committee Senator DODD and ranking member Senator SHELBY, as well as the chairman of the Finance Committee, Senator BAUCUS and ranking member Senator GRASSLEY for their leadership in putting this important bipartisan housing bill together. And, I have special thanks for Senators BAUCUS and GRASSLEY for working with us one this important amendment.

The need to act to address the housing crisis could not be more urgent. In my travels throughout my State, I have seen how the housing crisis is hurting families, communities and the economy.

Just to underscore how serious this situation really is for the Minnesota economy, we learned last week that more Minnesotans are out of work than since 1983. We are talking about construction workers of which nearly 7,000 have lost a job during the past year.

We are talking about folks like Ron Enter and his wife whose small building materials business is being devastated by the housing crisis. They have already significantly reduced their workforce and warn of more cutbacks if the housing market does not improve in order to keep their business going.

Bottom-line, our housing woes have spilled over into the rest of our economy, and as a result it is a problem that is undercutting entire communities and their families.

This amendment presents a bipartisan solution that's in the spirit of the cooperation demonstrated by Senators DODD, SHELBY, BAUCUS, and GRASSLEY on this housing package.

During my travels and housing town hall forums I have held back home in Minnesota, I have met more and more folks who are tapping into their retirement savings in a desperate effort to keep their homes—average, hard-working folks such as Terri Ross, a nurse, who I met at a housing town hall forum in St. Cloud, where she talked about using her retirement savings to keep her home.

The problem is that as homeowners across Minnesota and the Nation use their retirement savings to save their homes, they are getting hit hard with a 10-percent early withdrawal tax penalty.

As we are on the verge of passing this bipartisan legislation to address the housing crisis, Senator NELSON and I believe that one more way we can responsibly address the housing crisis is to temporarily waive this 10 percent penalty. Given that the Tax Code waives the 10 percent penalty for early withdraw from individual retirement accounts, IRAs, for first-time home purchases, I believe that it is only fair to waive this penalty for those who want to keep their homes.

At the end of the day, we should not penalize homeowners for trying to keep a roof over their heads and wanting to

remain a part of the community they have called home.

In an effort to address a point of concern raised by the distinguished Senator from Connecticut when we were on the floor in April, Senators NELSON and I are proposing that this relief be made available only to those homeowners who participate in government or industry sponsored foreclosure prevention programs such as the HOPE for Homeowners Program and FHA Secure. We do agree that it would make good sense to ensure that lenders also do their part to help homeowners keep their homes.

And, that is why in this amendment, homeowners could only use this relief in cases where the lenders also provide relief. We believe that this is fair and right. We believe that this modification to our previous proposal will ensure there is, to quote the chairman “commensurate responsibility on the part of the lender.”

I urge my colleagues to support this commonsense and much-needed amendment and thank my colleague from Florida for his great work on this amendment.

#### RESTORE CONFIDENCE IN MORTGAGE SECURITIES

Ms. SNOWE. Mr. President, I wish to speak to an amendment that I will offer which will increase the trustworthiness of the Nation's mortgage security market by creating the Federal Board of Certification for mortgage securities.

The recent collapse of Bear Stearns and the huge losses suffered throughout the financial industry demonstrate a catastrophic failure to accurately assess the dangers of imprudently made subprime mortgages to the American public and our financial markets. In hindsight, it appears that it was the inability to gauge risk in mortgage-backed securities that caused much of this financial turmoil. For markets to operate properly, it is imperative that they have effective metrics for calculating the level of risk securities pose to investors.

The secondary mortgage market has been a largely unregulated playground where poorly underwritten, low-quality loans were sold as high-quality investment products. Although mortgage-backed securities can be a positive market force, which increases the available pool of credit for borrowers, without an accurate picture of the risk involved in each mortgage security, buyers have no idea whether they are buying a high-risk investment or a safe, secure investment. My legislation would work to curb the excesses of the secondary market, combat future attempts at deception, and protect investors by making securitized mortgage investments more reliable and trustworthy.

The inability of major corporations to properly assess the risk of the mortgage securities they were trading is a

problem whose effects have not been confined to Wall Street. To put it simply: When big banks sneeze, the rest of America gets a cold. By 2009, more than a trillion dollars of the subprime mortgages originated during the housing boom will reset to higher interest rates. Currently, according to the Mortgage Bankers Association, 43 percent of subprime adjustable rate mortgages are already in foreclosure. In my home State of Maine, we are struggling with falling home prices and a record number of foreclosures. Some Maine borrowers, with rising monthly payments, are unable to refinance out of their predatory loans. Small business owners, many already hurt by the economic downturn, are also finding credit tight. The bad economic climate caused by the subprime credit crunch is roiling the stock market causing Americans to lose billions in their IRAs and retirement funds.

We need to fix this crisis before it gets any worse and make sure it never happens again. Francis Bacon said that “knowledge is power.” My amendment would give investors the knowledge to make intelligent calculations of risk and, as a result, it would give them the power to decide how much risk they could collectively handle.

Turning to specifics, my amendment creates the Federal Board of Certification, which would certify that the mortgages within a security instrument meet the underlying standards they claim in regards to documentation, loan-to-value ratios, debt service to income ratios, and borrowers' credit standards. The purpose of the certification process is to increase the transparency, predictability, and reliability of securitized mortgage products. Certification would aid in creating settled investor expectations and increase transparency by ensuring that the mortgages within a mortgage security conform to the claims made by the mortgage product's sellers.

The proposed Federal Board of Certification would not override any current regulations and would not, in any way, stifle any attempts by private business to rate mortgage securities. This legislation would, however, create incentives for improving industry rating practices. Open publication of the board's certification criteria would augment the efforts of private ratings agencies by providing incentives for increased transparency in the ratings process. The board's certification would also serve as a check on the industry to ensure that ratings agencies carefully scrutinize the content of mortgage products before issuing evaluations of mortgage-backed securities.

Significantly, the Federal Board of Certification would also be voluntary and funded by an excise tax. Users could choose to pay the costs for the board to rate their security, or they could elect not to submit their product to the board.

We must quickly restore confidence in the U.S. mortgage securities if we are to stabilize our housing markets

and enable families to refinance their expensive loans. To do this, we must certify the quality and content of our mortgage securities and enable those markets working again to create liquidity and lending. This is why it is urgent to create the Federal Board of Certification for mortgage securities. This legislation would create a “good housekeeping seal of approval” for the mortgage security industry and certify that the mortgage products are in fact what they claim to be. Accordingly, I call on Congress to take up and adopt this commonsense amendment as expeditiously as possible.

I encourage my colleagues to strongly support the creation of the Federal Board of Certification. This legislation will restore trust in U.S. financial markets and mortgage securities which will help American businesses and ultimately, most crucially, American families.

#### NOMINATION OF MICHAEL E. O'NEILL

Mr. SPECTER. Mr. President, I now ask consent that my next remarks be labeled nomination of Michael E. O'Neill for the United States District Court for the District of Columbia.

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

Mr. SPECTER. I am pleased to submit my very strong recommendation to my colleagues to confirm the nomination of Michael E. O'Neill for the District Court for the District of Columbia. The President submitted his name last Thursday. I had tried to come to the floor to speak at that time but could not do so.

I am pleased to do so now. Michael O'Neill has an extraordinary record. He

graduated summa cum laude from Brigham Young University and received his law degree from Yale Law School. He was editor of the Articles and Book Reviews of the Yale Law Journal; and Articles Editor of the Yale Journal on Regulation.

He served as a law clerk to Judge David Sentelle and clerked for the Supreme Court of the United States for Justice Clarence Thomas.

I ask unanimous consent that his full resume be included in the RECORD.

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

MICHAEL E. O'NEILL

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

Birth: 1962, Wisconsin.

Legal Residence: Maryland.

Education: B.A., summa cum laude, Brigham Young University, 1987; J.D., Yale Law School, 1990—Editor of Articles and Book Reviews, Yale Law Journal; Articles Editor, Yale Journal on Regulation.

Employment: Law Clerk, Honorable David B. Sentelle, United States Circuit Judge for the District of Columbia Circuit, 1990–1991; Litigation Counsel, Honors Program, Appellate Section, Criminal Division, U.S. Department of Justice, 1991–1994; Special Assistant United States Attorney, United States Attorney's Office for the District of Columbia, 1993; Special Counsel, Detailee from Dept. of Justice, Senate Judiciary Committee, Senator Orrin Hatch, 1994–1996; Law Clerk, Honorable Clarence Thomas, United States Supreme Court, 1996–1997; General Counsel, Senate Judiciary Committee, Senator Orrin Hatch, 1997–1998; Associate Professor of Law, George Mason University School of Law, 1998–present; Commissioner, United States Sentencing Commission, 1999–2005; Chief Counsel and Staff Director, Senate Judiciary Committee, 2005–2007.

Mr. SPECTER. It is especially worthwhile to have Mr. O'Neill confirmed because of the example it sets for people who come to undertake public service.

Mr. O'Neill served on the Judiciary Committee for a protracted period of time. When Senator HATCH was the Chairman, he was special counsel from 1994 to 1996 and general counsel from 1997 to 1998, before he became associate professor of law at George Mason University School of Law; and he served as chief counsel and staff director for the 2 years I served as Chairman of the Judiciary Committee.

I do not need a resume to tell people how competent he is and how public spirited he is and what an outstanding Federal judge he would make.

There have been quite a number of situations where people working on the Judiciary Committee have gone on to Federal judgeships. I think it is a very healthy thing to have that as a motivation to come for public service. People have come to serve on the Judiciary Committee, leaving jobs making half a million dollars or more for \$100,000. The public service is so important that it is exemplary to give them this recognition to motivate our people to come to take these jobs.

One example I would note is Stephen Breyer, who was special counsel and chief counsel to the Senate Judiciary Committee back in 1980 for then-Chairman TED KENNEDY. Mr. Breyer was then appointed on the First Circuit and is now on the Supreme Court of the United States.

I ask unanimous consent that this table be included in the RECORD showing the movement of people who have served on the Judiciary Committee and the jobs which they have taken in other Federal positions.

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

Name	Previous position(s)	Senator	Nomination position	Date nominated	Date confirmed
Beryl Howell Stephen Breyer	General Counsel, U.S. Senate Judiciary Committee ... Special Counsel, U.S. Senate Judiciary Committee ...	Leahy Kennedy	U.S. Sentencing Commission ..... Judge, First Circuit ..... (Breyer Later Nominated) Associate Justice, Supreme Court <sup>1</sup> .	1/9/2007 11/13/1980 5/17/1994	2/28/2007 12/9/1980 8/3/1994
Paul D. Clement	Chief Counsel, U.S. Senate Judiciary Subcommittee on the Constitution, Federalism and Property Rights.	Ashcroft	Solicitor General, Department of Justice .....	3/14/2005	6/8/2005
Sharon Prost Paul Redmond Michel Randal Ray Rader	Chief Counsel ..... Counsel/Administrative Assistant ..... Chief Counsel, Senate Judiciary Committee, Subcommittee on the Constitution, 1981–1986 Counsel to U.S. Sen. Orrin G. Hatch, 1981–1988 Chief Counsel/Minority Staff Director, Senate Judiciary Committee, Subcommittee on Patents, Trademarks and Copyrights, 1987–1988.	Hatch Specter Hatch	Judge, U.S. Court of Appeals, Federal Circuit ..... Judge, U.S. Court of Appeals, Federal Circuit ..... Judge, U.S. Court of Appeals, Federal Circuit .....	5/21/2001 12/19/1987 6/12/1990	9/21/2001 2/29/1988 8/3/1990
Ralph K. Winter, Jr.	Consultant, U.S. Senate Judiciary Committee, Subcommittee on Separation of Powers (1968–1972).	Ervin	Judge, Second Circuit .....	11/18/1981	12/9/1981
Emory Sneeden	Chief Minority Counsel, U.S. Senate Judiciary Subcommittee on Antitrust and Monopoly (1979–1981).	Thurmond	Judge, Fourth Circuit .....	8/1/1984	10/4/1984
Dennis W. Shedd	Counsel .....	Thurmond	Judge, District of South Carolina ..... Judge, Fourth Circuit ..... (Shedd Later Nominated) Judge, Fourth Circuit .....	10/17/1990	10/27/1990
Edward J. Damich	Chief Intellectual Property, Counsel for the Senate Judiciary Committee.	Hatch	Judge, United States Court of Federal Claims .....	5/9/2001 9/29/1998	11/19/2002 10/21/1998
Lawrence Baskir	Chief Counsel and Staff Director to the Constitutional Rights Subcommittee of the Senate Judiciary Committee.	Ervin	Judge, United States Court of Federal Claims .....	1/7/1997	10/21/1998
Reed O'Connor Terry Wooten Dee Vance Benson	Counsel, U.S. Senate Judiciary Committee ..... Chief Counsel, U.S. Senate Judiciary Committee ..... Counsel, U.S. Senate Committee on the Judiciary, Subcommittee on the Constitution, 1984–1986 Chief of staff, U.S. Sen. Orrin Hatch, 1986–1988.	Hatch/Cornyn Thurmond Hatch	Judge, Northern District of Texas ..... Judge, District of South Carolina ..... Judge, District of Utah .....	6/27/2007 6/18/2001 5/16/1991	11/16/2007 11/8/2001 9/12/1991
Kristi DuBose Henry Michael Herlong Mary McLaughlin	Chief Counsel (1997–1999) ..... Legislative Assistant ..... Chief Counsel, Subcommittee on Terrorism, Technology and Government, Committee on the Judiciary (1995).	Sessions Thurmond Specter	Judge, Southern District of Alabama ..... Judge, District of South Carolina ..... Judge, Eastern District of Pennsylvania .....	9/28/2005 4/9/1991 3/9/2000	12/21/2005 5/9/1991 5/24/2000
Patti Saris	Staff Counsel, U.S. Senate Judiciary Committee, 1979–1981.	Kennedy	Judge, District of Massachusetts .....	10/27/1993	11/20/1993
Nora M. Manella	Counsel to the Subcommittee on the Constitution of the U.S. Senate Judiciary Committee (1976–1978).	Tunney	Judge, Central District of California .....	3/31/1998	10/21/1998