

HOUSING

Mr. CASEY. Mr. President, thank you very much.

We have before the Senate in the next couple of days a number of important pieces of legislation, but one of the debates going on right now in the Senate and beyond across the country is the response by the Senate and by the administration on housing. In particular, we have a raging debate about what to do about the two so-called mortgage giants, Freddie and Fannie, as we know them by their acronyms.

There is no question that these two entities play a substantial role in what has been happening to our housing market. By one estimate, they hold half of the value of all the mortgages in the United States of America—trillions and trillions of dollars—by one estimate as much as \$5 trillion. We have to apply a lot of scrutiny and exercise the kind of due diligence as it pertains to the administration's proposal to shore up Fannie and Freddie. It is vitally important. However, I think the Congress has to be able to do two or three things at once.

We have to be able, as we are applying the kind of due diligence and the kind of review the taxpayers expect us to provide—and we should do that. There is a long way to go. We can't just sign off and say the Treasury Department and the administration or any other entity can do whatever they want and we will just rubberstamp it. We have to make sure the taxpayers' interests are protected, but while we are doing that, we have to get housing legislation passed.

As the Presiding Officer knows, not just because of the families in Ohio and Pennsylvania and across the country who are suffering from the root of our economic trouble, which is one word, "housing," or the problems with housing—as he knows, this legislation has been held up. There are some in Washington who are using this debate about scrutiny of the Fannie and Freddie proposal, scrutiny about taxpayer interests, which are legitimate and real, using that debate as a way to slow down the bipartisan housing legislation. I think we have to make sure we commit ourselves to a path over the next couple of days and do it with a sense of urgency about what is happening in America today because no matter what we do on due diligence with regard to the mortgage companies, if we don't provide relief to families across America on the question of housing, we will not be doing our jobs.

I think the people across this country, just as they hope we do on gas prices—they certainly believe that on the price of gas, or any other prices rising for them, especially on the question of housing—expect us to get something done. So far, there are people in this body who want to slow things down. So I think we can provide the kind of oversight and due diligence for this proposal with the mortgage giants. We can provide that oversight but at

the same time move forward with housing legislation.

The fact is, for a lot of Americans, this is not some remote, theoretical question. Every day in America—every weekday, because the courthouses are not open on the weekends—every weekday, by the latest estimates, 8,400 to 8,500 enter the nightmare of foreclosure. We can debate a lot of theoretical issues, but unless we focus on that central reality for families in America, we are going to miss the boat. So all of those families every day—8,500 families every day—are entering the nightmare of foreclosure.

I know the Presiding Officer, Senator BROWN, Senator SCHUMER, and I, the three of us, a long time ago, way back in the spring of 2007—more than a year ago—put on the table the Borrowers Protection Act, which was a way to deal with this problem early, to say to mortgage originators and mortgage brokers: You are not being regulated. You are causing a good bit of this problem, if not most of the problem. We are going to regulate your conduct so that if you have a mortgage transaction and you are a broker and you are part of that and there is a homeowner, a family sitting in front of you, we are going to make sure you escrow for taxes and insurance, for example. It is not a radical idea, but they were not doing it. We are going to provide more scrutiny of the kind of activity that you have as a mortgage broker. We are going to make sure if a mortgage broker wants to make money and wants to bring families into a transaction that they have more disclosure; that they tell that family sitting in front of them more information about the mortgage documents, about the interest rate, and what this family is signing up for.

That legislation has been in front of the Senate for far too long now. That kind of bipartisan approach to this crisis is what we need more of.

I have worked with Senator MARTINEZ on the other side of the aisle on appraiser independence. We have too many appraisers in these high-end mortgages that were in some cases committing fraud and in other cases not providing enough information. We have to make sure when someone does an appraisal, they are truly independent.

What our legislation called for was having two appraisals to force appraisers to be more independent. Senator SPECTER and I have worked together in Pennsylvania to promote a great idea in the city of Philadelphia. Sometimes all the great ideas aren't in Washington, as we well know.

A judge in Philadelphia, Judge Darnell Jones, a distinguished jurist came up on his own, working with people in the city, and then supported by Mayor Nutter of Philadelphia with funding, with a program that says: We may not be able to legally force people in the marketplace to do certain things, if you have a contract between a lender and a borrower, but we can at

least say that before a foreclosure moves forward, you have to have some mediation, some discussion, some meeting between the lender and the borrower. The borrower has to do something. They can't just hope for the best. They have to be able to commit themselves to paying back the mortgage, and the lender has to give as well.

These kinds of ideas in the city of Philadelphia and across the country should inform what we do here. So Senator SPECTER and I have worked to promote foreclosure mitigation. The Presiding Officer knows foreclosure counseling is not just a good thing to do; it is not just a couple of hundred million dollars that we have been able to put into legislation and become part of our law—and we need more money—but the Presiding Officer knows how important that money is to get dollars into the hands of people and entities across the country, most of them nonprofit organizations that understand not just how to work with the borrower, to work with the family when they are signing those complicated documents that mean they have to enter into an agreement where they have to pay money back over a long period of time. It is very complicated. Even if you are sophisticated in finance matters, it is pretty complicated.

This foreclosure counseling money will give dollars to entities across the country to work with families, gain the families' trust, and then work with the borrowers when they are entering into transactions. We have to do more with foreclosure counseling.

So I think on a whole series of fronts, there is bipartisan work being done in the Senate. There are good ideas on the table from communities across the country and from people in Washington. We have to continue to work together in a bipartisan way. The worst thing we could do is stop the train from moving down the track on getting housing legislation passed because we are having a debate about how much scrutiny or oversight or review there is to a Fannie Mae and Freddie Mac proposal, the kind of review we should apply to do it. We can do both at the same time.

Once in a while the Congress can walk and chew gum at the same time. This is one of those instances where, with the families out there who are suffering under the weight of this housing problem, this subprime problem that has been hanging over the country and affecting international markets and international transactions right now, it is one of those instances where we have to do everything we can to push this forward.

If you are standing in the way of getting housing legislation passed and you are using the figleaf or the argument that somehow we have to apply more scrutiny to Fannie and Freddie, I don't think you are being straight with the American people. We can do both at the same time. We can serve the interests of taxpayers on this proposal and

apply all the scrutiny and due diligence we should, but we also have to get something done on housing because the mortgage companies are going to do fine no matter what.

Fannie and Freddie will do just fine, thank you very much. But if we don't get housing legislation passed, the people who will suffer, as they have already suffered, are families, borrowers, real people out there in places such as Ohio and Pennsylvania and across the country.

So I will yield the floor but just reiterate that I urge people on both sides of the aisle to continue to work together, but we cannot leave here this summer without dealing with major housing legislation, which is already in front of us and which is already bipartisan. We can't leave here without doing that.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, how much time remains in morning business?

The PRESIDING OFFICER. There is 15 minutes 15 seconds.

LIHEAP

Mr. DURBIN. Mr. President, I recently received a letter from a senior citizen named Harriet, from Bartlett, IL, just outside of Chicago. She told the story that last January, when the average high temperature was about 28 degrees, she was sitting at home in a sweater, bundled up in a blanket, with the thermostat set at 62 degrees. She had cut back on her purchases of vital prescriptions for her stroke medication because she didn't have enough money to pay for her drugs and also heat her home.

Unfortunately, Harriet is not alone. Even though we are in the midst of summer with the heat outside, we have to be very sensitive to the fact that, in a few months, many people across America will face freezing temperatures, and Harriet is one of those people. Seniors living on fixed incomes, working families with limited incomes, and disabled individuals will face record-breaking energy costs. In the New England area of our country, they anticipate that heating oil costs will double this winter over last winter. I saw that headline when I visited Maine a few weeks ago.

I know this isn't just a problem in the upper Midwest. It affects many parts of the Nation. So when you have this choice between paying utility bills and getting the prescriptions you need to stay alive, you understand how, in desperation, many seniors turn to us in Washington and ask for help.

These are choices no American should ever be faced with.

In 1981, Congress enacted a program called the LIHEAP program, Low-Income Home Energy Assistance Program. Today, it helps almost 6 million people across our Nation—low-income families and seniors—to pay their home energy costs—air-conditioning in the summer and heating in the winter. For more than 400,000 people in my State, this means air-conditioning during the sweltering 100-degree-plus days, on the worst days.

This year, funding isn't enough. A majority of the Americans who are eligible for LIHEAP don't receive any assistance because this program is not adequately funded. For those who do receive it, the average grant pays as little as 18 percent of the cost of that utility bill. Energy costs are going up, and the program's purchasing power continues to drop. Utilities are raising power prices by as much as a third—sometimes doubling—with the sharpest jump since 1970. In addition, tens of thousands of Americans have had their electricity and natural gas services cut off. Millions more are facing the danger of losing their service.

Unless we significantly increase LIHEAP, two things will happen: Fewer Americans will receive the assistance they need to keep their homes warm in the winter and cool in summer; second, those who receive assistance will receive less as energy prices soar. I have joined with 40 of my Senate colleagues, cosponsoring the Warm in Winter, Cool in Summer Act, introduced by BERNIE SANDERS of Vermont. He has been our leader on this issue. I commend him for that. The bill is endorsed by AARP, the National Conference of State Legislatures, the Alliance for Rural America, the American Corn Growers, and a lot of others. It nearly doubles funding for LIHEAP, from \$2.5 billion to \$5 billion. The extra money is needed desperately.

This morning, as I understand it, the majority leader, Senator REID of Nevada, on behalf of the Democrats, came to the floor and asked unanimous consent that we bring the LIHEAP bill out for consideration. As you will notice, we are not bustling with activity and business on the Senate floor. Senator REID said let's move to this bill. Unfortunately, Senator CORNYN of Texas objected. He blocked a unanimous consent request to pass this critically needed funding for LIHEAP.

Senator CORNYN argues that we ought to be talking about lower gasoline prices. I don't argue with that. But why are we pitting one against the other? The people who are going to face desperate circumstances in their homes are going to need help, whether it is air-conditioning now or heating in the winter. We should do both. We ought to pass this LIHEAP bill on a bipartisan basis, and we ought to also address the energy issues around the cost of gasoline.

I don't know why the Republicans blocked this effort to bring the

LIHEAP bill to the floor. We could have done it today and passed it today and brought some piece of mind to people across America, such as Harriet, who sent me this letter. We also know we are faced with a debate on what to do about gasoline prices.

Yesterday, Senator REID came to the floor and brought a bill I am cosponsoring on the issue of speculation. Some of the business experts in our country tell us the price of gasoline today and jet fuel and heating oil and the cost of a barrel of oil has a lot to do with people who are speculators—folks who are guessing where the prices are going to go, which tends to lead the market and even push the market in the direction of higher prices. Now, you might expect that theory coming from an economics professor or maybe someone on the left of the political spectrum, but that theory comes from a lot of business people, including folks who are running our airlines today. The CEOs of airlines are struggling to survive. They tell us they think speculation accounts for up to 30 to 40 percent of the cost of gasoline and jet fuel today.

There is no rational explanation of what happened in terms of energy pricing. It is understandable if the price of oil goes up 10 percent because of some instability in the Middle East—a war or blocking of the Strait of Hormuz or an interruption of pipelines. That would be understandable. You could say: All right, that is something that would affect supply and demand. But we are in the situation where the price of oil can go up 10 or 20 percent, or more, for no reason at all—no reason at all. Sometimes the only thing they can pinpoint is that some analyst on Wall Street made an announcement at a press conference that he thought the price of a barrel of oil might go up to \$200. Lo and behold, it goes up \$10 the next day. You think to yourself, something is dreadfully wrong.

This isn't a question of supply and demand. Something else is at work. So we brought a bill to the floor—or we will, maybe as soon as today—that addresses speculation. The bill says the agency responsible for overseeing the trading in energy speculation, energy futures, will need more people. The number of trades has gone up 10 times what it was a few years ago, and they don't have the people to keep an eye on it. So there will be 100 more employees in the Commodity Futures Trading Commission and more computer technology.

We also talk about bringing all these energy speculation markets under one basic disclosure requirement, so we know what is going on. The fact is, when I asked the Acting Chairman of the CFTC, Walter Lukken, how big this market was in the speculation of oil prices, he said he could not tell me; he didn't know. The biggest part of this market is happening outside the public eye and outside any Government supervision or regulation.