

with any program requirements, including executive compensation and any specific agreement terms.

Madam Speaker, I am pleased that this legislation has strong requirements regarding executive compensation. For any new receipt of TARP funds (except those by small financial institutions), this legislation applies the most stringent non-tax executive compensation restrictions from EESA across the board including:

1. Requiring Treasury to prohibit incentives that encourage excessive risks,
2. Providing for claw-back of compensation received based on materially inaccurate statements; and
3. Prohibits all golden parachute payment for the duration of the investment.

Included in this legislation is a requirement of government board representation by authorizing Treasury to have an observer at board or board committee meetings of recipient institutions. This legislation changes to structure and authority of TARP board—the Financial Stability Oversight Board is expanded to include the chairman of the FDIC and two additional members who are not currently Federal employees, who shall be appointed by the President and subject to Senate confirmation. The board will have the authority to overturn policy decisions of the Treasury Secretary by a $\frac{2}{3}$ vote.

Madam Speaker, the Act provides that the second \$350 billion is conditioned on the use of up to \$100 billion, but no less than \$40 billion, for foreclosure mitigation, with plan required by March 15, 2009. By that date, the Secretary shall develop, subject to TARP Board approval, a comprehensive plan to prevent and mitigate foreclosures on residential mortgages. The Secretary shall begin committing TARP funds to implement the plan no later than April 1, 2009. The Secretary must certify to Congress by May 15, 2009, if he has not committed more than the required minimum \$40 billion.

The foreclosure mitigation plans must apply only to owner-occupied residences and shall leverage private capital to the maximum extent possible consistent with maximizing prevention of foreclosures. Treasury must use some combination of the following program alternatives:

1. Guarantee program for qualifying loan modifications under a systematic plan, which may be delegated to the FDIC or other contractor
2. Bringing costs of Hope for Homeowner loans down (beyond mandatory changes in Title V below), either through coverage of fees, purchasing H4H mortgages to ensure affordable rates, or both
3. Program for loans to pay down second lien mortgages that are impeding a loan modification subject to any writedown by existing lender Treasury may require
4. Servicer incentives/assistance—payments to servicers in connection with implementation of qualifying loan modifications
5. Purchase of whole loans for the purpose of modifying or refinancing the loans (with authorization to delegate to FDIC)

In consultation with the FDIC and HUD and with the approval of the board, Treasury may determine that modifications to an initial plan are necessary to achieve the purposes of this act or that modifications to component programs of the plan are necessary to maximize prevention of foreclosure and minimize costs to the taxpayers.

A safe harbor from liability is provided to servicers who engage in loan modifications, regardless of any provisions in a servicing agreement, so long as the servicer acts in a manner consistent with the duty established in the Homeowner Emergency Relief Act, maximize the net present value, NPV, of pooled mortgages to all investors as a whole; engage in loan modifications for mortgages that are in default or for which default is reasonably foreseeable; the property is owner-occupied; the anticipated recovery on the mod would exceed, on an NPV basis, the anticipated recovery through foreclosure.

This bill requires persons who bring suit unsuccessfully against servicers for engaging in loan modifications under the Act to pay the servicers' court costs and legal fees. It also requires Servicers who modify loans under the safe harbor to regularly report to the Treasury on the extent, scope and results of the servicer's modification activities.

In addition to the above requirements, an Oversight Panel is required to report to Congress by July 1 on the actions taken by Treasury on foreclosure mitigation and the impact and effectiveness of the actions in minimizing foreclosures and minimizing costs to the taxpayers.

H.R. 384 clarifies and confirms Treasury authorization to provide assistance to automobile manufacturers under the TARP. With respect to the assistance already provided to the domestic automobile industry, includes conditions of the House auto bill, including long-term restructuring requirements.

There is further clarification on:

Treasury's authority to provide support to the financing arms of automakers for financing activities is clarified to ensure that they can continue to provide needed credit, including through dealer and other financing of consumer and business auto and other vehicle loans and dealer floor loans.

Treasury's authority to establish facilities to support the availability of consumer loans, such as student loans, and auto and other vehicle loans. Such support may include the purchase of asset-backed securities, directly or through the Federal Reserve.

Treasury's authority to provide support for commercial real estate loans and mortgage-backed securities.

Treasury's authority to provide support to issuers of municipal securities, including through the direct purchase of municipal securities or the provision of credit enhancements in connection with any Federal Reserve facility to finance the purchase of municipal securities.

In addition, more reforms are enunciated for Homeowners in Title V. The Home Buyer Stimulus provisions require Treasury to develop a program, outside of the TARP, to stimulate demand for home purchases and clear inventory of properties, including through ensuring the availability of affordable mortgage rates for qualified home buyers.

In developing such a program Treasury may take into consideration impact on areas with the highest inventories of foreclosed properties. The programs will be executed through the purchase of mortgages and MBS using funding under HERA. Treasury will provide mechanisms to ensure availability of such reduced rate loans through financial institutions that act as either originators or as portfolio lenders.

Under this provision, Treasury has to make affordable rates available under this program available in connection with Hope for Homeowner refinancing program.

This legislation will give a permanent increase in FDIC and NCUA Deposit Insurance Limits, it makes permanent the increase in deposit insurance coverage for banks and credit unions to \$250,000, which was enacted temporarily as part of the Emergency Economic Stabilization Act and is scheduled to sunset on December 31, 2009, and includes an inflation adjustment provision for future coverage.

Finally, I applaud Chairman FRANK and the Committee on Financial Services for their hard work on this important piece of legislation. In this economic climate it is critical for us to remember that while we need to assist our financial institutions, we cannot do this without implementing reforms to protect Americans' hard-earned money.

Madam Speaker, I strongly urge my colleagues to join me in support of this important legislation.

HONORING DR. LUIS CONTE-
AGUERO

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 2009

Ms. ROS-LEHTINEN. Madam Speaker, I would like to take this opportunity to recognize the life and work of Dr. Luis Conte-Aguero who has devoted himself to fighting communism in Cuba and spreading democracy throughout the entirety of Latin America.

While Dr. Luis Conte-Aguero is not a native-born American, he has served as a shining example of patriotism for all in our community. Since his arrival to the U.S. in 1960, he has worked tirelessly for freedom and democracy around the globe.

As a young philosophy student at the University of Havana, Dr. Conte-Aguero befriended another student named Fidel Castro. However, after the fall of President Fulgencio Batista, Castro revealed his true intentions for Cuba. Dr. Conte-Aguero vehemently fought Castro in hopes of preventing Cuba from becoming a communist state.

In 1960, Dr. Conte-Aguero was forced to flee Cuba, leaving his home and everything that he knew and loved. He took with him nine handwritten notes in his pocket which Fidel Castro wrote him while in prison in the 1950's. The Prison Letters of Fidel Castro has since served as a platform from which Dr. Conte-Aguero could expose the atrocities committed by Castro to the world.

The Prison Letters of Fidel Castro was only the beginning for this storied and well-celebrated poet whose honors are numerous, meritorious, and well-deserved. The Dominican Republic has honored him as "The Highest Voice in America"; in Uruguay, he was selected by delegates from 14 nations to be the President of Alliance for Freedom; and his contributions to the Dominican Republic and its quest for freedom were recognized by the country's armed forces in 1965 when he was awarded the title of "Continental Leader and Standard Bearer of Democracy in America."

I pray that many more in America and around the world will choose to follow the example of Dr. Luis Conte-Aguero. It is a blessing that the elegance of his pen will preserve

his legacy for future generations so that they may also choose to expose the crimes of tyrants and fight for the freedom of all people.

Thank you, Dr. Conte-Aguero.

TARP REFORM AND
ACCOUNTABILITY ACT OF 2009

SPEECH OF

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 15, 2009

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, and for other purposes:

Mr. STARK. Mr. Chair, I rise today in support of H.R. 384, the TARP Reform and Accountability Act.

I am one of the few members on my side of the aisle to vote against the TARP bill both times it came before this House. I did so because I believed that it rewarded the very entities that built the financial house of cards that has come crashing down. The Bush Administration pressed this body to act with all haste based on faulty information about the problems we faced and with scant explanation for how the resources requested would be used. The bill left too much discretion to the Secretary, and provided too little oversight of the historic outlay of taxpayer funds. I compared the Bush Administration's rush to bail out Wall Street to their rush to invade Iraq. I take no pleasure in being right on this score—but the management of the first outlay of TARP funds has been erratic and inefficient. In fact, the execution of this bailout provides the perfect thumbnail of the eight years of the Bush Administration: they didn't have a plan, they didn't do what they said they were going to do, they didn't take care of struggling homeowners, but made sure to look after the interests of big business. The mission was not accomplished.

I do not support the release of additional TARP funds and will vote to withhold those funds if such a bill comes before the House. Today, however, we have a chance to make a bad law better and that deserves our support. The reforms in this bill are the conditions that should have been included in the original package. This bill requires reporting by institutions that receive taxpayer money and requires Treasury to reach an agreement with institutions that take taxpayer funds on exactly how those funds will be used. This bill also limits the ability for those institutions to use taxpayer funds to pay their executives big bonuses that encourage short-term risk taking.

Most importantly, this bill mandates that the Treasury Department commit significant funds—up to \$100 billion—to foreclosure mitigation and keeping people in the homes they own or rent.

Our Nation is in a deep recession and people at all economic levels are feeling the pain. People struggling to make ends meet are having a tough time understanding why our government is using tax money to bail out the

bank that is foreclosing on their home. The first \$350 billion is gone with very little to show for it. I would prefer that Congress go back to the drawing board and develop a comprehensive program to save people's houses without rewarding the institutions that made bad loans. In the absence of such action, I support H.R. 384, because we must ensure that at least some of the second \$350 billion of taxpayer dollars goes to help people stay in their homes and weather this recession.

AMERICA MUST STAND WITH
HUMAN RIGHTS DEFENDERS

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 2009

Mr. WOLF. Madam Speaker, I would like to share with our colleagues an editorial in the New York Times highlighting the case of Iranian human rights activist, and Nobel Prize laureate, Shirin Ebadi, who faces harassment and intimidation at the hands of the Iranian government.

She is not alone.

According to the most recent State Department Human Rights Report, “[Iran’s] poor human rights record worsened, and it continued to commit numerous, serious abuses . . . Security forces arbitrarily arrested and detained individuals and held political prisoners and women’s rights activists. There was a lack of judicial independence and of fair public trials. The government severely restricted civil liberties, including freedoms of speech, press, assembly, association, movement, and privacy. The government placed severe restrictions on freedom of religion. Official corruption and a lack of government transparency persisted.”

We must continue to stand with human rights defenders like Shirin Ebadi, who is bravely confronting her own government’s injustices.

[From the New York Times, January 2, 2009]

THE WOMAN THE MULLAHS FEAR

(Editorial)

Men hold all of the meaningful levers of political power in Iran, but it is a woman they fear. If not, why is the mullah-led government trying to shut down the operations of Shirin Ebadi?

Ms. Ebadi, a lawyer and her country’s leading human rights activist, is the first Muslim woman to win a Nobel Peace Prize. On Monday, the authorities stormed her private office, seizing her computers and her clients’ documents. A week earlier, they closed her Center for Defenders of Human Rights, a coalition of human rights groups and other activists whose members had planned to celebrate the 60th anniversary of the United Nations’ Universal Declaration of Human Rights.

When she was awarded the peace prize in 2003, the Nobel committee called Ms. Ebadi “a courageous person” for standing up against Iran’s bullying government. In the years since, she has endured repeated death threats from radical groups and regular government intimidation. That courage has never faltered.

With presidential elections scheduled for June, President Mahmoud Ahmadinejad and

his allies apparently decided they could not risk letting Ms. Ebadi continue the work she has done with distinction (and without pay) for the past 15 years—exposing government violations of human rights and defending human rights and democracy activists.

No doubt the authorities were unhappy with a report produced by her center that was cited recently by the United Nations’ secretary general, Ban Ki-moon, when the General Assembly approved a nonbinding resolution condemning Iran’s human rights record. But we suspect their ambitions go far beyond trying to suppress one report. They are clearly hoping to intimidate Ms. Ebadi and all other independent voices in Iran. That must not be allowed to happen.

We condemn Tehran’s mistreatment of this woman of extraordinary honor and courage. We urge the United States, Europe and other major powers to keep pressure on Iran to ensure that no further harm comes to Ms. Ebadi and that she remains free to do her essential work.

If Tehran wants relief from international criticism about its human rights record, it must start by adhering to the Universal Declaration of Human Rights and respecting the rights of all of its citizens.

JACK HAMILTON AND THE COMMUNITY ACTION AGENCY OF SOMERVILLE

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 2009

Mr. CAPUANO. Madam Speaker, I rise to pay tribute to my friend and constituent, Jack Hamilton, who is retiring after almost three decades as Executive Director of CAAS, the Community Action Agency of Somerville. Jack is the man who made both “community” and “action” a reality in the day to day work of the agency. He fought poverty and discrimination every day of his adult life. He communicated a sense of urgency to his staff and inspired both colleagues and clients with his deep commitment to the dignity and well-being of every person.

Under his leadership an anti-poverty agency grew to offer services ranging from early childhood education and parenting support, to help for tenants, access to health care, and advocacy for the disabled. He was an active citizen, far beyond what would have been expected of him as CAAS Executive Director, and he encouraged others to become involved. He never shied away from personal involvement in electoral politics, for and against those candidates whom he saw as worthy, or unworthy, of support, but he never let petty political differences limit his effectiveness.

Jack worked with elected officials and with me when I served as Mayor, collegially and constructively, but he never withheld his criticism when he felt a rebuke was necessary. Above all, he was determined to work with anyone and everyone engaged in an important issue, to cooperate and to understand such honest differences as might arise. He is a man of compassion and integrity, capable of righteous indignation and generous anger. I am proud to be his friend and I am grateful for his service to the city we both love.