

I will oppose this measure and others like it as an affront to our liberty and the Constitution.

PROCUREMENT PROCESS GONE AMOK

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, in today's Congressional Quarterly, it says the Presidential helicopter program is now \$6.5 billion over budget. This is double the Pentagon's original estimate. Even President Obama said this was "an example of the procurement process gone amok."

It seems that the Pentagon cannot complete any major program without huge cost overruns. Almost on every Federal program we are given low-ball estimates of the cost on the front end, and then costs just explode. This has nothing to do with the current President, but no President needs 28 helicopters.

The current estimate is that these helicopters will cost at least \$13 billion. But the way the Pentagon is operating these days, these helicopters will end up costing several billion more unless the number is cut way back to something a little less ridiculous.

It makes you wonder, Mr. Speaker, if there are any fiscal conservatives in the Defense Department.

THE HYPOCRISY OF THE CURRENT ADMINISTRATION

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, I come to the floor today to talk about the hypocrisy of this current administration. First they say they want to cut the deficit in half by their first term, but then they add, in 6 weeks, \$1.5 trillion to the national debt.

They attack earmarks as being bad, but they're soon to sign an omnibus bill that has 9,000 earmarks in it.

And last but not least, a promised tax cut to 95 percent of all Americans, while in their budget planning to raise \$646 billion by a carbon tax. What does that do?

This is Peabody Mine Number 10. The last clean air bill we passed, 1,000 mine workers lost their job. A carbon tax kills the fossil fuel industry in this country, raises the cost of energy, will destroy manufacturing. As the Detroit News said in its editorial yesterday, it's a job destroyer for the State of Michigan. Be aware of the carbon tax.

NO TAX HIKES

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, this administration's new budget torpedoed core values we Americans hold dear: hard work, fairness and the freedom to thrive.

Sadly, the new budget will raise taxes on anyone who works hard, plays by the rules and pays taxes. It will raise taxes on anyone who drives a car, turns on their lights or saves. It will raise taxes on people who donate to charity or own a home. It will raise taxes on anyone who plans, hopes or dreams of becoming successful.

That's just wrong. We must not raise taxes, but save America during this severe recession.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 1106, HELPING FAMILIES SAVE THEIR HOMES ACT OF 2009

Mr. HASTINGS of Florida. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 205 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 205

Resolved, That during further consideration of the bill (H.R. 1106) to prevent mortgage foreclosures and enhance mortgage credit availability, pursuant to House Resolution 190, amendment number 1 printed in House Report 111-21 shall be considered as perfected by the modification printed in the report of the Committee on Rules accompanying this resolution.

The SPEAKER pro tempore. The gentleman from Florida is recognized for 1 hour.

Mr. HASTINGS of Florida. For the purpose of debate only, Mr. Speaker, I yield the customary 30 minutes to the gentlelady, my friend from North Carolina, Dr. FOXX. All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

Mr. HASTINGS of Florida. I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and to insert extraneous materials into the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H. Res. 205 provides for further consideration of H.R. 1106, the Helping Families Save Their Homes Act of 2009. As I've previously stated, the Helping Families Save Their Homes Act takes a crucial step toward reviving our housing market, stemming the tide of home foreclosures, and putting our Nation's economy back on track.

This bill provides for a safe harbor from liability to mortgage servicers who engage in loan modifications to remove any impediments that may pre-

vent them from partaking in voluntary modifications. It also makes much-needed changes to the HOPE for Homeowners Program in order to encourage more lenders to participate and ensure that the program meets its intended objective.

The bill further makes permanent the temporary increase in deposit insurance coverage for both the FDIC Deposit Insurance Fund and the National Credit Union Administration Share Insurance Fund, in order to both enhance the liquidity and stability of our banking institutions, and help restore confidence in our financial system.

The underlying legislation, Mr. Speaker, also makes several long overdue changes to our bankruptcy code. Now, some have understandably questioned these provisions which would allow bankruptcy judges the ability to modify loans on a homeowner's principal residence if the homeowner meets specified stringent criteria. It has been argued that allowing judicial modifications will lead to a sudden slew of bankruptcy filings, will cause massive losses to financial institutions, and will increase the cost of borrowing for other homeowners. However, this will simply not be the case.

Bankruptcy will remain, as it always has been, a last resort. And modifications will be at the individual discretion of a bankruptcy judge who will determine if a borrower has acted responsibly and if a claim has any merit.

Most importantly, allowing judicial modifications will maximize, not lessen, the value of troubled mortgages for lenders, and will avoid the continuous decline in property values in neighborhoods with foreclosed properties.

Additionally, this rule provides for a revised manager's amendment that will make the bankruptcy provision and this legislation even more effective and efficient. The revised manager's amendment will allow a court to consider lowering the interest rate to reduce a homeowner's mortgage payments in lieu of reducing the mortgage principal.

□ 1030

It also gives mortgage holders a greater proportion of a home's appreciation should the home be sold during the bankruptcy plan, and it makes changes to the good faith requirement, further ensuring that judicial modifications are only used when borrowers have exhausted all other options.

The bankruptcy provisions in this legislation with the changes proposed in the revised manager's amendment will help thousands of American families stay in their homes. We must remember that bankruptcy is no walk in the park. It is a strict, demanding, and intrusive process in which every aspect of one's financial life is scrutinized and controlled, and that says nothing of the negative stigma and of the long-lasting effects of filing for bankruptcy.

In addition, to be eligible for such loan modifications, families must show

that they will be able to repay their debts and that they have tried to obtain a loan modification outside of bankruptcy, but let's not kid ourselves. Under current law, similar loan modifications are available for every other type of secured loan except for loans securing primary residences.

If a millionaire or a billionaire can modify a loan on a private jet and if a housing speculator can modify loans on countless failed investment properties, why can't we allow struggling families to modify their mortgages so that they're not put out on the streets?

It's easy to stand up here and claim that this bill is simply a bailout for reckless homeowners; but as our Nation creeps deeper into this financial crisis, it is painfully clear that our housing market is having a rippling effect on the economy. Families who have acted responsibly and who have paid every single payment on time are finding themselves, in one way or another, swept up by the foreclosure crisis, oftentimes through no fault of their own.

As foreclosures rise, surrounding home prices fall, funding for vital public services goes down, financial institutions are saddled with losses, access to credit shrinks, and our economy grinds to a halt. This legislation will put a stop to this deadly spiral. It will rebuild this economy from the bottom up, for our Nation simply cannot recover if we here in Congress turn our backs on the millions of Americans struggling to care for their families and to stay in their homes.

Mr. Speaker, this bill may not help every family. It will, however, help responsible individuals stay in their homes, and it will mitigate the destructive impact of this housing crisis by clearing legal impediments to loan modifications, by improving the HOPE for Homeowners Program, by ensuring confidence in our banking system, and by finally making commonsense reforms to our bankruptcy laws.

I reserve the balance of my time, Mr. Speaker.

Ms. FOXX. Mr. Speaker, I have great respect for my colleague, and I wish that just his saying something would make it so.

Unfortunately, my distinguished colleague who has a distinguished service not only in Congress but also as a judge, you simply cannot say something and make it so. This is not going to stop the problem that we have in the housing market. This is actually going to make it worse. Let me make a couple of comments about why that is the case.

We have talked over and over about the fact that this is going to drive up the cost of loans in the future and about why it's going to hurt people who have played by the rules.

You know, House Republicans support responsible homeowners who live within their means, who make honest representations on their loan applications, who pay their debts, and who

work hard to achieve the American dream. But that's not what this bill does. What this bill does is it rewards bad behavior. It extends the welfare program in this country, and it's going to make home mortgages in the future much, much more expensive.

Why is that the case?

As my colleague has said, in the past, home mortgages have been left out of the bankruptcy law because they then become higher in risk. That has held down interest rates. By putting these home mortgages into the bankruptcy law, it is going to make the interest rates higher in the future. Even Justice Stevens said that taking the principal home out of the bankruptcy law was to encourage the flow of capital into the home lending market, but now we're going to increase the risk to lenders, and this is going to drive up the cost of interest rates.

As for the comments about millionaires and billionaires, that's a straw dog, just a straw dog, and we don't need to be putting those things out.

This rule and the underlying bill are opposed by both the Heritage Foundation and the New York Times. That doesn't happen very often, Mr. Speaker. It very rarely happens that those two entities oppose something, but they do.

I want to say something about the fact that we were here a week ago today to deal with this rule, and we thought we were going to be voting on the underlying bill, so it was pulled off because it was going to be made better, but you know, this is just the bait-and-switch game. I want to say to my colleagues that this underlying bill was not made better. This rule was not made better as a result of this week that has passed by. In fact, it may have been made worse.

I challenge my colleagues who have hesitation about this bill and whether to vote for it to read the bill, to read the rule. See if you think that this has actually made it better.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I am very pleased at this time to yield 2 minutes to the gentlewoman from California, a member of the Committee on the Judiciary, Ms. ZOE LOFGREN.

Ms. ZOE LOFGREN of California. Mr. Speaker, I would like to yield to my colleague from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I rise to engage in a colloquy with my distinguished colleague from California (Ms. ZOE LOFGREN) regarding the Helping Families Save Their Homes Act of 2009.

Ms. ZOE LOFGREN of California. I am happy to engage in a colloquy.

Mrs. TAUSCHER. Thank you.

Mr. Speaker, I would like to take this opportunity to thank Ms. LOFGREN, Chairman CONYERS, Speaker PELOSI, Majority Leader HOYER, and Majority Whip CLYBURN for the collaborative and constructive discussions

we have had during the past several weeks.

Our good-faith negotiations have resulted in positive changes to this bill by increasing uniformity in the Chapter 13 bankruptcy process and by making qualified loan modifications the centerpiece of our efforts to keep families in their homes.

In addition to other changes making the bill stronger, the legislation will ensure that a bankruptcy judge considers whether a borrower has been offered a qualifying loan modification before seeking a judicial modification. This is consistent with President Obama's plan. Additionally, changes were made to ensure that judges use FHA appraisal guidelines in determining the fair market value of property. This will streamline and simplify the valuation process.

I am also pleased that we have included language to prevent wealthy people who can afford their loans from filing bankruptcy just to capitalize on falling real estate prices and to get a better deal when there are so many more who are truly in need.

This bill is not perfect, but the process has worked better than anyone expected. Over the last couple of weeks, we have worked together to make improvements that will ensure that bankruptcy is an option of last resort.

Accessible and sustainable loan modifications are essential to getting millions of families the tools they need to keep their homes. Along with President Obama's Making Home Affordable Plan, this bill will provide these tools, and it will offer a comprehensive plan to address our Nation's foreclosure crisis.

Ms. ZOE LOFGREN of California. To my friend, I want to also thank you for the good-faith discussions and negotiations we've had. I appreciate your support for this bill and your work toward a sustainable loan modification program.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. HASTINGS of Florida. I yield the gentlewoman an additional 2 minutes.

Ms. ZOE LOFGREN of California. I agree with you that loan modifications are a key component to a comprehensive plan.

I thank my friend, Mrs. TAUSCHER, for her thoughtful work on this matter. It has made this bill a better bill and one that, I think, we can all be proud of. I appreciate your effort.

I would yield further.

Mrs. TAUSCHER. Thank you. I thank my good friend from California (Ms. ZOE LOFGREN) for her very intensive work to make this a better bill, and I appreciate the changes that have been made to this bill.

I urge my colleagues to support the significant engagement process to get a better bill by voting for the rule, and I will tell my colleagues that this is a better bill, that this is something that will help all Americans by making sure that the bankruptcy process through Chapter 13 is available to those who need it, but at the same time, that it is

the option of last resort. Most significantly, it puts the President's loan modification plan as the centerpiece of opportunities to keep millions of Americans in their homes. I urge my colleagues to vote for the bill.

Ms. ZOE LOFGREN of California. Thank you.

I would just note further the participation of others in Congress who worked to make this a better bill: our colleague DENNIS CARDOZA, who is part of the second-degree Lofgren-Tauscher-Cardoza amendment, as well as Congressman BRAD MILLER, Congressman JIM MARSHALL, and of course the chairman of the committee, Congressman JOHN CONYERS. Thanks to all who worked so hard on this.

Ms. FOXX. Mr. Speaker, I now yield 4 minutes to the gentleman from Wisconsin, my distinguished colleague, Mr. SENSENBRENNER.

Mr. SENSENBRENNER. Mr. Speaker, I rise in opposition to the rule and to the underlying bill.

What we have just heard is that the amendments that will modify the Conyers manager's amendment are going to solve the problems and concerns that were raised last week. This is not the case, and the modification that this rule makes in order still makes this modification of the bankruptcy law smoke and mirrors. The devil is really in the details, and let me point out three instances where the details make this amendment a sham.

First of all, it gives a defaulting homeowner two bites at the apple. Far from making bankruptcy a last resort, it allows it to guarantee abuse of the system. If the homeowner obtains a mortgage modification that is compliant with the President's terms, he still can file for bankruptcy, but the lender is bound by the modifications under the President's program should it be enacted into law. So the borrower and the bankruptcy attorneys can shop around and can find out which is the better deal for the homeowner. That's something that we deny the lender the opportunity to do, and this is a guarantee of abuse of the system.

Secondly, this amendment encourages happy-go-lucky borrowers. Nothing happens to a borrower who rejects the terms under the President's mortgage modification plan. The bankruptcy court can theoretically refuse to confirm a borrower's cramdown plan, but under the terms of the amendment, that will likely happen only when the lender is offered a modification anyhow.

What about borrowers who are within 30 days of a foreclosure sale? They don't even have to contact their lenders under this amendment about voluntary modifications, so none of this amendment's modifications and accommodations apply. The new manager's amendment does nothing to change this exception that swallows the bill, and as a result, cagey borrowers and their attorneys can game the system by simply waiting until the borrowers

are within 30 days of a foreclosure sale to file for bankruptcy.

Finally, this bill allows free money to be offered. The amendment provides an alternative to cram down a principal, but astoundingly, the alternative is free money. If a judge doesn't want to give a cramdown, he can just rewrite the mortgage as a no-interest loan over the full terms of a new 30-year, fixed-rate mortgage. Lenders can kiss their principal goodbye because the amendment seeks to resuscitate the earlier agreement to let lenders claw back and cram down principal if the borrower sells the house after a cramdown.

□ 1045

But the clawback is a sham. Once the borrower emerges from bankruptcy, the lender gets nothing back from the crammed-down principal, and since the point of the bill is to help the borrowers stay in the house during bankruptcy, sales aren't going to occur until after bankruptcy—when the lenders' clawback is worthless.

The bankruptcy law since 1898 has prohibited bankruptcy judges from rewriting the terms of mortgages that are placed on principal residences. There is a reason for that, and the reason is simple: it allows the mortgage industry to attract more capital to lend out to qualified borrowers at reasonable rates. If the capital isn't there, and the capital is not attracted, then what you will see is the cost of mortgages go up, whether it's in interest rates, points, fees or whatever.

It seems to me that Congress did the right thing during the depression in not changing this law. We should not change the law today.

Mr. HASTINGS of Florida. Mr. Speaker, I would advise the Chair and the gentlelady from North Carolina that I may have an additional speaker, but he or she has not arrived yet, and toward that end, I would reserve my time.

Ms. FOXX. Mr. Speaker, I thank my colleague. We do have several speakers, Mr. Speaker.

I would now like to recognize my colleague, the gentleman from New York, Mr. CHRIS LEE, for 2 minutes.

Mr. LEE of New York. I thank the gentlelady from North Carolina for yielding.

I rise today to oppose the rule and underlying "cramdown" bill, which will allow bankruptcy judges to arbitrarily rewrite the amount of principal owed on a home mortgage loan.

I recently received an e-mail from a constituent in Byron, New York, who said he lost \$50,000 on a previous home he had recently sold. He's a hard-working individual in my district who accepted that but ended his e-mail by asking, "Are we now going to be expected to pay for someone else's losses when I'm struggling to keep paying my own mortgage?"

I receive calls, faxes, e-mails like these every day from homeowners who work hard trying to make ends meet

only to be asked to help those who either have made poor decisions or who acted purely for personal gain by speculating on the market.

Yet in this bill, part of Congress' response is to change the Nation's bankruptcy laws and to allow judges arbitrarily to rewrite the amount of principal on mortgages. This will open up a Pandora's box on government intervention and will have the exact opposite effect than what is needed during these very tough economic times.

When I talked to our community banks and ask how they have been able to prevent foreclosures, they point to a combination of sound lending practices and access to credit. It is in the banks' best interests to work with borrowers to help them stay in the homes. And, in fact, they are doing that now. Allowing bankruptcy judges to intervene would add additional risk to the market. It will help push that more mortgages won't be repaid and forcing lenders to tighten credit and raise borrowing costs for all homeowners at the worst possible time.

I ask my colleagues to vote down this rule so we can keep this Pandora's box closed and get back to work on truly sensible practices that will help keep the dream of homeownership within reach of middle-class families.

Mr. HASTINGS of Florida. Mr. Speaker, I am very pleased to yield 2 minutes to Ms. LOFGREN.

Ms. ZOE LOFGREN of California. Mr. Speaker, I just wanted to say a word about the manager's amendment to make sure that everyone is clear.

The second-degree amendment is going to make sure that fairness is restored to the bankruptcy laws to give needed relief to homeowners at a time when there is a truly historic crisis in the housing market.

The manager's amendment strengthens the good faith provisions of the bill to ensure that borrowers who can't afford to pay their debts do so. The good faith provision also requires the court to take into consideration an offer of a qualified loan modification. And when an affordable loan modification is available, we want homeowners to take that route.

The manager's amendment also advises courts to consider the Treasury's guidelines in crafting modifications, and in doing so, it works seamlessly with the Obama administration's Making Homes Affordable Plan. In both instances, fairness and affordability are the touchstones.

It doesn't make any kind of sense that relief in Chapter 13 is denied to homeowners while it is provided to speculators and investors, which is what the current law provides. By changing the law, we've restored basic fairness to the system.

In addition to the heightened good faith requirement, the amendment would extend the pre-filing notice from 15 to 30 days and require the debtor to submit financial documentation to the lender so a meaningful negotiation

could take place. It also enhances the clawback provision to increase the amount of appreciation returning to the lender if a home should be sold for profit after judicial modification.

I really, as I said earlier, want to thank my colleagues, Mrs. TAUSCHER, Mr. CARDOZA, Mr. MARSHALL, and Mr. MILLER for their efforts.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. HASTINGS of Florida. Mr. Speaker, I yield the gentlelady an additional 1 minute.

Ms. ZOE LOFGREN of California. Bankruptcy should be a last resort. And I'll tell you, bankruptcy is no picnic. For an extended period of time, all of the debtor's personal financial life is in public. You can't spend anything without permission of the court. You can't tithe to your church unless the bankruptcy judge says "okay." Santa can't come to your house on Christmas unless the court permits expenditures for a toy. It is a permanent mark on your record.

And so to think that someone would go into that proceeding frivolously with that kind of stain, that burden and that kind of a stigma, is just not realistic. And I hope the people understand this is not something that people do in a frivolous way or an unthoughtful way.

Ms. FOXX. Mr. Speaker, I would like to ask that my colleagues on the other side of the aisle put the microphones close to their mouths because there are times we can't understand the words over here because the volume is not coming through.

I would like to say that I understand my colleague is very concerned about the issue of fairness, but I think that we need to think about those people who played by the rules and not those who tried to go around the rules. We're not being fair to those people.

I would now like to yield 2 minutes to the gentleman from Iowa (Mr. KING).

Mr. KING of Iowa. Mr. Speaker, I'd like to thank the gentlelady from North Carolina for yielding.

I rise in opposition to this rule. And I rise, of course, in opposition to the underlying bill as well.

But speaking to the rule, my argument's about process. There's a tremendous amount of fraud that's taking place in the mortgages in this country, and people that have relief under this should have clean hands. And in recognizing that, I introduced an amendment in the Judiciary Committee that would exclude those who have misrepresented or, under false pretenses or actual fraud, achieved an extension of their mortgage and then brought this to the bankruptcy court. We've got to have people with clean hands, not those that are taking advantage of this situation. The door has already been opened. This opens the door more.

My amendment, Mr. Speaker, passed the Judiciary Committee by a vote of 21-3. It was a prudent decision on the part of the members of the committee.

It's the judgment of the Judiciary Committee. The problem with it was that it was stripped out after the committee approved it and sent it to Rules as part of a change in a manager's amendment.

I took my amendment back to Rules to try to get back the process. The process ought to respect the will of the Judiciary Committee. The Rules refused to even allow me to offer my amendment here on the floor to try to get another recorded vote even when I'd been successful in Judiciary Committee. And now there's another manager's amendment before this committee that amends the amendment that was amended by the previous manager's amendment after it passed the Judiciary Committee. The will of the Judiciary Committee means nothing in this bill. It's the will of the manager's amendment that will be voted on here on the floor of this Congress.

I argue for the process. I argue we have to have a clean process. I also think that we have to maintain the covenant of the contract between the mortgager and the mortgagee. This amendment doesn't do that. This amendment tears that contract asunder and says to lenders that their capital's at risk and their interest rate is at risk. Why would anyone loan anybody money unless they could calculate in the risk that some judge would change the rules after the fact, just like the rules of the Judiciary Committee on a successful 21-3 vote have been changed after the fact?

Mr. Speaker, I oppose the rule.

Mr. HASTINGS of Florida. Mr. Speaker, I would say to my friend when he asked the question, why would anybody offer money for people if they knew that a bankruptcy judge was going to modify it—but what about those private jets? They tend to loan money for them. And I know a whole lot of rich people that went into bankruptcy for the express purpose of avoiding paying bills. So I don't buy into that argument. We're about trying to help people here.

Mr. Speaker, I yield 2 minutes to the distinguished lady from Texas.

Ms. FOXX. Mr. Speaker, I would like to ask the gentleman if he would yield for a question.

Mr. HASTINGS of Florida. At this time, I will not.

I will yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. I came to the floor, Mr. Speaker, because I wanted to make sure that this was the day that the United States Congress addressed the question of responsible, hardworking Americans.

I came to the floor with my BlackBerry because there's a message about one of our renowned mortgagers, Countrywide, that is in the process of evicting one of my constituents—a hardworking, long-standing, if you will,

working American trying to save their home. Long message as to what has been going on in this instance and the insensitivity of the mortgager.

So today is a day for being responsible. It is not a day for those who have, in essence, been irresponsible. It is a day to allow them, as every American has a right, their day in court with a judge with a fine-tooth comb who will review all of the documents and even including the responsibility of that particular petitioner to include all of the information on income, expenses and debts to the holder of the mortgage, with the second amendment including a particular clawback provision that increases the amount of money that the lender might get if the particular house was sold.

In addition, I am supporting this rule, but I do look forward to the conference, which I hope that I will be a participant, because, in fact, if these individuals are victims of predatory lending, which many of them have been—meaning that they would go to a servicer who would masquerade their documents and say they can get into a house—this particular action of bankruptcy should not be part of the credit score which then dumbs down the opportunity for this individual to restore themselves, get back into the economic market, be able to get credit, be able to buy things and turn this economy.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. HASTINGS of Florida. Mr. Speaker, I yield an additional minute to the gentlewoman.

Ms. JACKSON-LEE of Texas. I thank the distinguished gentleman.

This is a fair and reasonable bill, along with the manager's amendment that, in fact, allows this particular homeowner, the person that is in this BlackBerry that is in the midst of an eviction having purchased a house in honesty with the lights on, putting forward the documentation but yet being subjected to that well-known mortgager, Countrywide, that gave vast numbers of, if you will, mortgages in the context that might not have been the most appropriate.

Today we are allowing the courts of law, the established bankruptcy court—established statutorily and protected by the Constitution—to allow someone due process. That's all we're saying, Mr. Speaker.

And all of this about irresponsible persons offends me because there are thousands, and now millions, of families who are simply trying to say, Keep the tax base for my struggling city, allow my neighbors to not have their homes depreciated because I have had the unfortunate mistake of being misrepresented to. Some of these people are still working.

I close by saying 3,500 people are in line for a job. Today is the little person's opportunity.

Mr. Speaker, thank you for your leadership on this very important question. Chairman CONYERS and Chairman FRANK, I would like to

also thank you for your leadership. Lastly, I would like to thank my able Legislative Director, Arthur Sidney, for his hard work on this issue.

The bill before us today is very important and will help Americans during this difficult economic time. As you know, home foreclosures are at an all-time high and they are poised to accelerate as the recession deepens. In 2006, there were 1.2 million foreclosures in the United States, representing an increase of 42 percent over the prior year. During 2007 through 2008, mortgage foreclosures were estimated to result in a whopping \$400 billion worth of defaults and \$100 billion in losses to investors in mortgage securities.

During this time, debtors and average homeowners found themselves in the midst of a home mortgage foreclosure crisis of unprecedented levels. Many of the mortgage foreclosures were the result of subprime lending practices.

Subprime lending did not always have a bad name; however, within the last five to seven years, unscrupulous lenders have preyed upon buyers in a predatory fashion. The amendment that I offered before the Rules Committee was intended to address this issue. Specifically, my amendment would preclude a foreclosure and bankruptcy that resulted from subprime and predatory lending from being included in the determination of a debtor's creditor score. Certainly, a debtor's declaration of foreclosure or bankruptcy has a deleterious effect on one's credit score.

This makes a bad situation, worse. If a debtor has poor credit to begin with and is forced to declare bankruptcy or is forced into foreclosure, this combination would make it almost impossible for a debtor to secure credit in the future. A lowered credit score results in a downward spiral for the debtor and ultimately leads to an economic quagmire for the debtor.

MY AMENDMENT

I offered the following amendment to be included in the bill:

SEC. 205. FORBEARANCE IN CREATION OF CREDIT SCORE

(a) IN GENERAL.—Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g) is amended by adding at the end the following new subsection:

“(h) FORECLOSURE ON SUBPRIME NOT TAKEN INTO ACCOUNT FOR CREDIT SCORES.—

“(1) IN GENERAL.—A foreclosure on a subprime mortgage of a consumer may not be taken into account by any person in preparing or calculating the credit score (as defined in subsection (f)(2)) for, or with respect to, the consumer.

“(2) SUBPRIME DEFINED.—The term ‘subprime mortgage’ means any consumer credit transaction secured by the principal dwelling of the consumer that bears or otherwise meets the terms and characteristics for such a transaction that the Board has defined as a subprime mortgage.”.

(b) REGULATIONS.—The Board shall prescribe regulations defining a subprime mortgage for purposes of the amendment made by subsection (a) before the end of the 90-day period beginning on the date of the enactment of this Act.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect at the end of the 30-day period beginning on the date of the enactment of this Act and shall apply without regard to the date of the foreclosure:

My amendment would have prevented homeowners and debtors, who were facing mortgage foreclosure as a result of the unscrupulous and unchecked lending of predatory lenders and financial institutions, from having their mortgage foreclosure count against them in the determination of their credit score. It is an equitable result given that the debtors ultimately faced mortgage foreclosure because of the bad practices of the lender.

Simply put, my amendment would have prevented homeowners who have declared mortgage foreclosure as a result of subprime mortgage lending and mortgages from having the foreclosure count against the debtor/homeowner in the determination of the debtor/homeowner's credit score.

The homeowners should not be required to pay for the bad acts of the lenders. It would take years for a homeowner to recover from a mortgage foreclosure. My amendment strengthens this already much needed and well thought out bill.

I am delighted that the Judiciary Committee has indicated that my language will be included in the Conference language. I look forward to having my staff work with the Committee to achieve this end.

There were four amendments that were made in order by the Rules Committee. I will address my support or non-support for each amendment.

CONYERS AMENDMENT

I support the Manager's Amendment offered by Chairman CONYERS. The amendment makes sense and makes clear that H.R. 1106 is intended to help those that cannot afford to repay their mortgage without intervention. Indeed it is strength to the underlying bill by providing finality to the decisions worked out by the bankruptcy courts. These decisions would provide finality between lenders and borrowers. Moreover, the debtors are afforded certain protections by the Second Degree Amendment. The Second Degree Amendment provides that the lender could receive additional funding from the sale of the foreclosed home.

The Manager's Amendment would do the following:

(1) require courts to use FHA appraisal guidelines where the fair market value of a home is in dispute;

(2) deny relief to individuals who can afford to repay their mortgages without judicial mortgage modification; and

(3) extend the negotiation period from 15 to 30 days, requiring the debtor to certify that he or she contacted the lender, provided the lender with income, expense and debt statements, and that there was a process for the borrower and lender to seek to reach agreement on a qualified loan modification.

The Conyers Amendment would require a GAO study regarding the effectiveness of mortgage modifications outside of bankruptcy and judicial modifications, whether there should be a sunset, the impact of the amendment on bankruptcy courts, whether relief should be limited to certain types of homeowners. The GAO must analyze how bankruptcy judges restructure mortgages, including the number of judges disciplined as a result of actions taken to restore mortgages.

The Conyers Amendment would clarify that loan modifications, workout plans or other loss mitigation plans are eligible for the servicer

safe harbor. Further, it would require HUD to receive public input before implementing certain FHA approval provisions.

With respect to the HOPE for Homeowners Program: recasts the prohibition against having committed fraud over the last 10 years from a freestanding prohibition to a borrower certification. The Conyers Amendment would amend the National Housing Act to broaden eligibility for Home Equity Conversion Mortgage (HECM) or “reverse mortgage.”

Provides that the GAO must submit to Congress a review of the effects of the judicial modification program.

Requires the Comptroller of Currency, in coordination with the Director of Thrift Supervision, to submit reports to Congress on the volume of mortgage modifications and issue modification data collection and reporting requirements.

Expresses the Sense of Congress that the Treasury Secretary should use amounts made available under the Act to purchase mortgage revenue bonds for single-family housing.

Expresses the Sense of Congress that financial institutions should not foreclose on any principal homeowner until the loan modification programs included in H.R. 1106 and the President's foreclosure plan are implemented and deemed operational by the Treasury and HUD Secretaries.

Establishes a Justice Department Nationwide Mortgage Fraud Task Force to coordinate anti-mortgage fraud efforts. Would provide that the Treasury Secretary shall provide that the limit on the maximum original principal obligation of a mortgage that may be modified using EESA funds shall not be less than the dollar limit on the maximum original principal obligation of a mortgage that may be purchased by the Federal Home Loan Mortgage Corporation that is in effect at the time the mortgage is modified.

PRICE, TOM AMENDMENT

I oppose the Price Amendment. The Price Amendment provides that if a homeowner who has had a mortgage modified in a bankruptcy proceeding sells the home at a profit, the lender can recapture the amount of principal lost in the modification.

I oppose the Price Amendment for the following reasons.

First, the Price amendment would make homeowners into renters for life. It will lead to poorly maintained homes and lower property values for all of us. It takes away any incentive for homeowners to maintain their homes or insist on competitive sale prices.

Second, the Manager's Amendment already allows lenders to get back a substantial portion of any amount a home appreciates after bankruptcy. But it leaves in place incentives for homeowners to maintain and improve homes.

Third, the Price Amendment is opposed by the Center for Responsible Lending, Consumers Union, Leadership Conference on Civil Rights, National Association of Consumer Advocates, National Association of Consumer Bankruptcy Attorneys, National Community Reinvestment Coalition, National Consumer Law Center, National Legal Aid and Defender Association, National Policy and Advocacy Council on Homelessness, and USPIRG.

For the foregoing reasons, I oppose the Price Amendment and I urge my colleagues to vote “no” on this amendment.

PETERS, GARY AMENDMENT

I support this amendment. This amendment is straightforward and is intended to help the borrower by providing a last clear chance to garner much needed information. It is my hope that this information would be used to provide financial assistance and education to the consumer.

In many cases, proper education about the use of credit and mortgages could have made all the difference in the consumers choices. Simply put, if the consumers made wise and informed credit decisions in the first instance, they might not have been in bankruptcy or facing foreclosure. I find this amendment incredibly prudent and helpful to debtors and consumers. I urge my colleagues to support this amendment.

TITUS AMENDMENT

The Titus Amendment would require a servicer that receives an incentive payment under the HOPE for homeowners to notify all mortgagors under mortgages they service who are "at-risk homeowners" (as such term is defined by the Secretary), in a form and manner as shall be prescribed by the Secretary, that they may be eligible for the HOPE for Homeowners Program and how to obtain information regarding the program.

The HOPE for Homeowners (H₄H) program was created by Congress to help those at risk of default and foreclosure refinance into more affordable, sustainable loans. H₄H is an additional mortgage option designed to keep borrowers in their homes. The program is effective from October 1, 2008 to September 30, 2011.

HOW THE PROGRAM WORKS

There are four ways that a distressed homeowner could pursue participation in the HOPE for Homeowners program:

1. Homeowners may contact their existing lender and/or a new lender to discuss how to qualify and their eligibility for this program.
2. Servicers working with troubled homeowners may determine that the best solution for avoiding foreclosure is to refinance the homeowner into a HOPE for Homeowners loan.
3. Originating lenders who are looking for ways to refinance potential customers out from under their high-cost loans and/or who are willing to work with servicers to assist distressed homeowners.
4. Counselors who are working with troubled homeowners and their lenders to reach a mutually agreeable solution for avoiding foreclosure.

It is envisioned that the primary way homeowners will initially participate in this program is through the servicing lender on their existing mortgage. Servicers that do not have an underwriting component to their mortgage operations will partner with an FHA-approved lender that does.

Because I am committed to helping Americans obtain homes and remain in their homes, I support the HOPE for Homeowners Program and I support this amendment. I urge my colleagues to support this bill. Indeed, I feel personally vindicated that Congress has set aside \$100 billion to address the issue of mortgage foreclosure, an issue that I have long championed in the 110th Congress.

All in all, the rule makes sense. The amendments that I support will make this bill much stronger and will benefit more Americans. I

urge my colleagues to support the Conyers, Peters, and Titus Amendments.

□ 1100

Ms. FOXX. Mr. Speaker, I now am pleased to yield 2 minutes to my colleague from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. I thank the gentlewoman for yielding.

With our current economic situation, I think it's vital that we encourage responsibility. Congress is spending all of its time and energy rewarding those who have acted irresponsibly. We must not ignore those who have played by the rules and lived within their means.

Responsible homeowners are being left out of the equation, and that must change. We must recognize responsibility. For just that reason, last night I introduced legislation to give responsible homeowners who have paid and continue to pay their mortgages on time a \$5,000 tax credit. This isn't another bailout or a taxpayer-backed debt obligation. It's a way for hard-working American families to keep more of the money that they earn so they can keep acting responsibly and help our economy grow. Just because responsible homeowners are paying their mortgages on time does not mean that they don't need help. The administration claims their plan will help one in nine homeowners. My commonsense plan helps the other eight of nine homeowners the administration and the Democrats ignore.

Mr. Speaker, this is simple. We cannot continue the policies pursued by the administration and my Democratic colleagues that reward irresponsibility and dependency. To pull ourselves out of this crisis we need real change. We must pursue policies that foster a culture of responsibility. So I urge my colleagues to take a look at my legislation and support it, because my plan does do just that.

Mr. HASTINGS of Florida. Mr. Speaker, I am very pleased to yield 2 minutes to my good friend from Missouri, a member of the Financial Services Committee, Representative CLEAVER.

Mr. CLEAVER. Mr. Speaker, I'd like to share a letter that I received from an attorney in my district. The attorney, Sidney Willens, wrote me this letter, and it is, in essence, a letter that supports this rule.

He says, "Dear Congressman CLEAVER, let me tell you a story of Mrs. Sherrita Richardson, a 37-year-old African American mother of four, a bus driver for 9 years. Four years ago, Mrs. Richardson acquired a house in your district at 3413 East 60th Street with an inflated appraisal of \$93,000, requiring a 10 percent down payment she didn't have. Yet, virtually penniless, Mrs. Richardson acquired title to a house for \$93,000. A mortgage broker purchased a \$9,300 cashier's check payable to the seller, made a copy to show the 10 percent down payment was made, then redeemed the \$9,300 check 24 hours later."

He goes on to say, "The need for bankruptcy judges to reduce mortgage balances consistent with current fair market values is absolutely essential if we're to get out of this economic mess."

For those who give hope to "mortgage modification," let me say one thing; mortgages have been modified by crooks using the adjustable rate mortgage—they modified mortgages, they did it as hoodlums. And there is no reason for the Congress of the United States of America not to step in and try to help people who've been ripped off in the name of good business.

Ms. FOXX. Mr. Speaker, I now yield 3 minutes to my colleague from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, many of us have read the Peruvian economist book, Hernando de Soto's book, "The Mystery of Capital: Why Capitalism Succeeds in the West and Fails Everywhere Else." It's a best seller in the developing world.

The importance of that book in a lot of the world is it explains to people why it is that interest rates are so low here, why it is that we're so successful in the percentages of mortgages that we're able to grant in the United States. And it is the sanctity of that contract, it is the certainty of that mortgage contract. And the great fear I think many of us have here is that if we start down the road to writing down the principal in that contract, we are going to end up moving in the direction, as de Soto would say, of the difference between the First World and the Third World. We are not going to be able to have interest rates that are around 6 or 7 percent.

Is there a way that Treasury has developed as an alternative to this scheme? Yes, they have. They have developed a way to have mortgage servicers work out these Alt-A loans that we're talking about today, these ARMs that might go to 8½, and to work that out into 30 years at 6 percent that's affordable for people. And we've had 2.3 million of those workouts by the end of last year.

But now, here we are, instead of doing the voluntary arrangement and putting resources in to do that—which is what we intended to do, I think, as we started this process—we're, instead, listening to the bankruptcy attorneys with an alternative approach. And that approach is to set this up so that it can be gamed in a way that knocks down the amount of the principal. And if we do that, we're right back to where Chief Justice of the Supreme Court John Paul Stevens said we would be in the case of *Nobleman v. American Savings Bank*. He said, you do this—there's a reason why that mortgage contract is held in the law the way it is. If you manage to reduce that principal, then the consequence is going to be that capital is not going to come in and drive down interest rates.

My concern here is that the difference between what people pay on the market for credit card rates or auto loan rates and interest rates on their home mortgage is a huge sum of money. And in order to empower these bankruptcy judges to go forward and take advantage of this and open this up, then the investors on the other side of the—let me throw one other thought out there besides the impact it's going to have on interest rates.

Think now about what happens with the HOPE NOW Alliance, where people at the table are trying to get that 30-year loan at 6 percent. Are either the borrower or the lender going to stay at that table when they think, oh, no, here's an alternative: we go to bankruptcy court, we write down the amount of that principal? No, my friends. We're headed down a road here that is very, very ill-advised.

If you want to do workouts in terms of lowering the interest rate, that's one thing, and there is a way we can do it. We can put more resources in there that the mortgage servicers can use to do that. But this is the wrong road.

Mr. HASTINGS of Florida. Mr. Speaker, I am very pleased to yield 2 minutes to my good friend, the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. I thank the Member from Florida for yielding the time. I am honored to be associated with this piece of legislation.

Mr. Speaker, the words that come to mind, as we debate this issue, the words that comes to mind are, "at last." At last we are now embracing help for homeowners. We have worked for Wall Street, we have worked to do something for Main Street; it is now time to do something for "Home Street," the street where people live, the street where people have their greatest investment.

Let's talk for just a moment about the concerns with reference to allowing bankruptcy to become a part of this process. My dear friends, bankruptcy is already a part of the process. If you own two, three, four or five homes, you may modify those homes in bankruptcy. If you only own one home as your principal home, that home is excluded from bankruptcy. The bankruptcy process ought to embrace people who have not been as fortunate as those who have five homes to the same extent that it embraces people who have but one place to call home. It is time to bring some equity into the process.

This equity is not prospective, it is retrospective. It only applies to homes that were closed on prior to the bill being enacted. It does not go forward. So this argument that it embraces interest rates into the future is not a correct argument. It only embraces the past, not the future.

And finally, I would say to you, as this is done, the homeowner has to attempt a workout before there can be judicial modification.

The safeguards are there. The opportunity is before us. The question is, do

we want to protect Home Street to the same extent that we want to protect Main Street and Wall Street? There are people who are suffering, this is the opportunity to help them.

Ms. FOXX. Mr. Speaker, I am very pleased to yield 5 minutes to the ranking member of the Judiciary Committee, Mr. SMITH from Texas.

Mr. SMITH of Texas. Mr. Speaker, I thank the gentlewoman from North Carolina for yielding.

Mr. Speaker, our country has fallen into a serious economic recession, a recession that is worsened by the foreclosure crisis.

Until we address the rising number of foreclosures, it will be difficult for the economy to recover. Some of what is in this bill we consider today will be helpful, such as providing loan officers a safe harbor from the threat of litigation if they offer borrowers meaningful loan modifications. But the bill also includes many counterproductive components, especially the bankruptcy provision. This bankruptcy provision not only will fail to solve the foreclosure crisis, but also will make the crisis deeper, longer and wider. Allowing bankruptcy judges to rewrite mortgages will increase the overall cost of loaning. Lenders and investors will hesitate to put up capital in the future if they fear that judges will rewrite the terms of their mortgage contracts. Less available capital and increased risk means that borrowers will pay higher interest rates in the future.

Allowing bankruptcy judges to rewrite mortgages will also encourage borrowers who owe more money on their mortgage than their house is worth to file for bankruptcy. Under this bill, a borrower will be able to reduce, for example, a \$300,000 mortgage to \$200,000. When housing prices rise in the future, that borrower has no obligation to pay back the \$100,000, which of course amounts to a windfall.

Experts predict that this will provide an incentive for borrowers to file for bankruptcy so that they can avoid repaying the entire amount they owe. Also, if bankruptcy filings increase as a result of this legislation—which is virtually predicted by everyone—it is unlikely that the country's only 368 bankruptcy judges could handle perhaps millions of cases. This will prolong the crisis as borrowers wait years for their bankruptcy plan to be court approved.

In fact, even Senator DURBIN, the primary sponsor of this legislation in the Senate, stated that he is "willing to restrict" this legislation to subprime mortgages in an effort to make this proposal "reasonable."

Because it has been suggested that Senator DURBIN did not make these comments, I would like to submit the transcript of Senator DURBIN's remarks to be made part of the RECORD.

Mr. Speaker, the legislation we are considering today in the Housing Affordability and Stability Plan really amounts to another entitlement pro-

gram, a program that comes at the expense of the 92 percent of homeowners who are making their payments on time. And it is a program that benefits lenders who wrote irresponsible loans and borrowers who borrowed more than they could afford. In other words, this legislation will punish the successful, tax the responsible, and hold no one accountable.

If we pass this legislation, what message does it send to responsible borrowers who are making their payments on time? How can we ask them to foot the bill for their neighbors' mortgages? What do homeowners think as they pay back the full amount of principal they owe while others receive a government-granted reduction in principal?

Mr. Speaker, we need to do everything we can to help solve the foreclosure crisis, but we need to do so in a manner that doesn't bankrupt the taxpayers or our financial system and that is fair to all. Unfortunately, this bill does not do that.

[From American Banker, Feb. 27, 2009]

TRANSCRIPT OF REMARKS BY SEN. DURBIN

The following is a transcript of remarks between Sen. Richard Durbin and an American Banker reporter, Tuesday evening after President Obama's speech to Congress.

AB Reporter: "Sen. Durbin, do you have a moment today on bankruptcy reform?"

Sen. Durbin: "Sure."

AB Reporter: "I know that in the House, at least regarding this week, the lenders are still trying to make the restrictions so that you have to exhaust all other recourses before bankruptcy pretty tough, even today I heard about making HUD or one of the regulators certify that you had a modification or something that didn't work before you could go through bankruptcy. What are your thoughts on what the standard ought to be?"

Sen. Durbin: "I think that it is reasonable to require the borrower to be in communication for a reasonable time before they file for bankruptcy. You know if a borrower will not talk to a bank they should not be able to avail themselves but it's really difficult to write into law a measurement of good faith so the best you can do is give them an opportunity to meet. Remember 99% of foreclosed homes end up owned by the bank so it isn't as if they are going to end up coming out ahead if the person's losing their home. They get stuck with \$50,000 in costs and a house to maintain; to protect from vandalism, and to show and try to sell, so the banks ought to be much more forthcoming. Every attempt we've tried, every voluntary attempt we've tried has failed. You have to have this bankruptcy provision as the last resort if there is a failure to negotiate the mortgage."

AB Reporter: "Do you know when the Senate might be taking this up?"

Sen. Durbin: "After the House and we might change it of course. There are variations we're looking at. But I'm willing to restrict this to homeowners to eliminate speculators; to subprime mortgages, only those currently in existence. I want to make this a reasonable limited—"

AB Reporter: "You're willing to limit it to subprime mortgages?"

Sen. Durbin: "We've talked about that as a possibility. But I am willing to negotiate. I want this to be a reasonable approach, but we have to include it. If we don't include it we'll be stuck in the same mess we're in today."

AB Reporter: "What about the time limitation as far as when the loans were originated. I understand there are some who

would like to see it limited to loan underwritten in the last few years?"

Sen. Durbin: "My version will not be prospective. So it has to be existing loans."

Mr. HASTINGS of Florida. Mr. Speaker, I am very pleased to yield 1 minute to the distinguished chairperson of the Committee on the Judiciary, my good friend, Mr. CONYERS.

Mr. CONYERS. I thank the floor manager, Judge HASTINGS, for his kindness.

And I only rise to thank Dr. FOXX for her appreciation and pointing out to me one thing that we have added now to the manager's amendment, and that is the requirement of studies by the Government Accountability Office and other agencies, including the Office of Comptroller of Currency and the Office of Thrift Supervision. She appreciated that in the Rules Committee, I'm sure she does now, and I thank her for that important contribution.

And I would yield to her.

Ms. FOXX. If I could engage in a very short colloquy with the chairman of the Judiciary Committee.

Mr. CONYERS. Absolutely.

Ms. FOXX. I do thank you again for including my suggestions in the bill. As I said last week on the floor, and as I have indicated to you personally, I thank you very much. I wish we could have made the bill even better, but thank you.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HASTINGS of Florida. I yield the gentleman an additional 30 seconds.

Mr. CONYERS. She is giving me further instructions, so I'll see what I can do between now and the time we introduce the manager's amendment.

□ 1115

Ms. FOXX. Mr. Speaker, I now yield 2 minutes to my colleague from California (Mr. DANIEL E. LUNGREN).

Mr. DANIEL E. LUNGREN of California. I thank the gentlewoman for yielding.

Mr. Speaker, I come from the State of California, which has been hit about as badly as any State in the Union with the burst of the housing bubble, and particularly my part of the State of California. So I know, and I am earnestly hopeful that we will enact legislation that will be a benefit to that phenomena that has occurred throughout this country.

However, I rise in opposition to this rule and rise in opposition to this bill precisely because of the inclusion of the bankruptcy cramdown provision. It is a classic example of the law of unintended consequences.

The gentleman came to the floor, the gentleman from Texas, just a moment ago, and said, look, we should treat this the way we do with other homes and other investment properties. That is an inept analogy in that if you look at chapter 13 right now and you do have a cramdown on a vacation home, for instance, from \$550,000 to \$500,000, that plan would require the entire

thing to be paid back within 3 to 5 years.

That's not the proposal we have here on the floor with respect to the primary residence. This would be extended over 30 years. This would create an additional uncertainty in the marketplace so that the accessibility, the eligibility and the low rates that are now given in the arena of primary homes, as opposed to other homes or other investments, would be in jeopardy.

That's the thing that we have to understand. We are treated precisely, differently in bankruptcy court because we want to promote homeownership, we want to promote eligibility. We want to promote accessibility, and we want to promote low rates.

When you introduce an uncertainty like this, and we have in our minority report from the Judiciary Committee extensive reference to experts who say this is the case, when you introduce additional reduced risk, as you do here, you are going to jeopardize the accessibility and eligibility of these mortgages in the future to everybody, particularly those who are of the medium and low-income groups.

So sometimes we have got to learn on this floor that best intentions don't conclude with the best results. What we are doing here is working against the interests of the very people we claim to be helping.

Mr. HASTINGS of Florida. Mr. Speaker, I would inquire of the gentlelady from North Carolina if she has any remaining speakers?

Ms. FOXX. Yes, Mr. Speaker, I have several remaining speakers.

Mr. HASTINGS of Florida. Then I would reserve the balance of my time.

Ms. FOXX. Mr. Speaker, I now would like to yield 2 minutes to my colleague from Florida (Ms. GINNY BROWN-WAITE).

Ms. GINNY BROWN-WAITE of Florida. I thank the gentlelady from North Carolina.

Mr. Speaker, when a bank forecloses in a neighborhood, it certainly affects the values of the surrounding homes. But when a bankruptcy judge arbitrarily breaks the mortgage contract, it will lower values on houses everywhere. I rise today in opposition to the rule and also to the well intended but tragically flawed bill.

The Helping Families Save Their Homes Act of 2009 may live up to its name for a few people and for a very short time, but it does not stop home prices from falling. That, Mr. Speaker, is exactly what must happen for the economy to recover.

Nobody here wants to see his or her constituents lose their homes to foreclosure, but it is our responsibility, as leaders, as Members of Congress, to make sure that the laws we passed don't have severe, unintended consequences. As most economists agree, two things are causing housing prices to fall, first home builders overbuilt and there was a glut on the market,

and the demand did not keep up with the supply.

Second, as long as perspective buyers expect prices to fall, they will continue to hold out buying. In doing so, there is a self-fulfilling prophecy here.

And like the two clauses of this crisis, this bill will have two consequences. Banks will most certainly require much higher down payments for future borrowers. Instead of 5 or 20 percent, borrowers will have to come up with, perhaps, 40 or 50 percent. Why, because of the uncertainty of is this amount of the mortgage going to hold?

Second, banks will certainly charge a higher interest rate than they do today. Under normal circumstances, some might consider that a good thing. But if this bill becomes law, the House prices will fall further, faster, and the economy will certainly follow.

As we have seen, many more people will lose their livelihoods and find themselves in a foreclosure. And, tragically, the families this legislation was supposed to help will find themselves underwater again. This is incredible danger here, and I urge my colleagues to vote against the rule.

Mr. HASTINGS of Florida. I continue to reserve.

Ms. FOXX. Mr. Speaker, I now yield 2 minutes to my colleague from Georgia (Mr. BROUN).

Mr. BROUN of Georgia. I thank the gentlelady for yielding.

This rule and this bill are both blatantly unfair.

They are unfair to the working poor. They are unfair to the middle class. They are unfair to the community banks that have no blame in this housing crisis, for the most part. What it's going to do is it's going to hurt the people who have been responsible, and it's going to help those who have been irresponsible.

We have solutions. We, on our side, have offered many solutions that would stop this steamroll of socialism. This is another turn of the wheel of that steamroll of socialism that's being forced down the throats of the American people.

We have got to stop this. We have got to stop messing in people's business and hurting the people that this bill is intended to help. It's going to reward those who have been irresponsible. It's going to reward those who have been involved in greed, and it's going to hurt those people who are trying their best to have a home, to have a good value in their home.

We need to vote down this rule, we need to stop this bill. We need to stop this gross infringement on people's rights and privacy and lives that this Federal Government is doing.

We have to stop this steamroll of socialism, and I call upon my colleagues to vote down this rule and to vote down this bill.

Mr. HASTINGS of Florida. I continue to reserve, Mr. Speaker.

Ms. FOXX. Mr. Speaker, I now yield 2 minutes to the distinguished gentleman from Indiana (Mr. PENCE).

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, I rise in opposition to the rule and to the Helping Families Save Their Homes Act.

It's legislation that really will punish those who played by the rules, lived within their means, by forcing them to subsidize Americans who made irresponsible choices. This bill also throws good money after bad.

If the HOPE for Homeowners Program was intended to help 400,000 borrowers, the American people deserve to know that to date the program has assisted 43 borrowers, not 43,000, not 430, 43. The President said it was his goal to, quote, eliminate government programs that are not performing. We could start with the HOPE for Homeowners Program.

More than anything else, Mr. Speaker, we are witnessing a disturbing pattern here in Washington, one that rewards bad decisions at the expense of people that have made right choices. We saw it in the bailout of Wall Street under a prior administration and continued under the new one.

We saw this with the so-called stimulus bill that was designed to stem the rising tide in this economic crisis but was nothing more than a wish list of spending priorities put on the backs of our children and grandchildren. But today we should note more than 90 percent of Americans are paying their mortgages on time and meeting their financial obligations, even in these difficult days, let me say with authority as we consider this bill.

People back in Indiana don't want a handout. They don't want to turn a blind eye to people who, through no fault of their own, found themselves in loans in which they should not have been engaged, but Hoosiers don't want to be put on the hook for a handout for people who knowingly made bad choices.

These are tough times. We should all be willing to make the sacrifices necessary to weather this economic storm, but we to begin by reaffirming the principle of personal responsibility.

The bill before us fails this essential standard. Rewarding bad behavior will not solve our problems, it will only worsen them. We should reject this bill. We should pursue the kinds of policies that put personal responsibility first and ultimately create the incentive for Americans who have invested in their homes and in their lives to continue to expand and prosper.

Mr. HASTINGS of Florida. I continue to reserve.

Ms. FOXX. Mr. Speaker, I want to thank all of my colleagues who have come today to speak on this rule. They have been extremely eloquent in explaining why we are opposed to this rule and the underlying bill.

We are in a terrible situation in this country in terms of our economic situation. And what this bill is going to do is it's going to have the effect of mak-

ing the current situation even worse, and let me explain a little bit why that is the case.

This bill is going to require that banks have increased capital reserves, which is going to mean we are going to have decreased lending of all types. Every day I hear from people across the country, particularly developers, who say they cannot get loans, there is no capital out there, and it is hurting our economy. Some of us wonder if our colleagues understand this and understand that the effect of this bill is to make the economy worse and wonder if that is an intention for this bill.

I think that we have to say that we had hoped that the bill that was pulled last week was going to come back as a better bill, and yet it has not. It's made this underlying bill either worse or it's simply window dressing.

The new rule that has come in is basically not doing anything to help our situation and it's not helping the underlying bill. There was a promise that this was going to be better. We knew there were moderates on the other side who were having problems voting for this rule and voting for this bill. They have now, I think, been fooled into thinking that this is a better bill. It is not.

As my colleagues have so eloquently said, there is a reward for irresponsibility and punishment for responsibility. We have heard the President say over and over and over, we need a new era of responsibility and accountability. This does just the opposite. This rule and this bill deserve the emperor's new clothes award because it doesn't do anything that they pretend it is going to do.

I urge my colleagues to vote "no" on the rule and vote "no" on the bill when it comes up.

I yield back the balance of my time. Mr. HASTINGS of Florida. Mr. Speaker, I yield myself the remainder of our time.

This is a good rule, Mr. Speaker, that not only addresses our current housing crisis but it also more precisely targets relief to those who need it most.

In January of this year alone, in St. Lucie County that I am privileged to serve, there was 1,372 home foreclosures, according to RealtyTrac. This was the second highest foreclosure rate in my State of Florida, up 44 percent from the previous year.

This legislation is not a giveaway, it is not welfare, it is a collective bill that will help those who have played by the rules. We must lay the foundation in this country to help us get out of this crisis, and we must make every effort to rebuild this country. We can't turn a blind eye to the nearly 6 million households in America that are possibly facing foreclosure.

Therefore, I urge my colleagues to support this rule that will put this great Nation back on track and will give millions of Americans the opportunity to continue living in their homes.

I urge a "yes" vote on the previous question and on the rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. FOXX. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on adoption of House Resolution 205 will be followed by 5-minute votes on the motion to suspend the rules on House Resolution 146, if ordered, and the motion to suspend the rules on House Concurrent Resolution 14, if ordered.

The vote was taken by electronic device, and there were—yeas 239, nays 181, answered "present" 1, not voting 10, as follows:

[Roll No. 97]
YEAS—239

Abercrombie	Doyle	Larson (CT)
Ackerman	Driehaus	Lee (CA)
Adler (NJ)	Edwards (MD)	Levin
Altmire	Edwards (TX)	Lewis (GA)
Andrews	Ellison	Lipinski
Arcuri	Ellsworth	Loeb sack
Baca	Engel	Lofgren, Zoe
Baird	Eshoo	Lowe y
Baldwin	Etheridge	Lujan
Barrow	Farr	Lynch
Bean	Fattah	Maffei
Becerra	Filner	Maloney
Berkley	Foster	Markey (CO)
Berman	Frank (MA)	Markey (MA)
Bishop (GA)	Fudge	Marshall
Bishop (NY)	Giffords	Massa
Blumenauer	Gonzalez	Matsui
Boccheri	Gordon (TN)	McCarthy (NY)
Boren	Grayson	McCollum
Boswell	Green, Al	McDermott
Boucher	Green, Gene	McGovern
Boyd	Griffith	McIntyre
Brady (PA)	Grijalva	McMahon
Braley (IA)	Gutierrez	McNerney
Bright	Hall (NY)	Meek (FL)
Brown, Corrine	Halvorson	Meeks (NY)
Butterfield	Hare	Michaud
Capps	Harman	Miller (NC)
Capuano	Hastings (FL)	Miller, George
Cardoza	Heinrich	Mitchell
Carnahan	Herse th Sandlin	Mollohan
Carney	Higgins	Moore (KS)
Carson (IN)	Himes	Moore (WI)
Castor (FL)	Hinchey	Moran (VA)
Chandler	Hirono	Murphy (CT)
Clarke	Hodes	Murphy, Patrick
Clay	Holden	Murtha
Cleaver	Holt	Nadler (NY)
Clyburn	Honda	Napolitano
Cohen	Hoyer	Neal (MA)
Connolly (VA)	Inslee	Nye
Conyers	Israel	Oberstar
Cooper	Jackson (IL)	Obey
Costa	Jackson-Lee	Olver
Costello	(TX)	Ortiz
Courtney	Johnson (GA)	Pallone
Crowley	Johnson, E. B.	Pascarell
Cuellar	Kagen	Pastor (AZ)
Cummings	Kanjorski	Payne
Dahlkemper	Kennedy	Perlmutter
Davis (AL)	Kildee	Peters
Davis (CA)	Kilpatrick (MI)	Peterson
Davis (TN)	Kilroy	Pingree (ME)
DeFazio	Kind	Polis (CO)
DeGette	Kirkpatrick (AZ)	Pomeroy
Delahunt	Kissell	Price (NC)
DeLauro	Klein (FL)	Rahall
Dicks	Kosmas	Rangel
Dingell	Kratovil	Reyes
Doggett	Langevin	Richardson
Donnelly (IN)	Larsen (WA)	Rodriguez

Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda
T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak

NAYS—181

Aderholt
Akin
Alexander
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Berry
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite,
Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Capito
Carter
Cassidy
Castle
Chaffetz
Childers
Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Emerson
Fallin
Flake
Fleming
Forbes
Fortenberry
Fox
Franks (AZ)
Frelinghuysen

ANSWERED "PRESENT"—1

Kaptur

NOT VOTING—10

Cao
Davis (IL)
Ehlers
Hinojosa

□ 1155

Messrs. BOUSTANY and MILLER of Florida changed their vote from "yea" to "nay."

Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz
Wasserman
Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

Moran (KS)
Murphy, Tim
Myrick
Neugebauer
Nunes
Olson
Paul
Paulsen
Pence
Petri
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Radanovich
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Teague
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden
Wamp
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Young (AK)
Young (FL)

So the resolution was agreed to.
The result of the vote was announced as above recorded.
A motion to reconsider was laid on the table.
Stated against:
Mr. SCHOCK. Mr. Speaker, on rollcall No. 97, Rule for H.R. 1106, had I been present, I would have voted "nay."

MOMENT OF SILENCE IN REMEMBRANCE OF MEMBERS OF ARMED FORCES AND THEIR FAMILIES

The SPEAKER. The Chair would ask all present to rise for the purpose of a moment of silence.

The Chair asks that the House now observe a moment of silence in remembrance of our brave men and women in uniform who have given their lives in the service of our Nation in Iraq and in Afghanistan and their families, and all who serve in our Armed Forces and their families.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Without objection, 5-minute voting will continue.
There was no objection.

READ ACROSS AMERICA DAY

The SPEAKER pro tempore (Mr. PAS-
TOR of Arizona). The unfinished business is the question on suspending the rules and agreeing to the resolution, H. Res. 146.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. POLIS) that the House suspend the rules and agree to the resolution, H. Res. 146.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. CROWLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 417, nays 0, not voting 14, as follows:

[Roll No. 98]

YEAS—417

Abercrombie
Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Bachmann
Bachus
Baird
Baldwin
Barrett (SC)
Barrow
Bartlett

Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Bocchieri
Boehner
Bonner

Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Broun (GA)
Brown (SC)
Brown, Corrine
Brown-Waite,
Ginny
Buchanan
Burgess

Burton (IN)
Butterfield
Buyer
Calvert
Camp
Campbell
Cantor
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Cassidy
Castle
Castor (FL)
Chaffetz
Chandler
Childers
Clarke
Clay
Clyburn
Coble
Coffman (CO)
Cohen
Cole
Conaway
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (KY)
Davis (TN)
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Dreier
Driehaus
Duncan
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Emerson
Engel
Eshoo
Etheridge
Fallin
Farr
Fattah
Filner
Flake
Fleming
Forbes
Fortenberry
Foster
Foxy
Frank (MA)
Franks (AZ)
Frelinghuysen
Fudge
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Gordon (TN)
Granger
Graves
Grayson
Green, Al
Green, Gene
Griffith
Grijalva

Guthrie
Gutierrez
Hall (TX)
Halvorson
Hare
Harman
Harper
Hastings (FL)
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hirono
Hodes
Hoekstra
Holden
Holt
Honda
Hoyer
Hunter
Inglis
Inslie
Israel
Issa
Jackson (IL)
Jackson-Lee
(TX)
Jenkins
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones
Jordan (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kline (MN)
Kosmas
Kratovil
Kucinich
Lamborn
Lance
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta
Lee (CA)
Lee (NY)
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Loebach
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Luján
Lummis
Lungren, Daniel
E.
Lynch
Mack
Maffei
Maloney
Manzullo
Marchant
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul

McClintock
McCollum
McCotter
McDermott
McGovern
McHenry
McHugh
McIntyre
McMahon
McMorris
Rodgers
McNerney
Meek (FL)
Meeks (NY)
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Neugebauer
Nunes
Nye
Oberstar
Obey
Olson
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Paul
Paulsen
Payne
Pence
Perlmutter
Peters
Peterson
Petri
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (GA)
Price (NC)
Putnam
Radanovich
Rahall
Rangel
Rehberg
Reichert
Reyes
Richardson
Levin
Rodriguez
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Ross
Rothman (NJ)
Roybal-Allard
Royce
Ruppersberger
Ryan (OH)
Ryan (WI)
Salazar
Sánchez, Linda
T.
Sanchez, Loretta
Sarbanes
Scalise
Schakowsky
Schauer
Schiff
Schmidt
Schock
Schrader
Schwartz