

UYGHUR TERRORISTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WOLF) is recognized for 5 minutes.

Mr. WOLF. Mr. Speaker, I rise on the floor again to raise the awareness of the American people and of the Congress that the safety of the United States could be put at risk should Attorney General Eric Holder approve the release of trained terrorists into our country. I repeat, released into this country, not held in jails, but let free in our neighborhoods and our communities.

Eric Holder expects us to take his word that the detainees are not a threat, and that is unacceptable. The Attorney General expects this Congress to sit idly by and the American people to sit idly by until he announces he has released the Uyghurs held at Guantanamo Bay into the United States, into your neighborhood. In fact, he will not allow career FBI and government employees to even brief Members of Congress on this. So much for this administration's promise of transparency and accountability.

Let me be clear: These detainees are trained terrorists who were caught in camps affiliated with Al Qaeda. Those who would use terror are terrorists no matter their intended target. There have been published reports that these terrorists were members of the Eastern Turkistan Islamic Movement, ETIM, a designated terrorist organization affiliated with Al Qaeda.

The detainees held at Guantanamo Bay are trained terrorists. They were trained in facilities affiliated with Al Qaeda and Khalid Sheikh Mohammed, the mastermind of 9/11 who took pleasure in beheading Wall Street Journal reporter Daniel Pearl.

Last month, the U.S. Treasury froze the assets of Abdul Haq, the leader of the ETIM. The Treasury Department targeted Haq as part of their efforts to shut down the Al Qaeda support network.

So here Treasury designates Haq as a terrorist, and Eric Holder wants to release the members of the terrorist group to walk the streets.

Upon making the designation, the Treasury Under Secretary for Terrorism and Financial Intelligence said, "Abdul Haq commands a terror group that sought to sow violence and fracture international unity at the 2008 Olympic games in China."

What if our people had not picked up these terrorists and they had gotten their training and had gone back to China and had blown up one of the Olympic facilities when many American citizens were there? What if? How is it that the U.S. Treasury Department can declare that this is a terrorist group that "sought to sow violence" while the U.S. Justice Department asserts that members of the same group caught at terrorist training camps and held for 7 years at Guantanamo should be released free and clear

into the United States, yet this Congress and the American people are left in the dark about the administration's plans to release the detainees?

If the Congress doesn't really care and want to hold oversight hearings, certainly the American people have a right to know who the Attorney General is asking to place in their communities.

Last Friday, I called on this administration to declassify and provide the American people with information regarding the capture, the detention, and the threat assessment of each detainee they intend to release inside the United States. Regardless of their intended targets of terror, the American people deserve to know whether they have been further radicalized due to their exposure to Al Qaeda leaders like Khalid Sheikh Mohammed. They have been down in Guantanamo with some of the most violent people that have ever walked the Earth. And now, after the radicalization that may have taken place, Eric Holder now wants to release them into our neighborhoods and into our communities.

I worry about the impact these released Uyghurs will have on our national security. I have talked with several former members who have worked in our intelligence community, and to a person they all believe that this will be dangerous for the United States. They all said, what message does their release into the United States send to Al Qaeda and other terrorist networks?

How can Attorney General Holder guarantee that the released Uyghurs will not stay in contact with Al Qaeda and provide them with intelligence within the U.S.? Has Eric Holder never heard of radicalization in prison? Some people go into prison and come out worse than they go in. If the Attorney General cannot or will not answer these questions, he should not consider releasing them.

I ask you, please, the American people need to have all of this information before a decision is made.

EAST TURKISTANI ISLAMIC PARTY APPEALS FOR NEW RECRUITS IN NEW VIDEO

The militant Islamist group East Turkistan Islamic Party (ETIM) released a new propaganda video, in which it appealed to Muslims in Turkistan to join the group's camps in Waziristan, Pakistan.

The 43-minute video is entitled "Persistence and preparation for Jihad" and was produced by the group's media wing Sawt al Islam.

It includes a statement by the group's current leader Sheikh Abul Haq, as well as its late leader Hassan Makhdum, whose alias is Abu Mohammed al Turkistani. Abul Haq said "jihad" was a duty that falls on all Muslims just like any other religious duty. He also pledged more attacks against Chinese forces. "The operations of the Islamic Turkistani Party will make China experience the same taste of shame and defeat that America has experienced in Iraq and Afghanistan," Abul Haq said.

Footage from the group's training camp showed a group of militants undergoing training under the supervision of military commander identified as Seifullah. Once again, he claimed credit for the bus bomb-

ings and the attack on the police station in Shanghai and Yunnan in May and July of 2008.

The attacks seem to have been carried out using remotely-detonated explosives devices. Footage shown on the video showed a member of the group placing the explosives in a small suitcase and covering it with some cloths, while having a radio detonator in his hand.

Seifullah also made an appeal to Turkistani Muslims to join the group's camps in Waziristan and train on the latest weapons used by the Chinese army's ground forces. He said that the group is currently trying to develop a training program on other weapons used by the army.

The East Turkistan Islamic Movement is a militant group that advocates the creation of an independent, Islamic state of East Turkistan, formally part of Afghanistan, in what is currently the Xinjiang region of China.

The group is thought to have links with al Qaeda. In its 2005 report on terrorism, the U.S. State Department said that the group was "linked to al Qaeda and the international jihadist movement" and that al Qaeda provided the group with "training and financial assistance".

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

U.S. ECONOMIC CONDITIONS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Ohio (Mr. DRIEHAUS) is recognized for 60 minutes as the designee of the majority leader.

Mr. DRIEHAUS. Mr. Speaker, thank you for the opportunity to address the House today in what is the first of what will be many conversations amongst the new Members of Congress and our observations as to where we are going in this Congress, some of our observations as to the economic conditions and the policies that have gotten us to where we are.

I would like to thank the Speaker and the majority leader and the majority whip for giving me this opportunity and for giving my fellow classmates, the new members of the Democratic class, the opportunity to come here today and talk for just a little while about what I believe to be the most pressing issue in the United States, and that is the foreclosure crisis and the lending crisis that has led us into this recession.

We would like to talk about some of the reasons we got there. We would like to talk about some of the actions

that have been taken since the Democrats have regained control of Congress in order to address the foreclosure crisis. But we have heard much rhetoric over the years about why we are where we are in terms of this economic crisis.

I spent 8 years in the State legislature in Ohio, and I will be joined shortly by a former colleague in the State legislature in Ohio. We have seen Ohio hit hard by the foreclosure crisis.

Just today in the Cincinnati Inquirer, my hometown newspaper, out of our 52 neighborhoods in Cincinnati, it stated in 33 of those neighborhoods, over 10 percent of all houses currently sit vacant. That is a tragedy, Mr. Speaker. But unfortunately, that tragedy is playing out again and again and again across the United States.

So we are going to spend a little time in conversation with my Democratic colleagues discussing how we got here and what the impacts are, what the impacts are to our constituents, what the impacts are to American families across the country who are currently suffering under the weight of this foreclosure crisis.

With that, Mr. Speaker, I would like to yield to my colleague, the gentleman from Ohio (Mr. BOCCIERI) to talk a little about his observations in northern Ohio.

Mr. BOCCIERI. I thank the gentleman from Ohio and greater Cincinnati area who has done extraordinary work in the Ohio legislature to try and remedy the situation where we find so many families struggling and so many families trying to live the American Dream of owning their own home and having a job to pay for their mortgage.

Mr. Speaker, what we have found over the last several years is that the housing crisis is at the epicenter of the economic downturn that we are experiencing in this country. Make no mistake, today's great recession is rooted right here in the housing crisis that we find so many families plagued with, and especially across Ohio.

But the irony here is that the success of our communities actually begins at home.

Now, the gentleman from Ohio (Mr. DRIEHAUS) and I know, after studying this issue for a long time, we worked on the predatory lending bill that passed through the State legislature in Ohio, and he is assigned to the Financial Services Committee here in the Congress, to try to remedy this situation for average families back home in Ohio.

Now let's talk about those average families. We hail from the Buckeye State. Buckeyes. Bob and Betty Buckeye go to the local community bank. They take out a mortgage to live to that dream of American homeownership. They take out a mortgage. They go to work. They punch a time clock and play by the rules. Maybe they put their kid in college. That bank sells their mortgage three, four, five times down the road. I don't know, Mr.

Speaker, maybe that violates the spirit of the Truth in Lending Act. What happens is after this mortgage is sold three, four, five times, they have no idea who owns it.

□ 1645

And they send their mortgage off every month because they get the bill in. And what happens? Bob and Betty Buckeye begin to feel the economic pinch. They begin to see that the job market is starting to erode. All of a sudden, Bob loses his job and can't make his home mortgage payment. So what does he do?

He goes down to the local bank where he took out the loan and says, "Mr. Lender, give me a couple of extra days. I need a couple of extra days just to make this mortgage payment."

He says, "Well, Mr. Buckeye, we don't own your mortgage anymore."

He says, "Well, who owns it? I took the loan out from you."

What happens is that many, many of our constituents are finding that their home mortgage from Ohio is now off in California or Texas or some other State, and we don't have the opportunity to work with our local community banks to renegotiate this or have that extra month or 2 months. Automatically these things go into foreclosure. You've seen this in Ohio.

Mr. DRIEHAUS. Reclaiming the time, Mr. Speaker, and as the Congressman noted, we both worked on predatory lending legislation in the State of Ohio. I should mention, we initiated those efforts back in 2001 and in 2002, the same type of efforts that were initiated right here in the United States Congress by our Democratic members here in the United States Congress.

Unfortunately, to this day, we do not have Federal predatory lending legislation that has become law in the United States. I think that is a tragedy for our country because, as you have described, Congressman, is how it has played out across the country.

I served on the Governor's Foreclosure Task Force in the State of Ohio. What you observed in terms of Bob and Betty Buckeye—and I like the name—but what you observed played out over and over again. We found that the vast majority of these mortgages were in the subprime market.

That term is tossed around a lot—these subprime loans. Well, subprime loans are simply loans made to families who have already shown that they have difficulty making payments. That's why they are considered to be subprime—that they have difficulty in terms of their credit report, they have difficulty in terms of their credit history in making payments.

So what happened? As you described, we saw these financial entities—not necessarily State-run banks, not necessarily depositories—but we saw these financial entities come into the State of Ohio, and we saw this over and over again in multitudes of States, where

they would make loans available. Sometimes it was no money down, sometimes it was no-doc loans. That is, you didn't have to show any documentation as to your annual income. Yet the folks still qualified for the loan.

Well, how did that happen? Because it used to be, as you know, Congressman, that you would go into the local bank or you would go into the local savings and loan and you would ask for a mortgage loan. And they would come out and appraise your house. And the risk associated with that mortgage loan would be held by you and it would be held by the bank. And they would hold that paper in their portfolio. It was a long-term investment for that financial institution.

But as you described is how it played out. With the development of these secondary markets and the securitization of mortgages across the country, what we saw was very interesting behavior. So that no longer was it the financial entity that was closing the loan that was carrying the risk, but they immediately transferred that risk onto a secondary market. They sold the loan.

The loan was then securitized in a mortgage-backed security on Wall Street and sold to an international investor, sold to a pension fund. So there was no risk at the front end of the closing of the loan. It incentivized all kinds of behaviors. So people who should not have qualified for loans were qualifying for loans. And, very interestingly, the loan products that they were qualifying for were very predatory in nature. Many of these loans, we came to find out, were adjustable rate mortgages—mortgages that had teaser rates up front, but 2 years into the loan, 3 years into the loan, the mortgage rate would adjust. It may adjust in certain cases every 4 months, every 6 months. And you often found the family wanting to get out of that loan, wanting to refinance, but they were unable to do so because of this little instrument contained in almost every one of these loans called a prepayment penalty.

So think about it. You've got a family who has a poor credit history, who has difficulty paying off their debts, now finding themselves with a mortgage that used to be affordable. Say it was \$700. Now all of a sudden that mortgage is \$1,200 after the rate has started to adjust. They want to get out, but this prepayment penalty of maybe \$2,000 or \$5,000 stops them from refinancing.

So they are trapped. They are trapped in a loan that they cannot get out of, and it just repeats itself over and over again when it comes to foreclosures.

I will yield to the Congressman.

Mr. BOCCIERI. So, Representative DRIEHAUS, let me get this straight. Those constituents of ours, Bob and Betty Buckeye, that get those flyers in the mail saying they can get a free vacation if they refinanced their house,

they can send some money to their kids who are in college, those are predatory in nature, am I right, because there's no skin in the game? They're asking constituents to sign away for 30 years or 15 years on a mortgage.

Mr. DRIEHAUS. They were absolutely predatory in nature. Time and time again, there were those of us in State legislatures across the country who called out to our Congress and said, Look, you have the ability to regulate these entities. You have the ability to crack down on predatory lending.

The Republicans in Congress at the time—or the Republicans now—are engaging in revisionist history, where they want to blame the CRA—the Community Reinvestment Act—or they want to blame Fannie Mae or Freddie Mac for the foreclosure crisis, and they seem to forget that they were elected in 1994 and they held the majority in 1995, in 1996, in 1997, in 1998, in 1999, in 2000, in 2001, in 2002, in 2003, in 2004, in 2005, all the way until the election in 2006.

As this chart demonstrates, we saw the growth of these in early 2000. That's when you saw many initiatives. You saw legislation introduced right here on the floor of this Congress in 2000, trying to address this problem.

But the Republicans would have none of it. They said the market will take care of it. The market will address the situation.

We saw in 2003, 734,000 foreclosures. That number, as staggering as it is, in 2003, by 2008 had grown to almost 2.5 million foreclosures across the United States.

I think it's important—and our colleague from Florida is about to join us, as is another colleague from Ohio—but I think it's important when you talk about the true cost of foreclosures, the cost is not simply with the family that is being foreclosed upon, but it's to everybody in the neighborhood.

I have a house two doors down from me that was foreclosed on. That hurts my property value. It hurts the property value of my neighbor across the street. But when you see a multitude of foreclosures and vacancies across a neighborhood, then you see deterioration in the schools. It hurts small businesses. It hurts the entire fabric of the community as you see increasing crime and as you see local governments having to pay the cost of upkeep on those properties.

I will now yield to my colleague from Columbus, Ohio, Congresswoman KILROY.

Ms. KILROY. Thank you so much, Congressman DRIEHAUS. I have been listening to what you have been saying about the impact of this foreclosure crisis on Ohio, and you are absolutely right. When you talk about the impact of these large numbers of foreclosures on communities, we know that a single foreclosure can devastate neighboring homes and the surroundings.

On average, we are told that when a home enters foreclosure, its value im-

mediately plummets, on average, \$58,759. It hurts the neighborhood as well because when that lower price, that lower sales price, that lower valuation hits the books, it hurts the value of the entire neighborhood.

Every time you see a foreclosure, if it's in your neighborhood, your house or my house or our neighbors' houses are going down in value. That also has an impact on our local governments. We know that local governments are hurt as well in this economic downturn. They are finding it harder to protect neighborhoods against arson or squatting or other criminal activity.

So the foreclosure crisis hurts that family, it hurts the neighborhood, but it also hurts all of us in terms of the increase in criminal activity. Vacant and abandoned properties impose high costs on our local communities. Local jurisdictions and our school districts feel the impact of that lost tax revenue from those properties. Our cities are bearing the cost of municipal services, increased code enforcement, boarding things up, trying to find money to demolish homes and other properties that are vacant and declared to be nuisances.

All of these are problems associated with addressing the issue of vacant and abandoned properties, particularly in our city neighborhoods. But it's not just in the cities. It ripples out. It affects our entire State. It affects, in my area, the entire central Ohio community.

So we understand, as you have said so clearly, that in the last 8 years during the Bush administration, and particularly during the 6 years when the Republicans controlled Congress, there wasn't the necessary action that needed to be taken to stem the tide of foreclosures and protect the rest of us from the impact that foreclosures had on the greater economy, the effect in the financial markets because of the securitizing of mortgages, and to protect all of us from the subprime lending that was at the core of this foreclosure issue and this foreclosure problem.

Every day when I drive through my community, I find that there are more and more foreclosed homes, more and more For Sale signs and, according to a recent Associated Press analysis, my county, the largest county in my district, has the unfortunate ranking of number one nationally for neighborhoods with the largest percentage of vacant homes. This is a problem that hurts all of us.

Mr. DRIEHAUS. If the gentlelady would yield, we have been talking about the impact of the foreclosure crisis and the mortgage lending crisis in the State of Ohio. But we are joined now by Congressman GRAYSON from Florida. As you know, Florida has been hit hard by this economic crisis as well.

I would like to yield some time to Congressman GRAYSON to share his thoughts on the foreclosure crisis.

Mr. GRAYSON. Thank you very much. I appreciate that from the Congressman from Ohio. I will tell you that one of the most hard-hit areas of our entire country in terms of foreclosures, dropping housing values, and a general destruction of the economy, is Florida. In particular central Florida, which I represent.

In central Florida, the economy is based on three things: Tourism, housing, and senior services. Tourism is not doing well. Senior services is just barely getting by. But housing has been crushed by the dramatic decline in property values and this plague of foreclosures that we see all over central Florida, but in particular, in the epicenter of that earthquake, which is Orlando.

In Orlando, we have the highest home vacancy rate in the country. Almost 10 percent of the homes in Orlando are vacant. We have had extreme overbuilding and a problem that has been exacerbated terribly by foreclosures, which destroy entire neighborhoods.

What you have to understand about foreclosures is that they are fundamentally, economically irrational. As we heard before, every foreclosure results in losses of tens of thousands dollars to the mortgage holder, as well as putting a family out on the street. So you have to ask yourself: Why are the mortgage companies acting this way, and what can be done about it?

For those of us perhaps on the other side of the aisle who worship the free market, the god of the free market, you can look at the situation happening right now and you can see for yourself that our economic actors are acting irrationally by tossing people out on the street when there is an economic motivation to keep them in their homes and keep them paying. And that's what we saw over and over again in Florida.

We saw 30 percent, 40 percent losses being taken on houses, when people in those houses were employed, when people in those houses had income, when people in those houses had savings and the ability to keep paying, although they had missed a few payments already. In a situation like that, what do we gain by throwing people out on the street?

□ 1700

What benefit is that when the mortgage company takes a 30 or 40 percent loss, the homeowner has to move in with relatives or live in a car, and beyond that, the entire neighborhood is destroyed by foreclosure after foreclosure after foreclosure pervading the real estate market? What good is that?

Well, in Orlando, we have reached a solution that is at least a temporary solution for this problem. What we did is I asked our local State court chief judge to institute mandatory mediation in all foreclosure cases. So for 45 days, foreclosures in Orlando just stopped, stopped cold. We put everybody on timeout. The banks, the borrowers, the homeowners, everybody

was on timeout for 45 days. And you know what? People found a solution to their problems. In 45 days, we got the borrower, the homeowner and the bank together. We put them all together in a room with a mediator paid for by the bank.

Under this program, many people were able to keep their homes. All they needed, some of them, was just an extra couple of months to pay their bills, a little breathing space. That's all they needed. In some cases they needed a longer term on their loan, in some cases they needed to refinance and they hadn't cleared the paperwork yet, but time after time after time what we found is that with a little bit of breathing space people could end up keeping their homes—at least those that had an income, at least those that still had a job.

We did an enormous amount of good by this simple fix on foreclosures in Orlando. But it evokes a deeper question. The deeper question is, How did we get in this situation in the first place? What is it that led to this plague of foreclosures in the first place? And we all know the answer; the answer is predatory lending and housing fraud.

And for those across the aisle who want to cast the blame in this direction, I ask a simple question. The Bush administration was in charge of enforcing the law in this country for 8 years. Can you name me one person in that 8 years that was convicted of Federal housing fraud, just one? And I see a blank stare in response. Not one. Not one case can they identify of a single person who was enforced criminally in this country with violation of our housing laws, not one.

Now, our job is to pass the law. Our job is to pass a bill, send it to the Senate, take a Senate-passed bill, vote on it ourselves, and ask the President to sign it. That is what we do here, and we do oversight as well. But can we enforce the law? No. That is the responsibility of the executive branch. And I am telling you right now that for 8 years they did nothing. Nothing. And now they have the nerve to come to us and blame us for the problems that they created?

Mr. BOCCIERI. Will the gentleman yield?

Mr. DRIEHAUS. I will yield to the gentleman from Ohio (Mr. BOCCIERI).

Mr. BOCCIERI. Thank you, Congressman, you bring up several good points. And let's make sure that we have full disclosure here and big-picture stuff.

You know, the government shouldn't be so immersed in the market. But we set the goalpost, we set the out-of-bounds markers, and within the parameters of that we should allow the free market to work. But what was happening in that free market for the last 10 years? We had hedge fund operators betting on the price of fuel going up; we had folks who were investing and betting on the price of food going up—supermarket, you go into a supermarket, you see prices rising—and we

had hedge funds that were betting that people would not be able to pay their mortgage. Now, this was a recipe for disaster.

Congressman GRAYSON, you bring up valid points: Why was there no enforcement? Why were there no referees enforcing the out-of-bounds markers or the goalposts? Why were we not enforcing this? And why were we allowing families to lose their homes, lose the American Dream? And this notion that we don't have enough regulation, we don't have enforcement of the regulations is what is happening. And what we are finding is that families across this country are struggling because of that lack of enforcement.

Let me give you one example of a family in Ohio. Just last month, the RealtyTrac rated Stark County, the largest county in the 16th Congressional District, one of the counties in my district, among the worst in the Nation in foreclosure rates. The Canton-Massillon metropolitan area ranks near the top of that list: 6,400 foreclosures last year. One of those homeowners was Willie Campbell.

I met Ms. Campbell a couple weeks ago at a roundtable I put together back home to discuss these home foreclosure issues and find out how we could find some valuable solutions. Ms. Campbell was falling behind on her mortgage payments on her three-bedroom home in Stark County. She wanted to do the right thing. She wanted to remedy the problem. She is a good American. She called an 800 number listed on a TV commercial that promised to help her. Well, it didn't. In fact, it was a scam. They took money out of her bank account for 5 months.

Ms. Campbell turned to a community development organization for help. Through mediation, she received help to lower her monthly payments from more than \$850 to a little more than \$620. She was able to cut her interest rate from 9 to 5.6 percent. What's more is that community organizations like the one that she sought help from were able to negotiate a 3-month grace period so her mortgage payments would not be late and so that she could catch up on her bills.

Now, while Ms. Campbell was eventually able to find the help that she needed, more than 4,400 Stark County homeowners who filed for foreclosure last year were not so lucky. And what are those statistics, as Congressman DRIEHAUS suggested and Congresswoman KILROY from Ohio suggested? Ohio ranks at the top five States nationwide for the highest home foreclosure rates. We have found nationwide that home values have dropped 18 percent. Nearly one in five homeowners owes more than their home is worth. And each foreclosed property, as Congressman DRIEHAUS suggested, reduces the property value of neighbors by 9 percent.

We can do better. We have got to enforce the regulations. And that is why this Congress acted to make sure that

we have enforcement of the regulations that are out there so that these fly-by-night lenders and folks who are willing to sign on the other end of the table are brought into check and that we have some balance.

Mr. DRIEHAUS. Thank you, Congressman. I just want to follow up on a point you made and a point that the Congressman from Florida made, and it's about the markets.

We have the best economic structure in the world. We have free market capitalism. And that allows for competition, it allows that competition to drive down prices, and that competition is what makes our economy grow. But when the markets don't work, when the markets have disruptions, it is our job, it is the job of government to intervene.

We are not elected to protect the barons on Wall Street, although if you sit on Financial Services, you would think that some Members are. But we are elected to protect the public good, protecting the public good.

I have heard my colleagues on the other side of the aisle go so far as to suggest that this economic crisis was precipitated by something called "predatory borrowing," as if the borrower has control, as if the borrower has control in the interaction in a mortgage loan, as if the bank is not allowed to say, you know what, you didn't give me the documentation as to your income, so therefore I am going to deny the loan.

We have folks on the other side of the aisle who have just closed their eyes to the crisis, saying the markets will take care of it. And I think that explains the inaction during the 1990s and in 2000 and 2001 and 2002 and 2003, 2004, 2005, 2006.

I had my staff pull some of the bills that were introduced in the House by the Democrats when the Republicans led the Congress. And in the 106th Congress you have both the Anti-Predatory Lending Act of 2000 as well as the Predatory Lending and Consumer Protection Act of 2000, didn't get a vote on the floor. In the 107th, the Protecting Our Communities From Predatory Lending Practices Act, no vote on the floor. The Predatory Mortgage Lending Practices Reduction Act, no vote on the floor. In the 108th Congress, the Predatory Mortgage Lending Practices Reduction Act, nothing. The Prevention of Predatory Lending Through Education Act, no action on the floor by the Republican-led Congress. Again, in the 108th, the Prohibit Predatory Lending Act, no action. And this happens over and over again every single year.

It wasn't until the Democrats took control of Congress that this Congress took seriously its role in regulating the markets when it comes to mortgages, when it understood that our primary objective, our primary purpose is to protect the public good.

This Congress failed the American people under Republican leadership

when it comes to housing. And it was only when the Democrats were elected in 2006 that we started to see action. But before I go through the number of steps that have been taken since 2007, when the Democrats took control, I would like to yield time to our colleague from New York (Mr. TONKO). So, Mr. TONKO, thank you for joining us.

Mr. TONKO. Thank you, Representative DRIEHAUS. I thank you for bringing us together on what is a very important topic.

You know, as we look at this very deep and long recession, far longer than some forecasted, we need to look at the root causes of yesterday that bring us to this point in history of today and how we are going to move forward.

I was very much interested in the chart that you shared with us earlier to look at the recent past history and the neglect that has caused such hardship in so many of the communities across this country. And, rightfully, it can be stated that this recession that we are currently enduring was pretty much triggered by the housing crisis, the mortgage crisis, the lending crisis, the foreclosure crisis. And as has been indicated by Representative KILROY, it impacts in several ways; and we can measure that in very interesting dynamics.

To think of the fact that one out of every 200 homes will be foreclosed upon is a very unraveling thought. That translates to some 3,000 people just in this capital city of Washington, D.C. alone. That is a tremendously difficult burden for communities. When you think of the fact that one child in every classroom in America is at risk of losing her or his home because the parents cannot pay for that mortgage, six in 10 homeowners that wish they understood the terms and details of their mortgages better. And the list goes on and on, all sorts of dynamics that really speak to the trouble that is out there and the impact that has been felt in our communities.

Any number of tipping points can cause this mortgage crisis or this foreclosure crisis. It can range from a job loss in this tough economy, to a health crisis that many families face, to previously missed mortgage payments—or certainly the lack of savings and access to credit, which has been another dynamic that has been dealt with and felt very severely by America's working families.

But on March 5 of this year, several of us—perhaps all of us in this colloquy—were able to stand up on this floor and pass H.R. 1106, the Helping Families Save Their Homes Act, which was our step forward, with the leadership of this House, with Speaker PELOSI determined to make a difference, with the Members of the majority looking to respond as there wasn't a response in the past, with the President and his administration looking to employ certain agencies to help resolve these crises.

We are going to move forward with a plan of action. And we need to make certain that more people are allowed to have a stable, affordable mortgage outcome. We need to work with agencies like the Department of Veteran Affairs and the Federal Housing Administration and the Department of Agriculture to allow people to modify their mortgages so that we can save the day for many homeowners. We need to expand the FHA's mortgage loan modification abilities so that, again, we can bring assistance to so many families.

Ms. KILROY. Would the gentleman yield?

Mr. TONKO. Yes.

Ms. KILROY. I appreciate what you are saying. And after Representative DRIEHAUS laid out the problem of inaction and the impact that it had on our States, on our communities, and the large foreclosure crisis that has spilled over into the greater economy, what you are bringing up is that we now have a Congress that is ready to take action, take action to protect families, to protect communities, to address the issues that got us here into the sad state of affairs that we are; and the Making Homes Affordable Act, helping to stabilize our housing market, helping maybe 7 to 9 million Americans reduce their monthly mortgage payments to more affordable levels through refinancing, through workouts. And I am proud to have supported that kind of legislation, as I know you are and my colleagues. And I am happy to help people who contact my district office to find ways to learn about these programs and how they can learn whether it will help their particular situation.

I think it is great that these programs have gotten a lot of notice and a lot of publicity. But I am concerned that Representative BOCCIERI brought up the issue with the example of his constituent who got taken advantage of by somebody who pretends to help and is really hurting, and a whole new class of predators here springing up in Ohio—and probably in other States as well—taking advantage of somebody who went to them for help.

So I think it is really important that people, when they are working out their mortgages, work with their bank or go to an accredited housing counselor. And in central Ohio, there are five of them—there is Homes on the Hill, there is Columbus Housing Partnership, there is the Urban League, the Consumer Credit Counseling, accredited agencies that will help you.

□ 1715

Mr. DRIEHAUS. Reclaiming my time, we have seen tremendous resources springing up spontaneously across the country, reaching out to homeowners, reaching out to renters who find themselves in difficulty, who are seeking housing assistance. And just like in Columbus, we have the resources for 211 and other avenues, and the Ohio Department of Commerce has

done tremendous work in the State of Ohio. And we have talked about what got us here and the inaction of the multitude of Republican Congresses.

But I would like to draw attention just for a minute and recognize our colleague Congressman HIMES to discuss solutions because we have an opportunity this week. We have an opportunity this week to pass a predatory lending bill. And this will be, I hope, the predatory lending bill that becomes law in this country, that finally when we got here in 2009, we made our mark and we said enough. Enough of the politics as usual. Enough of the Bush administration's saying "no" to protecting consumers and protecting homeowners. We have strong predatory lending legislation that we hope will become law.

So I yield to my friend JIM HIMES.

Mr. HIMES. Thank you to my colleague from Ohio for organizing this on this very, very important topic.

At one level what we're discussing is really very simple. Like every one of my colleagues standing here today, I have deep respect and appreciation for the power of the free market. It is the free market that has created the wealthiest society in the history of humankind. However, a free market requires smart regulation. We regulate dangerous things. We regulate tobacco, we regulate alcohol, we regulate firearms because we understand that used responsibly, they can enhance one's quality of life, but used irresponsibly, they can be devastating. And if there is one lesson that we have learned from this economic crisis, it is that an excess of debt can be devastating, devastating to individuals, to families, and, as we have learned much to our peril, to our country as a whole.

We have a long record, as my colleague from Ohio has pointed out, of attempts, failed attempts, to put in place over Congress after Congress, Republican-controlled Congress after Republican-controlled Congress, attempts to regulate the more excessive and predatory aspects of consumer lending that never saw the light of day.

But now we have an opportunity, a really terrific opportunity to pass commonsense legislation, which in many ways mirrors the very commonsensical legislation that we saw passed in strong bipartisan fashion last week around credit cards with respect to predatory lending.

H.R. 728 is a bill that will bring about a reform of the most predatory of practices. And it's hard, as you dive into this bill, to disagree with what is in there. The bill establishes a simple Federal standard for all home loans that simply says that lending institutions must ensure that borrowers can repay the loans they are sold. Now, in a free market, the market would bring that discipline to bear. But there are oddities within the housing market, subsidies, other incentives that mean, and we are all suffering from this today, that all too often mortgages are

extended to families where the lender knows or perhaps doesn't know but didn't do the work but knows that the individual, the family cannot repay that mortgage. So how hard is it to conceive of a regulation that simply says that a lender must do the work to assure us and to assure the borrower and themselves as a lender that they can repay the loan?

Lenders would be required and mortgage brokers would be required, if a family qualifies for a prime mortgage, to not sell them a subprime mortgage. And this is a particularly pernicious aspect of the mortgage industry. We see it particularly in our minority communities where minority families who might qualify for the low rates associated with the prime mortgage instead are sold a subprime mortgage and therefore are paying hundreds, in some cases thousands, of dollars every month that they don't need to pay. Again, this bill would just assure that mortgage brokers and lenders are not financially incented to put people into mortgages that they don't need to be into. Good, commonsensical regulation.

This bill will also ask that our securitizers, and we know now that one of the aspects of the housing market that was a bit pernicious was that risk was just passed from one hand to another, sliced and diced, and the person who made the decision to take the risk by extending the mortgage a week later had no exposure to that risk. So we are asking that along the chain of custody of a mortgage, whether it's the broker, the lender, the securitizer, that people just do the very basic work to look at this stuff, to look at this stuff and to convince themselves that the law has been followed, that the policies are in place to make sure that you're not putting toxic paper into securities unknowingly, bringing some responsibility to a process which has been all too irresponsible for far, far too long.

This is commonsensical legislation, and I hope and expect that it will draw the same kind of bipartisan support that we saw for the Credit Cardholder's Bill of Rights last week.

Mr. DRIEHAUS. You know, Congressman, we used to say in Ohio that you had more protections in buying a toaster than you did a house in the State of Ohio before we passed predatory lending legislation. And the simple fact of the matter is that for far too long in the United States Congress, the Congress has bent over backward to protect the lenders, but they have failed to protect the consumers. And in failing to protect the consumers, it has not only cost those families who were duped into those predatory loans, but it has hurt neighborhoods, it has hurt communities, it has failed entire cities.

With that, I would like to yield to Congressman BOCCIERI from Ohio.

Mr. BOCCIERI. Thank you, Representative DRIEHAUS.

Congressman HIMES brings up a very, very valid point. When Bob and Betty

Buckeye go to that local community bank, they sign for a 30-year mortgage, a 15-year mortgage, and they are expecting that their job is going to remain intact, that they're going to be able to make those mortgage payments. But what we found with the transactions across the market is that those mortgages were sold three, four, five times, and guess what. They wound up in some investment bank on Wall Street, and then we had hedge funds betting on people failing to pay their mortgage.

So this legislation and the action that the Congress is taking is making sure that Wall Street is put on notice to make sure that you're not going to bet on people failing, Americans failing. America is much better than that. We are more than that. We're not failures. We have a success story that is unmatched around this world.

And when you talk about 6,400 forecloses in my district alone, the largest county in my district ranking number one in a State that ranks number five in the country, 6 million people across this country have lost their homes, these aren't just real numbers. These are real people. These are real people.

Mr. DRIEHAUS. This is what Hamilton County, Ohio, looks like, Congressman. And thanks for the work of the folks that are working in neighborhoods for providing us this data. But this is what inaction in Congress means. It means foreclosures dotting the entire county. And I think I said earlier that in 33 of our neighborhoods in Cincinnati, we now have at least one in 10 homes standing vacant.

We have talked a bit about Ohio, but we have been joined by some of our colleagues from New Mexico and from Virginia. So I would like to recognize Representative LUJAN from New Mexico for his comments and his observations as to the situation in New Mexico.

Mr. LUJAN. Mr. DRIEHAUS, thank you very much for yielding.

As we talk about the importance of looking after those that are most in need and those that have been getting impacted and thrown out of their homes, losing their homes on a regular basis, and you look to see the inactions that have caused this problem, and the actions that this Congress, the 111th Congress, is coming forward to work on to make sure that we're looking after those that need help the most, it's an honor to be here with so many of my new colleagues as we are talking about taking action and not just waiting and waiting and waiting, but being divisive and being bold in our approaches to make sure we're looking after the citizens that we represent.

Mr. DRIEHAUS, one important thing that I wanted to talk about today was there are so many people across the country who aren't able to afford that home, who are saving up and doing what they can so they can experience the American Dream of getting into that home. And they're renters. They are renting homes, and they are sup-

porting a whole other segment of the housing across the country. And it's a segment of the population that was ignored for many years.

Looking back at the Bush administration, when they took office in 2001, touting a homeownership agenda with the goal of 5.5 million new homebuyers, but they neglected to address affordable renting housing needs.

The legislation that we'll be looking at, one important aspect of it, is we're going to be protecting tenants who rent homes that go into foreclosure, recognizing that there is a whole other segment of the population that is very much in need, that are struggling, that made some good decisions, that were maybe lured by some of those predatory lenders but were able to hold off. And now we are going to be going forward, and these are some of the other people that the Democrats aren't turning their backs on, that we're looking to see how we can help.

Mr. DRIEHAUS. Reclaiming my time, that provision is, in fact, an important part of the predatory lending bill that will be coming before us on this very floor on Thursday.

We do understand that not everybody can afford a home, not everybody should be purchasing a home, and there are many, many responsible families that are out there renting. And through no fault of their own, the landlord has gotten in trouble, and the building is now being foreclosed on, and because of that foreclosure, they're out on the streets. This bill provides them protection, necessary protection. The first time this Congress has acted to provide them protection.

So I appreciate your efforts on behalf of the renters and your standing up for the renters. And I just want to tell the people that we are standing up for them and that we will take action on Thursday on their behalf.

With that, I would like to turn it over to Mr. PERRIELLO from Virginia to offer his comments on this discussion.

Mr. PERRIELLO. Representative DRIEHAUS, this is indeed a very exciting moment. You can feel the sense of change.

Many of us that are part of this colloquy right now are all from the freshmen class, and I think it's not a coincidence because we represent a class that is in favor of accountability, accountability and common sense. Many of us were called to politics for the first time by watching more than a decade of irresponsibility here in Congress and in the White House where we saw policies of Wall Street greed cloaked in the sense of Main Street compassion in what was called the "ownership society," policies which seemed to suggest the idea that everyone could own a home regardless of how much money they made when really it was a strategy to help the rich make a lot of money on the failure of those who could never afford a house in the first place.

Year after year, as you've pointed out, there were opportunities to put

basic, commonsense accountability rules in place to prevent this from happening. And year after year we saw this Congress do nothing, do nothing, to challenge these absurd policies.

And we all know now that these policies affected much more than just the lender and the borrower. We all as Americans are in the same neighborhoods affected by these massive foreclosures. It doesn't just affect those who cannot afford their mortgage but those who live on streets where foreclosures have occurred. We have seen a fundamental lack of accountability. But you see this Congress, particularly with the new Members from the 2006 and 2008 class, pushing for real change on accountability. We saw it last week with the credit card bill. Fundamental commonsense legislation that said let's put some rules in place to prevent the tricks and the traps. If it's a product you can't sell on your own, you have to fool people into it, then maybe this is the place where basic consumer protections need to step in. Now we're ready to do the same thing with predatory mortgage lending because we are all affected by this. Our housing prices are all affected by it. Our retirement security is affected by it. And it's about time that we put in place the kind of commonsense legislation that will reward the good actors like our community banks that remained strong through this entire process instead of continuing to bail out those who have been the least responsible through this process.

This is a show that results are possible. They could have been possible if the will was there under previous Congresses and administrations. But now the will is there, and we will not rest until we put in these basic restrictions and continue to expand this new era of accountability to reverse the irresponsibility we have seen over the last 10 years and protect the American family and their right to homeownership.

Thank you.

□ 1730

Mr. DRIEHAUS. Congressman, thank you for your tremendous efforts on behalf of homeowners in Virginia.

As you say, we got elected. We got elected because people wanted to see change. Barack Obama was elected President of the United States because people wanted to see change, and they want to see Congress move forward.

But they keep hearing, on the other side of the aisle, the same old excuses. And the folks on the other side of the aisle don't want to point the finger at themselves. They forget; they have collective amnesia about their 12 years in power here in the House and their failure to do anything when it comes to predatory lending, when it comes to foreclosures.

I yield to Mr. HIMES for his observations and try to wrap this up.

Mr. HIMES. Thank you for the opportunity. I want to highlight one other practice that would be prohibited by

the antipredatory lending bill that is to come before the floor this week.

I spent many years as a vice president of the Enterprise Community Partners, a nonprofit affordable housing group and saw up close and personal the devastation that can be wreaked by a process, a product, if you will, known as asset stripping.

Asset stripping involves the extension of debt, either a mortgage or a home equity line, often to the elderly, often to minority populations, where the lender knows, the lender knows that there is no likelihood that either the senior citizen or the borrower, whoever that borrower may be, can repay that loan.

And it's very deliberate, because as a result of the loan, the lender knows they will come into possession of the home involved. They will take the equity in the home.

Now, in this world of declining real estate values, it's a little hard to understand that business model. But the reality is that ordinarily, when housing prices are rising steadily or less than steadily or more than steadily, as we saw in the last 10 years ago, that can be a very profitable business model based on the expectation that the borrower will fail. That is not the kind of product that anyone on either side of the aisle thinks should be out there victimizing, particularly the high concentration of the elderly and the minority borrowers who get caught up in this thing.

Asset stripping is a pernicious thing that would be forbidden by this antipredatory lending bill, and I think we should take great pride should that occur should this legislation pass.

Mr. DRIEHAUS. Congressman, that's a good point and I have seen all kinds of anomalies in the market that have led to behaviors that you wouldn't want to see. If you were, in fact, elected to protect the public and the public good, you would want to crack down on these pernicious behaviors. And that's exactly what we are doing in the antipredatory lending bill.

But time and time again, if you turn on the radio, if you turn on C-SPAN, if you turn on CNN, you turn on Fox News, you hear Republican after Republican getting up and making excuses, not talking about the pernicious behaviors, not talking about what is wrong with the market and how we might correct that, but blaming all kinds of different actions that have been taken by this Congress in the past.

They go so far as to suggest the Community Reinvestment Act, the CRA, passed by this Congress in 1977, is the root cause of the housing crisis in the United States.

If I have heard this once, I have heard it a thousand times, and it is now talked about all the time on talk radio.

But when you look at the Community Reinvestment Act in 1977 and what it did, it addressed red-lining, be-

cause we knew that there were financial institutions that weren't lending in certain neighborhoods, especially minority and low-income neighborhoods. So we provided incentives for financial institutions to engage in responsible lending in those low-income and minority neighborhoods.

It was called the Community Reinvestment Act, and the Community Reinvestment Act was extremely successful. As a matter of fact, 83 percent of the failures, the loan failures that we are talking about, are not even with institutions that are covered by the CRA. That's a remarkable number.

Yet Republican after Republican blames the Community Reinvestment Act. So I would like to put this one myth to bed. I would like to do that by reading a letter from the Chairman of the Federal Reserve, Mr. Bernanke, to Senator ROBERT MENENDEZ about the CRA. This letter is dated February 25, 2008.

"Dear Senator:

"Thank you for your letter of October 24, 2008, requesting the Board's view on claims that the Community Reinvestment Act (CRA) is to blame for the subprime meltdown and current mortgage foreclosure situation. We are aware of such claims but have not seen any empirical evidence presented to support them. Our own experience with CRA over more than 30 years and recent analysis of available data, including data on subprime loan performance, runs counter to the charge that CRA was at the root of, or otherwise contributed in any substantive way to, the current mortgage difficulties.

"The CRA was enacted in 1977 in response to widespread concerns that discriminatory and often arbitrary limitations on mortgage credit availability were contributing to the deteriorating conditions of America's cities, particularly low-income neighborhoods. The law directs the four Federal banking agencies to use their supervisory authority to encourage insured depository institutions—commercial banks and thrift institutions that take deposits—to help meet the credit needs of their local communities, including low- and moderate-income areas. The CRA statute and regulation have always emphasized that these lending activities be 'consistent with safe and sound operation' of the banking institutions. The Federal Reserve's own research suggests that CRA-covered depository institutions have been able to lend profitably to lower-income households and communities and that the performance of these loans is comparable to other loan activity.

"Further, a recent Board staff analysis of the Home Mortgage Disclosure Act and other data sources does not find evidence that CRA caused high default levels in the subprime market. A staff memorandum discussing the results of this analysis is included as an enclosure."

He ends like this: "As the financial crisis has unfolded, many factors have

been suggested as contributing to the current mortgage market difficulties. Among these are declining home values, incentives for originators to place loan quantity over quality, and inadequate risk management of complex financial instruments. The available evidence to date, however, does not lend any support to the argument that CRA is to blame for causing the subprime loan crisis.”

Mr. Speaker, I submit the November 25, 2008, letter to Senator MENENDEZ for the RECORD.

BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM,
Washington, DC, November 25, 2008.

Hon. ROBERT MENENDEZ,
U.S. Senate,
Washington, DC.

DEAR SENATOR: Thank you for your letter of October 24, 2008, requesting the Board's view on claims that the Community Reinvestment Act (CRA) is to blame for the subprime meltdown and current mortgage foreclosure situation. We are aware of such claims but have not seen any empirical evidence presented to support them. Our own experience with CRA over more than 30 years and recent analysis of available data, including data on subprime loan performance, runs counter to the charge that CRA was at the root of, or otherwise contributed in any substantive way to, the current mortgage difficulties.

The CRA was enacted in 1977 in response to widespread concerns that discriminatory and often arbitrary limitations on mortgage credit availability were contributing to the deteriorating condition of America's cities, particularly lower-income neighborhoods. The law directs the four federal banking agencies to use their supervisory authority to encourage insured depository institutions—commercial banks and thrift institutions that take deposits—to help meet the credit needs of their local communities including low- and moderate-income areas. The CRA statute and regulations have always emphasized that these lending activities be “consistent with safe and sound operation” of the banking institutions. The Federal Reserve's own research suggests that CRA covered depository institutions have been able to lend profitably to lower-income households and communities and that the performance of these loans is comparable to other loan activity.

Further, a recent Board staff analysis of the Home Mortgage Disclosure Act and other data sources does not find evidence that CRA caused high default levels in the subprime market. A staff memorandum discussing the results of this analysis is included as an enclosure.

Sincerely,

BEN BERNANKE.

Enclosure.

Yet the myth is perpetuated over and over again by my Republican colleagues.

We appreciate this opportunity, the newly elected Members of the Democratic class, to give an analysis of how we got here in terms of the mortgage crisis, how the mortgage crisis has led to the bank failures in this country, how we are now here to help pick up the pieces.

We were elected in November, along with the President, to work on solutions, to quit turning a blind eye to the economic crisis in this country.

But we know, over and over again, and I certainly saw it as a State legis-

lator, when we asked for Federal intervention in the markets, when we asked for Federal intervention when it came to foreclosures, there was only silence coming from Washington D.C.

On Thursday we have an opportunity. On Thursday we have an opportunity to pass antipredatory lending legislation that will make a difference, that will make a difference for every American family. And it is my hope that finally, in the spring of 2009, the Federal Government will step up to its responsibility and pass antipredatory lending legislation and pass a law that will be signed by this President to protect homeowners across the country.

WE MUST NOT IGNORE CONTINUING THREATS TO ISRAEL'S SURVIVAL

The SPEAKER pro tempore (Mr. KISSELL). Under a previous order of the House, the gentlewoman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

Ms. ROS-LEHTINEN. Mr. Speaker, yesterday this House voted to commemorate the 61st anniversary of Israel's independence. However, even as we recognize this historic occasion, we must not ignore the continuing threats to Israel's very survival, the greatest dangers presented by the radical regime in Tehran whose leader, Mr. Ahmadinejad, has repeatedly denied the Holocaust, as all of us know, and has called for Israel to be wiped off the map.

More recently, at last month's Durban II hate-fest in Geneva, Ahmadinejad reminded us of his regime's goals when he savagely attacked Israel, stating that “world Zionism personifies racism,” and called Israel the “most racist” regime.

These are not mere idle words, Mr. Speaker. Ahmadinejad and his fellow thugs have long sought to make good on their call for Israel's elimination by sponsoring violent Islamic extremist groups and pursuing nuclear, chemical, biological and missile capabilities. In the face of such a menace to our strong, democratic ally, Israel, and to our vital interest in the Middle East, the U.S. and other responsible nations must not stand idly by. We cannot accept the prospect of an emboldened nuclear Iranian regime.

We must close loopholes in U.S. and international sanctions so as to deny the regime all remaining lifelines for their economy and compel it to abandon its destructive policies.

Further, we should realize that the existential threats to Israel, and the obstacles to peace, begin with Iran; but, sadly, they do not end there.

We must learn history's lesson that we will not achieve peace by engaging with these Islamic militant groups like the Iranian proxy, Hamas, or by recognizing a Palestinian Authority government that includes Hamas.

In standing with the Jewish state against those who seek to destroy it,

we should above all do no harm. Unfortunately, proposed funding for the Palestinian Authority, the West Bank and Gaza is included in the emergency supplemental, which would be before this floor in a matter of days; and it does not meet that standard of do no harm.

It would provide, in fact, hundreds of millions of dollars of assistance in Gaza, thereby essentially providing a bailout for Hamas, enabling Hamas to divert its funds from reconstruction and put it, instead, to the purchase of arms. It would reward and bankroll a Palestinian Authority that has proven itself unwilling or unable to fulfill its responsibilities.

When considering assistance to the Palestinian Authority, Mr. Speaker, we need to judge their leaders by their words, and by their acts as well. Just last week Palestinian Authority leader Abu Mazen reiterated his refusal to recognize Israel as a Jewish state. He said the same thing last year and the year before that, and there is no reason to think that more U.S. assistance will cause him to have a change of heart in the future.

Indeed, Abu Mazen and other senior Palestinian Authority officials have repeatedly emphasized that they do not expect Hamas or other violent Islamic groups to recognize Israel at all.

Instead, Abu Mazen bragged last year about his many years of leading and supporting violence against Israel, claiming that “I have the honor to be the one to fire the first bullet in 1965.”

But this should come as no surprise, Mr. Speaker. In 2005, when campaigning for the leadership of the PA, he echoed Arafat and Hamas by referring to Israel as the Zionist enemy. A Palestinian transparency organization reported last month that many forms of favoritism, nepotism, misappropriation of public money and abuse of public position continued to impact many sectors of the Palestinian society.

□ 1745

If Palestinian leaders will not uphold their commitments to uproot violent extremism, to stop corruption, to recognize Israel's right to exist as a Jewish democratic state, they should not receive 1 cent of U.S. taxpayer dollars. The proposed supplemental, however, would provide \$200 million in direct cash transfers to the P.A. Let's stop this bill, Mr. Speaker. It does not do justice to the U.S. nor to Israel.

DOMESTIC ENERGY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Illinois (Mr. SHIMKUS) is recognized for 60 minutes as the designee of the minority leader.

Mr. SHIMKUS. Mr. Speaker, it is great to be down here, and I am going to turn immediately to my colleague, Dr. PAUL BROWN from Georgia, to talk on the cap-and-tax, global climate change, destruction of jobs in America,