

Mr. LANGEVIN. I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of H.R. 1718, the Mortgage Reform and Anti-Predatory Lending Act and the manager's amendment that's before us today, which I know will bring greater transparency to lending practices nationwide.

Unconventional mortgages have left countless Americans facing foreclosure, and this is especially true in my home state of Rhode Island, with one of the highest foreclosure rates in the country.

With this bill, we will combat unscrupulous lending practices and bring transparency to the process by requiring mortgage originators to be licensed and mandating full disclosure of loan terms. Perhaps, most importantly, mortgage originators would certify that consumers have a reasonable ability to pay back the loans that they were applying for and that they are not predatory in nature.

We have seen too many lenders steer consumers into loans that they cannot afford. We cannot allow that practice to continue or to ever happen again. I am also pleased that this measure includes protections to renters of foreclosed property.

H.R. 1728 will address persistent problems in the housing market, bring financial stability to families and ensure that the appropriate measures are in place to prevent this kind of mortgage foreclosure crisis from ever happening again in the future.

I want to thank and commend the gentleman from Massachusetts, Chairman FRANK, for his outstanding leadership on this important measure. I urge support of this bill and the manager's amendment before us today.

Mr. NEUGEBAUER. Mr. Chairman, another provision in this that has caused concern is the tenant provisions.

This amendment would require property owners to promptly notify any tenants or potential tenants upon becoming subject to foreclosure or defaulting on their mortgage loan. This language requires the owner to provide information on the circumstances with respect to the property and the effect of the default or foreclosure.

Notice to tenants is important. However, in multifamily projects such as apartments, a receiver is typically put in place to manage the property so that residents can remain in their apartments with no disruption. Mandating a notice to residents, if not done correctly, could cause alarm and maybe not even needed alarm.

I have a letter from the National Apartment Association where they have concerns about this very issue, that if you have got an apartment complex, the owner may be temporarily in default. You give notice to the tenants that you are temporarily in default. The tenants get scared, they start looking for other places to live, and, basically, creating vacancies, and, in

fact, maybe making the default permanent by the fact that there will not be sufficient revenues to make the payments. So I have very large concerns about that.

Additionally, the amendment allows HUD to step in to troubled properties, transfer a multiproperty project, if delinquent, at the risk of fault or disinvestment or foreclosure.

This is a fairly major expansion of HUD's authority and could be considered to be a property taking. Property of this type may not be in foreclosure as yet, yet the provision would force properties into foreclosure or over into government control, again, a major expansion, quite honestly, a move away from what the original intent of this legislation was.

The original intent of this legislation was to prevent predatory lending. And now we are prescribing how tenants are going to be treated, whether we are going to force property owners to make disclosures about their financial condition, a major diversion from what I think is the intent of this legislation, and, again, one of the reasons that I do not support this amendment.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, I, again, rise in opposition to this amendment. One of the purposes of this legislation, again, we said, was to prevent predatory lending. But, unfortunately, the consequences of this legislation are going to be to increase the cost of mortgage financing for consumers.

It's going to raise the monthly payments for many consumers over what their choices would have originally been. It's going to limit the choices that are available to them. It's going to force lenders to provide maybe only one choice. It's also, I think, going to continue to cause a major disruption in the mortgage system.

As one of the speakers originally said, the market is very fragile right now, and some of the provisions in this amendment, I think, contribute to that.

With that, I encourage Members to vote against this.

I yield back the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, how much time do I have remaining?

The CHAIR. The gentleman from Massachusetts has 8 minutes remaining.

Mr. FRANK of Massachusetts. I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

The CHAIR. The Committee will rise informally.

The Speaker pro tempore (Mr. PERLMUTTER) assumed the Chair.

MESSAGES FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

The Committee resumed its sitting.

AMENDMENT NO. 2 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIR. It is now in order to consider amendment No. 2 printed in House Report 111-98.

Mr. FRANK of Massachusetts. Mr. Chairman, I offer amendment No. 2.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. FRANK of Massachusetts:

Strike section 216(e) and insert the following:

(e) LIMITATION ON DISTRIBUTION OF ASSISTANCE.—

(1) IN GENERAL.—None of the amounts made available under this section shall be distributed to—

(A) any organization which has been convicted for a violation under Federal law relating to an election for Federal office; or

(B) any organization which employs applicable individuals.

(2) DEFINITION OF APPLICABLE INDIVIDUALS.—In this subsection, the term "applicable individual" means an individual who—

(A) is—

(i) employed by the organization in a permanent or temporary capacity;

(ii) contracted or retained by the organization; or

(iii) acting on behalf of, or with the express or apparent authority of, the organization; and

(B) has been convicted for a violation under Federal law relating to an election for Federal office.

Strike section 106(a)(4)(D) of the Housing and Urban Development Act of 1968 (as added by section 404 of the bill) and insert the following:

“(D) LIMITATION ON DISTRIBUTION OF ASSISTANCE.—

“(i) IN GENERAL.—None of the amounts made available under this paragraph shall be distributed to—

“(I) any organization which has been convicted for a violation under Federal law relating to an election for Federal office; or

“(II) any organization which employs applicable individuals.

“(i) DEFINITION OF APPLICABLE INDIVIDUALS.—In this subparagraph, the term 'applicable individual' means an individual who—

“(I) is—

“(aa) employed by the organization in a permanent or temporary capacity;

“(bb) contracted or retained by the organization; or

“(cc) acting on behalf of, or with the express or apparent authority of, the organization; and

“(II) has been convicted for a violation under Federal law relating to an election for Federal office.”.

The CHAIR. Pursuant to House Resolution 406, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I am here to correct a mistake I made in my haste to get the markup concluded so we could have plenty of time to get the reports done, the bill on the floor. I agreed to an amendment that I had not read carefully.

The amendment would ban any organization, any organization in America, from receiving housing counseling funds if anybody in that organization is indicted by any prosecutor anywhere for Federal election or voter fraud.

So I rise to vindicate an important principle of American law that indictment should not be a cause of serious penalty, that people should continue to be presumed innocent until proven guilty.

To allow any prosecutor, anywhere in America, to tell any organization that it is ineligible for these funds, simply by an indictment, is, it seems to me, inappropriate.

I would point out that while there is an effort to claim that somehow this is specific to one organization, that may be the intent, but this bill earmarks no funds for any organization.

And it says, here is what it says about the funds: The Secretary shall make financial assistance available to HUD-approved housing counseling agencies and State housing finance agencies. So we have HUD-approved counseling agencies—these are approved now on the list from the last administration—and State housing finance agencies.

I have some confidence in them and those who are worried, my amendment says if there is a conviction and the person isn't fired, you cut off the funds.

But to cut off funds that were given by an approved HUD counseling agency because once persons anywhere in America were indicted by some prosecutor, is a violation of the basic principle of fairness.

I reserve the balance of my time.

Mrs. BACHMANN. Mr. Chairman, I claim the time in opposition.

The CHAIR. The gentlewoman from Minnesota is recognized for 5 minutes.

Mrs. BACHMANN. I rise in opposition to this amendment, which strips down language in the bill designed to keep tax dollars from falling into the hands of organizations indicted for voter fraud or its related crimes.

It was last week during our Financial Services Committee markup of the underlying bill, I offered a straightforward amendment to limit eligibility for the housing counseling grants and the legal assistance grants authorized by the bill to exclude organizations indicted for voter fraud or that employed people indicted for such crimes.

Plain and simple, Mr. Chair, it should sound familiar to everyone here in this Chamber, because the exact same language was passed as part of the Housing and Economic Recovery Act of 2008 to prohibit groups, such as ACORN, from obtaining taxpayer-funded grants.

272 Members of this body, including the gentleman from Massachusetts who just spoke, voted for that legislation, which became law last July. But not only is it legitimate for Congress to decide the threshold for accessing taxpayer funds, it's incumbent upon this body to do so in our fiduciary capacity to the taxpayers of this great country. And for far too long Congress has cavalierly distributed taxpayer money.

Every day we can go on record saying we will no longer set the bar this low. We are all saying, fool me once, shame on you; fool me twice, shame on me. But ACORN and organizations like it have fooled us not once, not twice, but seemingly after every election. The stories of their indictments for voter fraud for violating their tax status for voter registration improprieties abound. Grand juries across the Nation have found them and their employees lacking. Yet we continue to funnel millions of dollars to their coffers.

Just last week, on Monday, the headlines out of Nevada read "39 counts of voter registration fraud against ACORN and two of its former employees." It was just several hours ago, hot off the presses, that the Pittsburgh Post-Gazette reported breaking news, an Allegheny County district attorney charged seven employees with ACORN "with forgery and election law violations, saying they filed hundreds of fraudulent voter registrations during last year's general election."

Can't this body do something about this, Mr. Chairman? How many felony charges does it take to see that this organization has violated the public trust?

Congress isn't the arbitrator of guilt or innocence. Congress does decide to spend the people's money. At what point do we finally say that this organization is simply not worthy of the hard-earned money of the American people.

According to recent testimony at the House Judiciary Committee, ACORN has been under investigation in States, for, among other things, violations of the Tax Code, 501(c)(3); violations of the Federal Election Campaign Act of 1971; fraudulent voter registration activities; and failure to comply with State law in voter registration drives.

And here are just a few more headlines of late: January, 2009, a voter registration worker for ACORN in East Saint Louis was indicted on two counts of voter fraud for submitting forged cards for residents at nursing homes without their knowledge.

According to the AP in October of 2008, "a suburban Philadelphia man was charged with forgery, allegedly altering 18 voter-registration applications during his employment with an organization [ACORN] whose voter-outreach efforts have become a flash point in the presidential campaign."

CNN reported October 28 about an ACORN worker who helped register nearly 2,000 voters for the community group ACORN, not one of them actu-

ally existing, and he was convicted last year and spent nearly 3 months in prison.

The gentleman from Massachusetts says that his amendment is about due process. But I am sorry, Mr. Chairman, the American people are smarter than that. They deserve better than such an oratory sleight of hand. His amendment is about our duty as stewards of the taxpayers' dollar and mine.

Others say this is about the importance of the underlying grant program. But there are plenty of legitimate law-abiding nonprofits who have never seen an indictment that could still apply for these grants.

□ 1230

The bottom line is this: either you're against allowing organizations that engage in or employ individuals under investigation for voter fraud to receive tax dollars, or you aren't.

Mr. Chair, our votes on this amendment make our positions crystal clear to the people we serve. Are we on the people's side or are we on ACORN's side? We owe it to our constituents who are already tired, frustrated, and outraged by this cycle of spending and bailout and taxing and borrowing to at least show them that we aren't going to pick their pockets to fund groups that are about abusing their trust over and over again.

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

Mr. FRANK of Massachusetts. I reserve the balance of my time.

Mrs. BACHMANN. Mr. Chair, I would just end by saying I urge the people of this body to oppose this amendment, because as we stand in our fiduciary duty before the taxpayers, we need to make our vote clear—and our vote will say we either stand with the taxpayers of this great country, or we stand with ACORN.

Mr. Chair, I would yield 15 seconds to the gentleman from Alabama.

Mr. BACHUS. First of all, I want to acknowledge that the funding for this bill is a good thing for mortgage foreclosure efforts. I would point out that I think the Bachmann amendment is the same amendment we adopted in the GSE Affordable Housing Fund. So we did adopt that in that legislation. So her amendment would be consistent with what this body did last year.

Mr. FRANK of Massachusetts. How much time remains to me, Mr. Chairman?

The CHAIR. The gentleman from Massachusetts has 3½ minutes remaining.

Mr. FRANK of Massachusetts. I yield myself such time as I may consume. The gentlewoman from Minnesota said, "Do we want to allow funding for people who employ people who are under investigation?" Yes. I don't want to live in a society where the mere instituting of an investigation by any prosecutor anywhere shuts down lawful activities.

Now, she said an organization that's under indictment, but the amendment

goes far beyond that. Any individual member of an organization, no matter how far flung, apparently, according to the gentlewoman from Minnesota, if an investigation begins of anybody, you shut them down.

The gentlewoman from Minnesota mentioned someone who has been convicted. Under the amendment I offered, that would end it. We would either have to fire that person or lose the funding.

Mrs. BACHMANN. Will the gentleman yield?

Mr. FRANK of Massachusetts. No. The conviction triggers it. No question. That's what is in the amendment. My amendment says if you are convicted, it's triggered. But to say that any individual who works for any organization who's indicted, shuts it down. The gentlewoman said, Are you on the side of ACORN?

Mrs. BACHMANN. Will the gentleman yield to answer your point?

Mr. FRANK of Massachusetts. No.

The CHAIR. The gentleman from Massachusetts controls the time.

Mr. FRANK of Massachusetts. The issue is this: the gentlewoman, I think, inaccurately says, Are you for ACORN or the American people? This bill says nothing about ACORN. This bill says that approved HUD counseling agencies and State financing agencies can make the choice.

What I think the amendment says is this: Are you for the principle of American justice that says the mere institution of an indictment by any prosecutor anywhere, at any level?

Mrs. BACHMANN. Would the gentleman yield?

Mr. FRANK of Massachusetts. Mr. Chair, I have told the gentlewoman I would not yield. Could she be instructed that that is the answer that she's going to get, and to stop interrupting?

The CHAIR. It is apparent the gentleman is not going to yield. When a Member has asked a Member under recognition to yield several times, and it becomes apparent that the Member under recognition is not going to yield, the Member shouldn't continue to ask him to yield or otherwise interrupt him.

Mr. FRANK of Massachusetts. There are some basic rules like the ones of debate. Also, the fact that I said that to empower any prosecutor anywhere, at any level. And this isn't about ACORN. We don't sit here to judge on this or that organization. The gentlewoman said we don't judge guilt or innocence. Well, the amendment tries to do that.

The amendment says: a guilty finding by statute; in the absence of a guilty finding, in a court of law. Because if there's a guilty finding in a court of law, under my amendment, then this denies funding to people.

There are a lot of prosecutors. And it's not just ACORN. There are a lot of organizations, including political parties in the State of New Hampshire,

near me. The Republican Party operatives were convicted of election fraud. I don't think that means you go after everybody else. It certainly didn't mean pending indictment you do this. There ought to be a bright line between penalties for indictment and for conviction.

Now if the amendment had said a pattern of indictments, that's a different story. It might have been a better argument. But this says a single indictment of any individual by any prosecutor for any organization anywhere in American has these negative consequences.

I think we have seen enough of prosecutorial misconduct, whether it was Senator Stevens or whether it was Members on both sides of the aisle, whether it has been organizations that have been prosecuted. I don't think we want to set that principle. Remember, this is precedential. Once we set as a body the legal principle—apparently, it was in the earlier bill. It shouldn't have been. If I missed that, I apologize.

I want to now repudiate the notion that the action of a single prosecutor who may be politically motivated to indict anybody anywhere for election fraud, disables that organization, forces the organization to fire an individual who may later be vindicated.

Yes, the gentlewoman said one of the employees of the organization that has motivated her amendment was convicted. My amendment says: in that case, you either fire the person or you lose the money.

Conviction ought to be the standard. But a single indictment by a single prosecutor anywhere, I do not think that is the rule of law under which Americans want to live.

I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The question was taken; and the Chair announced that the ayes appeared to have it.

Mrs. BACHMANN. Mr. Chairman, I demand a recorded vote.

The CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Massachusetts will be postponed.

AMENDMENT NO. 3 OFFERED BY MR. BACHUS

The CHAIR. It is now in order to consider amendment No. 3 printed in House Report 111-98.

Mr. BACHUS. Mr. Chairman, I have an amendment at the desk made in order under the rule.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. BACHUS:

At the end of title IV, add the following new section:

SEC. 410. WARNINGS TO HOMEOWNERS OF FORECLOSURE RESCUE SCAMS.

(a) ASSISTANCE TO NRC.—Notwithstanding any other provision of law, of any amounts made available for any fiscal year pursuant to section 106(a)(4)(F) of the Housing and

Urban Development Act of 1968 (12 U.S.C. 1701x(a)(4)(F)) (as added by section 404 of this Act), 10 percent shall be used only for assistance to the Neighborhood Reinvestment Corporation for activities, in consultation with servicers of residential mortgage loans, to provide notice to borrowers under such loans who are delinquent with respect to payments due under such loans that makes such borrowers aware of the dangers of fraudulent activities associated with foreclosure.

(b) NOTICE.—The Neighborhood Reinvestment Corporation, in consultation with servicers of residential mortgage loans, shall use the amounts provided pursuant to subsection (a) to carry out activities to inform borrowers under residential mortgage loans—

(1) that the foreclosure process is complex and can be confusing;

(2) that the borrower may be approached during the foreclosure process by persons regarding saving their home and they should use caution in any such dealings;

(3) that there are Federal Government and nonprofit agencies that may provide information about the foreclosure process, including the Department of Housing and Urban Development; and

(4) that they should contact their lender immediately, contact the Department of Housing and Urban Development to find a housing counseling agency certified by the Department to assist in avoiding foreclosure, or visit the Department's website regarding tips for avoiding foreclosure; and

(5) of the telephone number of the loan servicer or successor, the telephone number of the Department of Housing and Urban Development housing counseling line, and the Uniform Resource Locators (URLs) for the Department of Housing and Urban Development websites for housing counseling and for tips for avoiding foreclosure.

The CHAIR. Pursuant to House Resolution 406, the gentleman from Alabama (Mr. BACHUS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Alabama.

Mr. BACHUS. Before I discuss my amendment, I'd like to thank Chairman FRANK and really, first of all, acknowledge his efforts over the past few years to combat predatory lending practices. I think as early as 2005, he was aggressively trying to stop some of these practices.

I also appreciate the chairman working with me to bring this amendment to the floor. Originally, my amendment funded foreclosure rescue scam awareness and prevention efforts. And that's what the amendment is about. It's about so-called foreclosure rescue scams. I had proposed using money from the legal assistance fund and, after consultation with Chairman FRANK, I revised my amendment to use the bill's counseling authorization as a funding source.

Although the chairman and I disagree on the underlying merits of the bill, I do appreciate the spirit of bipartisanship which the chairman has shown in our discussions on this amendment and the bill as a whole.

I earlier acknowledged your efforts since I think at least 2005 to come up with a bipartisan bill. I don't think we were successful this year, but I think had our efforts been successful in prior years, we could have avoided some of

this. And I'm sorry the other body didn't show the urgency that we did.

Mr. FRANK of Massachusetts. If the gentleman would yield, he said he is sorry the other body didn't move. There's a lot of that going around

Mrs. BACHUS. That's right. There is. But I'd say to the Members, there's an unprecedented number of homeowners that are delinquent on their mortgages and entering foreclosures. In fact, the Mortgage Bankers Association estimates that at least 11 percent of the mortgages now are delinquent and will probably go into foreclosure. This is creating really a desperate situation across the country.

Unfortunately, as all desperate situations, this situation has created opportunities for scam artists to take advantage of homeowners in desperate situations through so-called foreclosure rescue schemes. My amendment is designed to at least offer some protection to those homeowners from being victimized in this way.

It's just amazing that, whether it was in Katrina or other natural disasters or gas shortages, that people seem to take advantage and act their worst during times of struggle and crisis.

This amendment allows mortgage servicers to work together with the Neighborhood Reinvestment Corporation, which is a congressionally chartered organization, to make delinquent borrowers aware that they may be targets of fraud and inform them on how best to protect themselves.

The amendment is funded by dedicating 10 percent of the funds authorized under section 404 to this much needed form of housing counseling.

Many scam artists use publicly available information about defaults and foreclosures starts to contact troubled borrowers. In States with judicial foreclosures, lenders file a foreclosure action in a local court. In States where there's nonjudicial foreclosure regimes, lenders file a notice of default with the county recorder. All these records are available to the public and provide raw material for fraud artists to prey upon troubled borrowers.

In a classic loan modification scam, borrowers are duped into paying upfront fees for a loan modification that never occurs. In some cases, borrowers are told that in order to complete a mortgage refinancing needed to avoid foreclosure, they must sign over the title of the property. Another scam promises homeowners they can stay in their home as renters and buy back their properties at a later date.

On February 10, 2009, the administration released the Home Affordable Refinance Program and a Home Affordable Modification Program. Unfortunately, with the introduction of these new programs, unscrupulous persons or companies have yet again found new opportunities to defraud unsuspecting borrowers.

In fact, April 6, about a month ago, Treasury's FinCEN announced guidance to financial institutions on filing

suspicious activity reports regarding loan modification and foreclosure rescue scams.

The CHAIR. The time of the gentleman has expired.

□ 1245

Mr. FRANK of Massachusetts. Mr. Chairman, in the absence of anyone else, I will claim this time in opposition.

The CHAIR. The gentleman is recognized for 5 minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentleman from Alabama has very accurately stated this. He worked with us until we got an amendment that did some good, that avoided some problems we thought we would have. So I hope the amendment is agreed to.

Mr. BACHUS. If the gentleman would yield me 30 seconds?

Mr. FRANK of Massachusetts. I yield to the gentleman for 30 seconds.

Mr. BACHUS. Mr. Chairman, I think this is a very good amendment. I want to close and thank the gentleman for that time.

Mr. FRANK and I both agree, and I think most Members of this body, we must stop these outrageous mortgage fraud rescue scams. Congress shuts off one avenue for fraud, and we did that with the National Mortgaging Licensing and Registration System now being instituted by the Conference of State Banking Supervisors. But every time you shut one door, these innovative crooks find a back door, and now they have moved into the fertile field of foreclosure.

We must protect unsuspecting and vulnerable homeowners from being cheated by these rogues and frauds.

I close by urging my colleagues to vote "yes."

Mr. FRANK of Massachusetts. I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Alabama (Mr. BACHUS).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. PERLMUTTER

The CHAIR. It is now in order to consider amendment No. 4 printed in House Report 111-98.

Mr. PERLMUTTER. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. PERLMUTTER:

In section 220(a)(2)(B)—

(1) insert "(i)" before "such notice to vacate"; and

(2) insert before the period the following: "and (ii) with respect to a single-family residence for which the borrower rented the unit in violation of the mortgage contract, such notice to vacate shall be provided by the purchaser to the tenant in such unit at least 30 days before the effective date of such notice, and shall include a copy of the mortgage contract prohibiting the rental of the unit".

Amend section 129(l) of the Truth in Lending Act (as added by section 303 of the bill) to read as follows:

"(1) ACCELERATION OF DEBT.—No high-cost mortgage may contain a provision which permits the creditor to accelerate the indebtedness, except when repayment of the loan has been accelerated by default in payment, or pursuant to a due-on-sale provision, or pursuant to a material violation of some other provision of the loan document unrelated to payment schedule."

The CHAIR. Pursuant to House Resolution 406, the gentleman from Colorado (Mr. PERLMUTTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Colorado.

Mr. PERLMUTTER. Mr. Chairman, the amendment that I propose to the House today is twofold. The first part deals with a section of the bill that provides 90 days for tenants to stay in a home or an apartment house that has been foreclosed upon.

The purpose of this amendment, and it is very narrowly drawn, is only as to those properties that are owner-occupied homes where the owner has covenanted with the lender that they are going to occupy the house. What happens is often the owner moves out, leases the property to someone, foreclosure begins. The lender has no chain of title, no connection with this particular tenant, nor is there any expectation that there would be a tenant because the owner said "I am going to live there."

Under the law today, there is no additional time beyond the foreclosure for a tenant to remain in that owner-occupied house. Under the bill that is proposed, that timeline is extended to 90 days beyond the foreclosure. My amendment shrinks that back to 30 days. So it is 30 days more than the law allows today, but less than what is proposed in the bill, because the lender has never had any dealings with that particular tenant. This is not like a multifamily apartment house where the lender expects that there are going to be tenants or an investor type of a loan where the lender expects a tenant to be in place. Ninety days is probably a reasonable amount in that situation, but not here, so I have asked to shrink it down to 30 days. That is the first part of the amendment.

The second part of the amendment is something I talked to Mr. MILLER about, which is to clarify the language about when acceleration of a loan can occur. Now what we have said is acceleration occurs upon a default in payment or a due-on-sale clause or a material violation in the contract. So those are the two sections of this amendment.

I reserve the balance of my time.

Mr. ELLISON. Mr. Chairman, I rise to claim the time in opposition.

The CHAIR. The gentleman is recognized for 5 minutes.

Mr. ELLISON. Let me first thank my friend from Colorado who has worked diligently. He is an excellent legislator and was a fine lawyer and I think still is licensed to practice law, and so it is a pleasure working with him. On this issue, unfortunately, we don't quite see it the same.

I think that the 90-day provision is fine and should remain in the bill as it exists now. To cut down by 60 days the opportunity for a renter to find a new place to live after they may have done nothing wrong, made every payment, paid every penny on time, really is not fair and is not good for public policy.

The fact is that, when a house goes into foreclosure, that neighborhood and that home are best preserved by keeping that occupant in there. If they are required to leave just after 30 days, which is very, very fast, that means that we could end up with an empty building where it is subject to copper strippers. It will be an attractive nuisance for people who want to commit, perhaps, crime. It will be a very difficult and bad situation. And we know that once a house goes into foreclosure and then is not occupied, that is a direct blow to the property values of people who live everywhere in the neighborhood.

So this provision, this 90 days actually makes a lot of sense. It should stay in harmony with the bill as it exists and not be reduced. I will acknowledge appreciation that the author of this amendment does allow for 30 days. I appreciate that, but I think it should be more. It should be the 90 days that is already there.

This amendment, if adopted, would work to penalize the one person who has not had anything to do with the foreclosure crisis. They were not party to the foreclosure. They were not party to the mortgage in the beginning. They weren't party to the securitization, nor did they engage in any derivatives or anything like that which have brought us to this very difficult point.

The fact is that the tenant who may have been paying every rent every month, month after month, has no control or responsibility over the owner who may have violated certain conditions of the mortgage agreement, and this extra 60 days that the existing bill provides is not a major detriment to the lender.

Let me just also say, the fact is this is not just an individual problem. To take a very legalistic view of this problem and say they are not in the chain of title, therefore, they are out, ignores the fact that this problem of foreclosures has spread across the Nation, is a community problem, is a problem of everyone, not just a narrow, fixed party-to-party agreement. Therefore, there needs to be a solution that takes into consideration the broader interests as well.

Again, I thank the gentleman from Colorado for his diligent work on this issue.

I reserve the balance of my time.

Mr. PERLMUTTER. I would ask my friend from Minnesota whether he has any other speakers? If not, I have the right to close on my amendment.

Mr. ELLISON. Mr. Chair, I thought I had the right to close.

The CHAIR. The gentleman from Minnesota actually has the right to

close. The gentleman is the manager opposed to the amendment.

Mr. PERLMUTTER. Well, I would say to my friend from Minnesota that I appreciate your comments, although I would disagree with you.

When it comes to a situation where tenants are expected to be in a property, whether it is a multifamily apartment house or something where there is this expectation on the lender, I would agree with my friend's points. But not here, not where there has been a covenant that it is going to be owner occupied. And often, that covenant comes along with a reduction in the interest rate, so there is consideration for it.

So I appreciate your point about not being too narrow and legalistic, but this is an important point, and it is one that deals with the contract itself and the certainty of the contract.

Secondly, the lender may have somebody else who is ready to come in and buy, and there are a lot of people who want to buy these homes, too. I would say to my friend from Minnesota, and they shouldn't be deprived of the opportunity to purchase them. The lender also may want to continue to lease the property out to the individual who is occupying the home.

So there are a number of reasons why, at 30 days, I think we are giving substantial time to these individuals to vacate the premises. That should be the cutoff date.

I would also remind my friend that, in the manager's amendment, Mr. FILLNER has an amendment that is part of it that gives notice to the tenant at the outset of the foreclosure that something is going on with the property so that there is not a surprise. So I would urge a "yes" vote on the Perlmutter amendment.

I yield back the balance of my time.

Mr. ELLISON. Let me just point out that tenants are hard hit by this foreclosure crisis even though the mortgage is not their responsibility.

As of February 2009, at least 20 percent of the properties in foreclosure were rental properties, and roughly 40 percent of the families facing eviction due to foreclosure are tenants. Only seven States and the District of Columbia provide clear protection for tenants.

The fact is that, if this amendment is adopted, it will add to the pain of some tenants when we don't have to do it. The 90 days in the bill is more than adequate, and 30 days is too short. We will put pressure on our homeless shelters if we adopt this amendment. We will put pressure on families who really had no part in making this foreclosure crisis occur.

I thank my friend from Colorado.

I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Colorado (Mr. PERLMUTTER).

The amendment was agreed to.

AMENDMENT NO. 5 OFFERED BY MR. HENSARLING
The CHAIR. It is now in order to consider amendment No. 5 printed in House Report 111-98.

Mr. HENSARLING. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. HENSARLING:

In section 129C(d) of the Truth in Lending Act (as added by section 204 of the bill), strike paragraphs (2) and (3) and insert the following (and redesignate succeeding paragraphs accordingly):

"(2) ASSIGNEE AND SECURITIZER EXEMPTION.—No assignee or securitizer of a residential mortgage loan shall be liable under this subsection."

In section 129C(d)(6) of the Truth in Lending Act (as added by section 204 of the bill), strike " , assignee, or securitizer" each place it appears.

In section 129C(d)(7) of the Truth in Lending Act (as added by section 204 of the bill), strike " , assignee, or securitizer" each place it appears.

Strike section 129C(d)(8) of the Truth in Lending Act (as added by section 204 of the bill) (and redesignate succeeding paragraphs accordingly).

In section 129C(d)(9) of the Truth in Lending Act (as added by section 204 of the bill)—

(1) strike " , assignee, or securitizer"; and

(2) strike "or an assignee or securitizer under paragraph (2)".

In section 129C(d)(10) of the Truth in Lending Act (as added by section 204 of the bill), strike "the terms 'assignee' and 'securitizer', as used in this section, do not include".

In section 129C(e) of the Truth in Lending Act (as added by section 205 of the bill), strike "or any assignee or securitizer" each place it appears.

The CHAIR. Pursuant to House Resolution 406, the gentleman from Texas (Mr. HENSARLING) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. HENSARLING. Mr. Chairman, the subject of mortgage reform is a very serious subject. And although there are certain laudable aspects of the underlying legislation, I fear that although it is a serious subject, it is difficult to take the legislation seriously.

How can you have mortgage reform when you leave out the single biggest root cause of the economic debacle we find ourselves in, and that is reform of Fannie and Freddie? How can you seriously deal with mortgage reform and be absolutely silent to at least half of the fraud equation, and that is those who lied about their income, lied about their occupancy, lied about their net worth?

The underlying legislation, Mr. Chairman, unfortunately, is going to ensure that consumers lose their choices. It will make interest more expensive. It will protect—"protect," a term we hear from our friends on the side of the aisle—protect people out of their homes and effectively take away the American Dream from millions and millions of Americans.

Now, we need effective disclosure. We need effective policing of fraud and misrepresentation. We also need some personal responsibility, and we need to quit bailing out failed institutions, and

we shouldn't force people who are struggling to pay their own mortgages to pay their neighbors' as well.

Now, Mr. Chairman, one particularly bad and onerous aspect of this legislation is something called assignee liability. What this means is that once the mortgage is entered into, that those who securitize the mortgage, those who may invest in the mortgage, that all of a sudden new legal liability will attach to them as well.

The bill introduces legal liability for the originator. It doesn't introduce any new legal liability on behalf of the borrower, but introduces new legal liability saying that, with respect to refinancing, that there must be a "net tangible benefit"; and, if the lender fails this standard, he has legal liability. On all financing, there must be a "reasonable ability to pay."

Well, what do these standards mean? Net tangible benefit. So if somebody decides to refinance, take equity out of their home and start a small business, is that a net tangible benefit? Or does it depend on how successful the small business is?

How about if an individual refinances their home, they take out equity, and they decide to put a swimming pool in the backyard? Well, maybe that is not a net tangible benefit. Maybe it is, maybe it isn't. I don't know.

Maybe they refinance, because in their particular situation they need a lower monthly payment but yet they are willing to pay a larger sum. Is that a net tangible benefit?

I would be happy to yield to anybody on the other side of the aisle who could tell me if those examples constitute net tangible benefits. Hearing nobody on the other side of the aisle take me up on it, it kind of proves my point: We don't know what these terms mean, nor do we know about reasonable ability to pay.

So all of a sudden, if a lender figures out that there is a tragic divorce going on in a family, does he have a legal obligation now to deny homeownership opportunity because maybe there is no longer a reasonable ability to pay?

How about if somebody has the tragic discovery that they have breast cancer? All of a sudden, is there a legal obligation that maybe this person can no longer have a reasonable ability to pay?

We don't know what these legal standards are, Mr. Chairman. And so now they are getting passed on to the assignees, these fuzzy, muddy, cloudy, amorphous terms. It is a plaintiff's lawyer's dream, and so we will have an explosion of liability exposure. Why would people want to invest? Why would people want to securitize?

You know, when people invested in the stock of Enron, they were the victims. They weren't the victimizers. And now, all of a sudden, we are turning this on their head, and at the end of the day there is going to be less mortgage money available to anybody who wants to have their American Dream realized.

I reserve the balance of my time.

Mr. WATT. Mr. Chairman, I rise to claim time in opposition to the amendment.

The CHAIR. The gentleman is recognized for 5 minutes.

Mr. WATT. Mr. Chairman, I keep waiting on the gentleman to address his proposed amendment. I haven't heard anything about the proposed amendment, but I want to address the points that he addressed since he wants to have a general debate.

First of all, he says he can't support this bill because we didn't deal with Fannie and Freddie. That is kind of like me saying I am not going to vote for the earned income tax credit because it doesn't deal with all of what caused poverty in America.

You can't deal with every subject in every bill. We passed a bill that has dealt with Fannie and Freddie, and it has been over there in the Senate for a long time. And we are going to pass some other legislation to deal with Fannie and Freddie at some point, but it is not addressed in this bill, just like the whole totality of poverty is not addressed when we passed an earned income tax credit or when we passed health care. That is just a non sequitur, as far as I am concerned.

□ 1300

He talks about, we didn't deal with disclosure so I'm not going to vote for the bill.

Everybody in America that got a loan that is in foreclosure now, everybody who is in default now got full disclosures of what the terms of their loans were. And they were ineffective to prevent the kind of predatory lending and policies that this bill addresses. So I don't know what the gentleman is talking about when he says "we didn't deal with disclosure."

We intentionally didn't deal with disclosure because we acknowledge that disclosure and telling people that we are giving you a bad loan is not enough to protect them any more than disclosure that a doctor may not be the best doctor in America is going to stop people from going to the doctor.

So now that I have dealt with those, maybe he will want to address the amendment itself.

And I will reserve the balance of my time to address the amendment.

Mr. HENSARLING. I yield myself such time as I may consume.

To my friend from North Carolina, there are many reasons not to support the bill. I didn't say I wasn't supporting it for these reasons. I said it was hard to take a mortgage reform bill seriously that didn't treat this.

At the end of the day, Mr. Chairman, again, what is going to happen is that we are functionally outlawing certain types of loans here, and we know particularly subprime, with these amorphous legal standards, applying them to securitizers, applying them to investors, functionally, you are outlawing this.

Well, that hurts people. It hurts the Taylor family of Forney, Texas, that wrote to me, "If it hadn't been for subprime lending, I wouldn't have my house now. My credit was destroyed because of a divorce. I worked hard for 5 years to clean up bad credit."

These people still ought to have an opportunity to realize their American Dream, and we ought to quit protecting them out of their homes.

I urge adoption of the amendment.

Mr. WATT. Would the Chair advise me how much time remains.

The CHAIR. The gentleman from North Carolina has 2½ minutes remaining.

Mr. WATT. I will yield 1 minute to the gentleman from North Carolina (Mr. MILLER).

Mr. MILLER of North Carolina. Mr. Chairman, on two successive days now, Mr. HENSARLING has said in the course of addressing the body, "Can anyone over there tell me what 'net tangible benefit' is?" And then a second later saying, "Hearing nothing, they must not have an answer." I don't believe anybody watching on C-SPAN is under the impression that we are all paying rapt attention to every word that comes out of Mr. HENSARLING's mouth. And the reason we didn't hop up isn't because we didn't know what the answer is. It is more the case that we kind of lean over to each other and say, "What did he just say?"

"Net tangible benefit" is based very closely on a rule of law in securities law called, that gets at churning or making transactions in a stock market account just to generate fees for the broker. The problem this gets at is flipping of loans, of coming back to a homeowner and persuading them to refinance just to create more fees for everyone involved in the mortgage system, to refinance so they can get the home owner deeper and deeper in debt. Rather than trying to delineate every possible net tangible benefit, the bill gives the regulatory authorities, the banking agencies, the authority to say exactly what a net tangible benefit is.

ANNOUNCEMENT BY THE CHAIR

The CHAIR. Members are reminded to direct their remarks to the Chair.

Mr. WATT. Mr. Chairman, I yield myself such time as I may consume.

I would now like to address the gentleman's amendment which he still never has addressed. I acknowledged from the very beginning that we walked a delicate balance between protecting consumers and protecting the availability of funds. But the balance that the gentleman would have us address says this, "no assignee or securitizer of a residential mortgage loan shall be liable under this subsection."

Let me tell you what that would lead to. I will close a loan one day, I will assign it to somebody the next day, and we will be right back where we are right now because nobody in the chain of custody of that loan, other than the original lender, will have any liability.

That would be as irresponsible as not passing any bill or not doing anything, which is exactly what a number of my colleagues would like to have us do, but which is not an option in this posture at this moment.

So I want my colleagues to be clear. This is a destructive amendment and should be opposed.

With that, Mr. Chairman, I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING).

The question was taken; and the Chair announced that the noes appeared to have it.

Mr. HENSARLING. Mr. Chairman, I demand a recorded vote.

The CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 6 OFFERED BY MR. MOORE OF KANSAS

The CHAIR. It is now in order to consider amendment No. 6 printed in House Report 111-98.

Mr. MOORE of Kansas. I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. MOORE of Kansas:

In section 129C(a) of the Truth in Lending Act (as added by section 201(a) of the bill), insert after paragraph (3) the following (and redesignate succeeding paragraphs accordingly):

“(4) INCOME VERIFICATION.—In order to safeguard against fraudulent reporting, any consideration of a consumer’s income history in making a determination under this subsection shall include the verification of such income by the use of—

“(A) Internal Revenue Service transcripts of tax returns provided by a third party; or

“(B) such other similar method that quickly and effectively verifies income documentation by a third party as the Federal banking agencies may jointly prescribe.”.

The CHAIR. Pursuant to House Resolution 406, the gentleman from Kansas (Mr. MOORE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Kansas.

Mr. MOORE of Kansas. Mr. Chairman, I yield myself as much time as I may consume.

The CHAIR. The gentleman from Kansas is recognized for 5 minutes.

Mr. MOORE of Kansas. I rise today with my colleagues from Maryland and Ohio, Congressman FRANK KRATOVIL and Congresswoman MARY JO KILROY, in offering this income verification amendment to H.R. 1728.

It is well known that the misrepresentation and the unverified nature of a borrower’s income was a contributing factor to the mortgage crisis. Some borrowers purposely misstated or altered their incomes on documents in order to qualify for loans they couldn’t afford, and some lenders either ignored or encouraged that practice.

Columnist Gretchen Morgenson wrote last year: “While borrowers may

have misrepresented their incomes, either on their own or at the urging of their mortgage brokers, lenders had the tools to identify these fibs before making the loans. All they had to do was ask the IRS.”

Our amendment would require lenders to do this by simply verifying the borrower’s income documentation with the IRS. They already have a program to do this, the Income Verification Express Service. This program utilizes IRS tax transcripts to verify a borrower’s income within 2 business days, often the same day, for less than \$5. This simple step will help catch fraudulent behavior before a lender closes on a loan that a borrower may not be able to afford.

In his recent report to Congress, the special investigator inspector general for TARP recommended third-party verification of income like this IRS tax transcript program to prevent fraud. Income verification will strengthen the integrity of our mortgage system by ensuring borrowers receive a loan they can repay, lenders underwrite loans that are less likely to default, investors regain their confidence in the securitization process, and in the case of government-supported loans, taxpayers are protected.

I urge my colleagues to support our income verification amendment.

I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, I claim time in opposition, although I am not opposed to the amendment.

The CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. I appreciate the gentleman offering this amendment. I think it does make the underlying bill better. Income verification is an important criteria in determining whether somebody qualifies for a mortgage or not and has the ability to repay. Providing a low-cost way to be able to do that, I think, is an important step in this process. And I commend the gentleman.

With that, I yield back my time.

Mr. MOORE of Kansas. Mr. Chairman, I yield 1 minute to Congressman FRANK KRATOVIL of Maryland.

Mr. KRATOVIL. Mr. Chairman, studies suggest that almost 50 percent of all subprime loans were accepted by lenders without verification of stated income. In some cases, borrowers provided their lenders with fraudulent information in order to qualify for a mortgage and deceive the lenders. In other cases, the lenders actually encouraged the borrowers to do so, or simply looked the other way despite obvious questions of credibility. How can we avoid this from happening again?

Mr. Chairman, we can do this by passing the Moore-Kratovil-Kilroy amendment to H.R. 1728, which can appropriately be referred to, as a prosecutor might say, a “trust but verify” amendment.

The Moore-Kratovil-Kilroy amendment to H.R. 1728 would help stabilize the mortgage markets and help protect against fraud by requiring mortgage lenders to verify the income history of each home loan applicant by obtaining a IRS tax return transcript from a third-party provider prior to closing a loan. IRS tax transcripts can be used to verify income and avoid possible fraud or eventual foreclosure. Verification of stated income through IRS tax transcripts will protect the taxpayers, investors, and mortgage market by discouraging fraud, reducing foreclosures and strengthening the market.

This past April, as was mentioned, the TARP special inspector—

The CHAIR. The time of the gentleman has expired.

Mr. MOORE of Kansas. I yield the gentleman 30 additional seconds.

Mr. KRATOVIL. This past April, the TARP Special Inspector General recommended the Treasury use third-party income verification to prevent fraud in the newly announced mortgage modification system. As a former prosecutor, I certainly had experience prosecuting fraud in the courtroom. What this amendment does is stop fraud before it even gets there by eliminating the ability to misrepresent or encourage a misrepresentation of income.

I urge my colleagues to support it.

Mr. MOORE of Kansas. Mr. Chairman, I yield 2 minutes to Congresswoman MARY JO KILROY from Ohio.

Ms. KILROY. Thank you, Chairman MOORE and Chairman FRANK, for your leadership on these issues.

I’m glad to join with my colleague, Mr. KRATOVIL, on this commonsense amendment that provides a cost-effective and simple way to verify income to address the issue of mortgage fraud.

It is well known that misrepresentation and the unverified nature of a borrower’s income was a contributing factor to the mortgage crisis and the foreclosure crisis that we find ourselves in. Lenders either routinely ignored or encouraged this practice, leading to a higher risk of default, delinquency and foreclosure for borrowers and for America’s families. In fact, according to the Comptroller of the Currency, nearly 50 percent of all subprime mortgages relied on stated income, no verification. And the Mortgage Asset Research Institute found that 90 percent of the borrowers reported incomes higher than those found in the IRS files. And even more disturbing, almost 60 percent of the income amounts were exaggerated by more than 50 percent.

In my district, foreclosure is a very serious issue. There were over 79,000 foreclosure filings in 2006, compared to 15,000 in 1995. One in seven of these homes was subprime lending.

A quick, reliable and confidential income verification process will improve things so much. It will catch fraudulent behavior before the lender closes on a loan or before a borrower gets involved in a loan that he or she can’t afford, strengthening the integrity of the

mortgage market. And one of the things that this amendment will accomplish will help to restore integrity and confidence to the mortgage lending process, and in the case of the government-supported loans, give more support and confidence to the American taxpayer as well.

This third-party income verification can be obtained simply and quickly. And it is affordable and confidential.

The CHAIR. All time has expired.

The question is on the amendment offered by the gentleman from Kansas (Mr. MOORE).

The amendment was agreed to.

AMENDMENT NO. 7 OFFERED BY MR. PRICE OF GEORGIA

The CHAIR. It is now in order to consider amendment No. 7 printed in House Report 111-98.

Mr. PRICE of Georgia. I have an amendment made in order by the rule.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. PRICE of Georgia:

Add at the end the following:

TITLE VIII—EFFECTIVE DATE

SEC. 801. EFFECTIVE DATE.

Notwithstanding any other provision of this Act, titles I, II, and III of this Act shall not take effect until 90 days after the Board of Governors of the Federal Reserve System provides written certification to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate that such titles will not reduce the availability or increase the price of credit for qualified mortgages (as defined in section 129C(c)(2) of the Truth in Lending Act).

The CHAIR. Pursuant to House Resolution 406, the gentleman from Georgia (Mr. PRICE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. PRICE of Georgia. Mr. Chairman, we all agree that we want to increase credit and get the housing market moving again. My amendment is a simple amendment and addresses that specific issue. It simply says that the Federal Reserve ought to be able to provide written certification to the appropriate committees in the House and the Senate that this bill will not reduce the availability or increase the price of credit for qualified mortgages.

As we are considering ways to free up credit in the market, this legislation may just be the wrong thing at the wrong time. When the Federal Reserve testified before our committee on the impact of this legislation, the witnesses had reservations regarding the impact of this bill on access to credit. In fact, they felt that there was a significant possibility that the adoption of this bill would actually decrease the availability of credit.

□ 1315

My amendment would ensure that prime borrowers will not be punished with increased rates. It simply requires

that the Federal Reserve certify that the provisions of this bill will not reduce the availability or increase the price of credit for qualified mortgages. This certification will protect responsible borrowers that played no role whatsoever in the meltdown of the mortgage market.

It is clear to me and others from the language in this bill that a routine, vanilla, 30-year fixed-rate mortgage is being put forward as the mortgage of choice. If that is going to be the case moving forward, and originators are not going to be comfortable offering other types of mortgage products because of the narrowness of the safe harbor provisions and the risk-retention provisions, then we need to ensure that qualified borrowers will have access to those types of mortgages.

Many of us are concerned because of the other provisions in this bill that it is going to become more difficult for qualified borrowers to have access to affordable credit. So if the proponents of this bill don't believe it will restrict credit or raise the cost on borrowers, then they shouldn't have any trouble voting for this amendment. The amendment simply stipulates that the Federal Reserve will certify that that would be the case.

But if they don't think that the bill will pass this review from the Federal Reserve with flying colors, then I think it would be time for them to reconsider whether or not this legislation is what we need at this time.

I urge my colleagues to support this commonsense amendment.

I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I rise to claim the time in opposition.

The CHAIR. The gentleman is recognized for 5 minutes.

Mr. FRANK of Massachusetts. First, Mr. Chairman, the gentleman's description of the safe harbor refers to an earlier version of the bill. In the committee, a bipartisan amendment offered by the gentleman from Delaware (Mr. CASTLE) and the gentlewoman from Illinois (Ms. BEAN) significantly increased the safe harbor so it is not a 30-year fixed mortgage only that is allowed. Variants of time, certain ARMs, it is much more flexible.

The gentleman's comments apply accurately to a provision that is no longer in the bill; but it does not apply to what is in the bill.

My second point is that I am surprised at the back-and-forth attitude some of my most conservative colleagues have toward the Federal Reserve system. On the one hand, there has been a great deal of concern, which I share, about the unlimited power of the Federal Reserve in some areas. But time and again we are being told, as in this amendment, we should yield to the Federal Reserve our constitutional power to legislate.

This amendment says we will vote, but the bill will not go into effect until the Federal Reserve gives us permis-

sion. Now I have a good deal of confidence in Mr. Bernanke, but the notion that we would cede to the Federal Reserve the power to enact legislation, where is Ron Paul when we need him? When did the Federal Reserve become the constitutional equal of the Congress of the United States?

So on that ground alone, I would oppose this amendment.

I reserve the balance of my time.

Mr. PRICE of Georgia. Mr. Chairman, I want to thank the chairman of the committee for requesting from the Rules Committee that amendments be made in order. I appreciate that because I think these are getting to important issues.

The gentleman talks about the expansion of the safe harbor provisions, and they are. But that doesn't have anything to do with whether or not the Federal Reserve, or some entity, ought to stipulate that the cost of credit won't be greater, or the availability of credit won't be less, if this bill is adopted. That is the heart of the amendment.

My friend from Massachusetts talks about being surprised by various protestations about the role of the Federal Reserve. Well, I would be the first to stand with him if in fact he wants to support maintaining, or returning the Federal Reserve to stipulating only about monetary policy. But the fact of the matter is that the Federal Reserve has jurisdiction over this area. In fact, the Federal Reserve has put forward particular rules regarding mortgages. And, in fact, many of them address the very issues that are being addressed in this bill today.

So again, the heart of my amendment says if in fact this bill will not decrease the availability of credit or will not increase the cost of credit, then it's fine. Just move it on forward. But if it will decrease the availability of credit, or increase the cost of credit to folks out there across this land, then we ought not move forward with it. We ought not punish those individuals who, through no fault of their own, find themselves in a challenging situation finding credit. I once again urge adoption of the amendment.

I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, first I guess I have to apologize to the gentleman from Georgia after listening to what he said. He chided me, mildly, in a friendly manner, for mentioning the dimensions of the safe harbor, he said it wasn't part of the bill, but I was only responding to his description of it. So I listened to him; he said the safe harbor was too narrow, it would push people into a 30-year. I responded. I thought when he raised it that it was relevant.

Beyond that, though, we do have this issue: do you tell the Federal Reserve that it will decide whether or not this goes forward? It also says, and there is a lack of balance here. If it says it will reduce the availability by any amount. Well, to some extent the purpose of

this bill is to reduce the availability of credit.

If Members believe that people got mortgages who shouldn't have been able to get them, then they ought to support a bill that will reduce the availability of credit. Frankly, the profligate availability of credit is a major reason for the current problem. So, yes, there are people who used to get mortgages who won't get them under this bill. Some lenders don't like that. There are lenders who made loans and they won't be able to make the loans under this bill, but that is precisely the point. The point is not to allow credit to be as loosely granted as it was even for qualified mortgages. People got mortgages who shouldn't have gotten them.

Now if you believe that not everyone who got a mortgage in the past should get a mortgage now, then it would seem to me you want to reduce the availability of credit. The question is: how do you do it? Do you do it in a sensible way? What is the balance? That is what we think is achieved in this bill. I reserve the balance of my time.

Mr. PRICE of Georgia. May I inquire as to the time available on each side?

The CHAIR. The gentleman from Georgia has 1 minute remaining. The gentleman from Massachusetts has 90 seconds.

Mr. PRICE of Georgia. Thank you, Mr. Chairman.

I appreciate the comments of my friend, the chairman of the committee. But I would point out that the heart of this amendment gets to whether or not through this bill we are going to increase the availability of credit and decrease the cost of credit. If we are not going to do those things, then it seems to me that the American people ought to be very suspect about the nature of the bill.

The amendment simply says that the Federal Reserve, the entity in the Federal Government that has jurisdiction over this area, would simply have to say that we will not decrease the availability of credit and we will not increase the cost of credit, especially at this time, at this time when so many of our fellow citizens across this land are having extreme difficulty finding credit, realizing their dream and being able to either stay in their home or find a home in which they will be able to gain credit to purchase.

It is a simple amendment, Mr. Chairman. It gets to the heart of the matter. Are we as a Congress going to increase the availability of credit and decrease the cost? Or are we going to simply decrease the availability of credit and, therefore, decrease the ability of the American people to realize their dream? I urge adoption of the amendment.

I yield back the balance of my time. Mr. FRANK of Massachusetts. I yield myself the balance of my time.

Yes, that is exactly the issue. The gentleman says, surprisingly to me, we want to increase the availability of credit.

Let's understand the problem. Too many loans were made to people who shouldn't have gotten them. In some cases it was the fault of the borrower; in some cases it was the fault of the lender; and in some cases the fault lies elsewhere. Yes, one of the important purposes of this bill is to reduce the pattern of people getting loans who shouldn't have gotten them because they couldn't repay them.

So to say that the purpose of this bill is to increase the availability of credit, is it to have more subprime loans, more borrowers who can't pay back?

Now you want to do it with balance and you want to do it in a reasonable way. I believe we deal with that. If there are questions do we go too far one way or the other, those are legitimate. We discussed a lot of those in committee. There were a lot of amendments that were adopted.

But I accept my colleague from Georgia's definition as the heart of the matter: Does this bill, if it is enacted, mean that fewer mortgage loans will be granted going forward than were granted in that period from 2002 to 2006, as the gentleman from Texas' amendment shows, when subprime mortgages shot up? I hope so. I hope that we will have fewer mortgages granted to people who couldn't have paid them.

Now other people, we hope things will go better. With the FHA piece, we hope to do even more in making credit available.

Mr. PRICE of Georgia. Will the gentleman yield?

Mr. FRANK of Massachusetts. Yes.

Mr. PRICE of Georgia. My amendment addresses qualified borrowers.

Mr. FRANK of Massachusetts. No, it says "qualified mortgages." But part of the problem has been that people got mortgages with bad judgments by the people who made them.

The CHAIR. The question is on the amendment offered by the gentleman from Georgia (Mr. PRICE).

The question was taken; and the Chair announced that the noes appeared to have it.

Mr. PRICE of Georgia. Mr. Chairman, I demand a recorded vote.

The CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Georgia will be postponed.

AMENDMENT NO. 8 OFFERED BY MR. MCNERNEY

The CHAIR. It is now in order to consider amendment No. 8 printed in House Report 111-98.

Mr. MCNERNEY. I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. MCNERNEY:

In the matter proposed to be inserted by the amendment made by section 404 of the bill, after the period at the end of paragraph (4)(C) insert the following: "In distributing such assistance, the Secretary may give priority consideration to entities serving areas with the highest home foreclosure rates."

The CHAIR. Pursuant to House Resolution 406, the gentleman from California (Mr. MCNERNEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. MCNERNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am proud to offer this amendment to the Mortgage Reform and Anti-Predatory Lending Act. This important bill will crack down on many of the most common predatory lending practices that have contributed to the housing crisis. H.R. 1728 also includes essential provisions to establish an office of housing counseling to provide consumers with the information they need to make informed mortgage decisions.

I am proud to represent the city of Stockton, California, a city that unfortunately suffers from one of the Nation's highest foreclosure rates. Back home, I have hosted several foreclosure assistance workshops where mortgage counselors approved by the Department of Housing and Urban Development provided unbiased advice to struggling homeowners. I have seen firsthand how effective these counselors are. But counseling resources remain very stretched.

The amendment I offer today simply helps counseling agencies serving areas with high rates of foreclosures to get their fair share of grant funding. I am proud to support the bill we are considering today, and I would ask all of my colleagues to join me in making sure that the areas most hard hit by the housing crisis receive the counseling resources they need.

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

Mrs. BIGGERT. Mr. Chairman, I rise to claim the time in opposition, though I am not opposed to the amendment.

The CHAIR. Without objection, the gentleman from Illinois is recognized for 5 minutes.

There was no objection.

Mrs. BIGGERT. I rise in support of the gentleman from California's amendment, which gives the HUD Secretary the option of prioritizing funding for HUD-certified housing counseling entities located in areas experiencing high foreclosure rates.

As was said, we really have to look at the resources that we have and make sure that they are going to be used in a very well-thought-out way. I support the amendment.

I would also like to thank Ranking Member BACHUS for his earlier amendment to title IV, to dedicate housing counseling funds to help homeowners avoid fraudulent foreclosure rescue scams.

Both amendments strengthen title IV. As the author of title IV of the bill, which is the same as my bill, H.R. 47, I cannot emphasize enough the importance of housing counseling, especially when it comes to helping homeowners in trouble.

In my congressional district, HUD-certified housing counselors have the patience, expertise, and experience to help homeowners who are at the end of their rope. These counselors have been a lifeline to struggling families, often helping families get their budget in order, improve communications with the lender or servicer, and most importantly, help save their homes.

So many of the problems out there could have been avoided if consumers secured this kind of financial literacy before signing on the dotted line for a mortgage. They would be armed with the ability to make better decisions about a mortgage. However, many homeowners did not secure this advice and are in dire straits today.

Therefore, I ask my colleagues to support this amendment.

I yield back the balance of my time.

□ 1330

Mr. MCNERNEY. Mr. Chairman, I just want to say I thank the gentlewoman from Illinois for her leadership on this issue for housing counseling. Again, I have seen too many families that are in trouble and could have used help early on in the process or that are in trouble and could use help now to salvage the best of a bad situation.

With that, I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from California (Mr. MCNERNEY).

The amendment was agreed to.

AMENDMENT NO. 9 OFFERED BY MR. MCHENRY

The CHAIR. It is now in order to consider amendment No. 9 printed in House Report 111-98.

Mr. MCHENRY. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 Offered by Mr. MCHENRY: Strike title III (relating to high-cost mortgages).

The CHAIR. Pursuant to House Resolution 406, the gentleman from North Carolina (Mr. MCHENRY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. MCHENRY. Mr. Chairman, in 2007 this bill passed the House with no subsequent action in the Senate. Since then, the Federal Reserve has finalized rules establishing a new category of "high-priced mortgages" under HOEPA that will virtually eliminate all subprime lending.

When the Fed released these new regulations, Chairman FRANK described the Fed's response to tighten the HOEPA restrictions as a "very strong consumer protection position." I have heard the arguments made by my colleagues on the other side of the aisle that the Fed's regulations eliminating all subprime lending don't go far enough, that even more lending in the marketplace needs to be eliminated. Now, I say "eliminated" instead of

"prohibited" because by defining a class of loans under HOEPA, you are essentially killing that class of loans, never mind the fact that they may be a reasonable option for a number of consumers.

Now, I say "eliminate" because these loans under HOEPA are simply not originated, financed, or securitized in a normal marketplace, much less the severely restricted marketplace we currently have in lending that is very clear to the American people. The reason why there is not lending under HOEPA is due to the significant risk of loss on the holder of these loans.

In 2006, when we had a normal functioning mortgage marketplace, of the 10 million loans made, less than 1 percent were HOEPA loans. By expanding the loans that would fall under HOEPA even further than the Fed has already done, we would be killing options for millions of people to get future lending and ensuring that in an already restricted marketplace, things will become even more restricted.

Mr. Chairman, Members need to ask themselves, if the marketplace for mortgages is going to become so heavily regulated, further regulated with so many new protections included in the rest of this bill, then why in the world do we need title III of this bill? My amendment strikes title III.

During the committee hearing earlier this month, Massachusetts Bank Supervisor Steven Antonakes expressed his concern that the dramatic expansion of HOEPA will result in much fewer loans being made. Is this really the direction the Congress wants to take right now, further restricting the mortgage marketplace?

Mr. Chairman, I ask support of my colleagues for striking title III of this bill.

I reserve the balance of my time.

Mr. MILLER of North Carolina. Mr. Chairman, I rise to claim time in opposition.

The CHAIR. The gentleman is recognized for 5 minutes.

Mr. MILLER of North Carolina. Mr. Chairman, Mr. MCHENRY and other opponents of this bill have said that the bill will have the effect of outlawing certain kinds of loans and limiting choices. Yes, Mr. Chairman, we do intend to limit choices. They say they would defend to the death the right of consumers to choose to get cheated blind, to get cheated out of their income, to get cheated out of their life savings. And we want to limit that choice because we don't think that consumers really choose that. When someone needs to borrow money to buy a house or borrow money against their house or get a credit card or on overdraft fees, or whatever else, they shouldn't have to swim in waters filled with fins. There should be some protections.

This amendment changes, in a fairly modest way, the protections of HOEPA for high-cost loans, which are highly regulated loans. And because they are

highly regulated, they are fairly rarely made. But it allows loans up to 6.5 percent higher interest rate than prime—that is well more than twice prime—on subordinate loans, 8.5 percent above prime. And it raises the up-front cost that triggers a HOEPA loan, a high-cost loan, from 8 percent to 5 percent and closes some of the triggers. Do we want fewer loans like that made? Yes, Mr. Chairman, we do. That is exactly what we intend.

North Carolina did something very much like this in 1999. The Commissioner of Banks of North Carolina has testified repeatedly before Congress. There was a study at the University of North Carolina at Chapel Hill Business School. At least one business publication, industry publication, looked into it and found there was no change, there was no diminution in the availability or terms of mortgage credit in North Carolina. Did people make fewer loans like this? Yes. That was the whole point; they got better loans. That is the point, making sure that people get better loans.

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

Mr. MCHENRY. As a proponent of the legislation, do I have the right to close?

The CHAIR. The gentleman from North Carolina (Mr. MILLER) has the right to close because he is the manager in opposition to the amendment and a member of the committee.

Mr. MCHENRY. Mr. Chairman, in summation, my colleague from North Carolina has made the argument why you should strike section III. His quote is, "Yes, we intend to limit choices, Mr. Chairman." I think that is the wrong attitude this Congress should take.

The fact is, for those that have less than perfect credit, this section of the legislation will hamper their ability to get mortgages and purchase homes. That is the simple fact. In fact, my colleague from North Carolina says that, yes, they intend to limit choices, they want to eliminate choices in the marketplace for lending and for further restricting lending. I think that is the wrong path, Mr. Chairman. I think that is the wrong attitude this Congress should take. I think it limits choices for our consumers.

Mr. Chairman, when this becomes law, if we do not strike this section, Members will have to go home and answer to their constituents, Why can't I get the lending I need to purchase a home? And we can point to this very vote on whether or not they are in favor of more options in the marketplace or fewer, restricting choices, restricting opportunities, eliminating certain types of mortgages in the marketplace. I think we should eliminate section III.

Mr. Chairman, I yield back the balance of my time.

Mr. MILLER of North Carolina. Mr. Chairman, I am happy to go home to North Carolina and explain to voters

that I did vote against allowing loans that would be more than 6.5 percent higher than prime, except very highly regulated loans in very unusual circumstances. These loans are made, they are rare, they should be rare. We need better loans.

Does anyone really think there were not enough bad loans made in the last few years? It has been in the papers. We have had a foreclosure crisis. We now have a financial crisis. We need better loans. Those loans were not about making credit available to people who couldn't get it otherwise; it was people being taken advantage of and cheated, and we need to do better by the American people.

Mr. Chairman, I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from North Carolina (Mr. MCHENRY).

The question was taken; and the Chair announced that the noes appeared to have it.

Mr. MCHENRY. Mr. Chairman, I demand a recorded vote.

The CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from North Carolina will be postponed.

AMENDMENT NO. 10 OFFERED BY MRS. DAHLKEMPER

The CHAIR. It is now in order to consider amendment No. 10 printed in House Report 111-98.

Mrs. DAHLKEMPER. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 Offered by Mrs. DAHLKEMPER:

In section 5(b)(1) of the Real Estate Settlement Procedures Act of 1974 (as amended by section 408 of the bill)—

(1) in subparagraph (B), strike “and”; and
(2) insert after subparagraph (B) the following (and redesignate succeeding subparagraphs accordingly):

“(C) the advantages of prepayment; and”.

The CHAIR. Pursuant to House Resolution 406, the gentlewoman from Pennsylvania (Mrs. DAHLKEMPER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Pennsylvania.

Mrs. DAHLKEMPER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to offer an amendment to H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act, legislation that will curb predatory lending and other egregious industry practices that caused the subprime lending boom and the Nation's highest home foreclosure rate in 25 years.

My amendment in this crucial legislation adds a financial literacy component to the underlying bill. Especially during this period of economic recession, it is critical that borrowers have all the necessary information to make smart financial decisions when purchasing a home.

H.R. 1728 requires that the Department of Housing and Urban Development publish a guide for prospective borrowers at least every 5 years. This guide explains the concepts of balloon payments, prepayment penalties, and the tradeoff between paying up-front closing costs and the resulting interest rate over the life of the loan.

Prepayment penalties are limited in many circumstances under the base bill and even prohibited in others. Prepayment penalties often limit a consumer's choice to refinance when interest rates become more favorable or make partial payments when the consumer has the means and the desire to do so.

My amendment adds a requirement that the advantages of loan prepayment also be included in the HUD consumer education guide. I believe it is important to provide prospective borrowers with an advance explanation of the substantial and positive economic impact that even modest prepayments during the early years of a loan term may have. Having this knowledge prior to committing to a mortgage will allow borrowers to weigh the pros and cons of the prepayment penalty clause that are often found in mortgage documents before they lose the opportunity to either bargain them out of their loan document or seek out other options.

I urge my colleagues to join me in supporting my amendment to promote greater financial literacy as well as the underlying legislation.

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

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim the time in opposition, although I am not opposed to the amendment.

The CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. The gentlewoman offers a thoughtful amendment. Prepayment is an important option for mortgage holders. I appreciate her amendment, and we support that.

Mr. Chairman, I yield back the balance of my time.

Mrs. DAHLKEMPER. I want to thank my colleague from Texas, and I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentlewoman from Pennsylvania (Mrs. DAHLKEMPER).

The amendment was agreed to.

AMENDMENT NO. 11 OFFERED BY MS. GINNY BROWN-WAITE OF FLORIDA

The CHAIR. It is now in order to consider amendment No. 11 printed in House Report 111-98.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 Offered by Ms. GINNY BROWN-WAITE of Florida:

In section 218(a), strike “homebuyers and mortgage lending” and insert “consumers, small businesses, homebuyers, and mortgage lending”.

The CHAIR. Pursuant to House Resolution 406, the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Florida.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, in the face of continuing economic uncertainty, I rise today in support of careful consideration, reasoned reluctance, and above all, the need for due diligence.

As we have seen over the last 18 months, rapid changes in the structure of mortgage lending can have a profound consequence for the broader economy. No matter how one feels about the underlying legislation or its implications, we can all agree that this bill is designed to change the structure of lending.

Among other things, H.R. 1728 will require lenders who make and sell non-qualified mortgages to retain a 5-percent stake in those mortgages if they choose to securitize or sell them. All other things being equal, that policy will increase banks' risk exposure. And given the close proximity between banks' risk exposure and the capital that they are required to hold in reserve, any significant change in one piece will clearly have an effect on the other. In other words, if mortgage risk increases, financial institutions will either have to hold more capital in reserve, or they will have to reduce their risk exposure elsewhere. That includes consumer loans and small business lending.

While the underlying bill addresses the impact on lenders' capital reserves, the study required under this bill stops a little bit short of directing GAO to monitor and report on any changes in other types of lending, such as consumer or small business loans.

Mr. Chairman, while it is not at all clear what the effects of this legislation will be, it is certainly reasonable to expect that there will be consequences—hopefully some good, and perhaps some not so good. The availability of small business loans may well increase as creditors shift away from nonqualified mortgage lending and into other forms of lending. Then again, it may not. The point is that we just don't know.

This amendment acknowledges that there are uncertainties inherent in any major reform, and that affects people's lives and businesses. And it makes certain then that if there are any unanticipated consequences, those consequences will be quantified and reported so that Congress can make any adjustments, as necessary.

In closing, I would like to ask my colleagues to remember that hundreds of billions of taxpayer dollars have either been loaned or invested in banks precisely to ensure that those financial

institutions remain sound, that they meet their regulatory capital requirements, and that they regain their ability to loan to those who need it most.

I urge adoption of the amendment.
I reserve the balance of my time.

□ 1345

Mr. WATT. Mr. Chairman, I rise to claim the time in opposition, although I do not intend to oppose the amendment.

The CHAIR. Without objection, the gentleman is recognized for 5 minutes. There was no objection.

Mr. WATT. I want to just thank the gentlewoman for offering the amendment. We have been saying throughout this process that there are uncertainties and we need to know if we've made the balance the wrong way, and this study would help us determine that in a constructive way.

Mr. Chairman, I yield back the balance of my time.

Ms. GINNY BROWN-WAITE of Florida. I thank the gentleman from North Carolina. I enjoyed serving with him while I was on the Financial Services Committee.

At this point I would urge the adoption of the amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentlewoman from Florida (Ms. GINNY BROWN-WAITE).

The amendment was agreed to.

AMENDMENT NO. 12 OFFERED BY MS. TITUS

The CHAIR. It is now in order to consider amendment No. 12 printed in House Report 111-98.

Ms. TITUS. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Ms. TITUS:

In that portion of subparagraph (C) of section 129B(b)(1) of the Truth in Lending Act (as added by section 102(a) of the bill) that appears before clause (i) of such subparagraph, insert "in writing, the receipt and understanding of which shall be acknowledged by the signature of the mortgage originator and the consumer," after "timely disclosure to each such consumer".

In clause (i) of section 129B(b)(1)(C) of the Truth in Lending Act (as added by section 102(a) of the bill) insert "(and such comparative costs and benefits for each such product shall be presented side by side and the disclosures for each such product shall have equal prominence)" before the semicolon at the end.

The CHAIR. Pursuant to House Resolution 406, the gentlewoman from Nevada (Ms. TITUS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Nevada.

Ms. TITUS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today with an amendment that's offered along with my friend from California (Mr. CARDOZA) to H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act.

As currently written, H.R. 1728 requires mortgage originators to diligently work to present the consumer with a range of mortgage products for which the consumer likely qualifies. These products must be appropriate to the consumer's existing circumstances. The originator must disclose the comparative costs and benefits of these options.

Our amendment simply specifies how this new disclosure must be made. The amendment requires that the costs and benefits of each option are presented side by side in a simple fashion like

this chart, side by side, and that the disclosures for each product have equal prominence. It would further require that this disclosure be made in writing, the understanding of which will be acknowledged by the signature of the mortgage originator and the consumer.

This amendment would add further transparency to the process of securing a residential mortgage loan and ensure that information is presented to consumers in a way that will give them the ability to easily and clearly compare all the options that are available to them. By requiring the disclosure to be presented in writing and requiring the signature of both the originator and the consumer on the document, we will ensure that the importance of this information is highlighted for the consumer.

The Las Vegas area is ground zero of the home foreclosure crisis. It is projected that just this year there will be nearly 75,000 homes lost to foreclosure in my State. The vast majority of these are in southern Nevada and in my district. It is more than likely that many of these foreclosures could have been avoided from the start if important rules such as those set forth in this bill had been implemented earlier. I believe that this amendment will help facilitate discussions about what's good for a family and, together with the underlying bill with its elimination of incentive payments and antisteeering provisions, will help curb predatory lending and prevent future foreclosures in Nevada and across the country.

I would like to thank Chairman FRANK, Mr. WATT, and Mr. MILLER for their dedication and persistence on this important piece of legislation and Chairwoman SLAUGHTER for accepting our amendment as part of the order.

COMPARISON OF SAMPLE MORTGAGE FEATURES

(For illustrative and educational purposes only—does not represent actual terms of loans available from any particular lender.)

	A Typical Mortgage Transaction				
	Loan Amount \$180,000—30-Year Term				
	Mortgage with a Fixed Interest Rate		Mortgage with an Adjustable Interest Rate (ARM)		
	Principal and Interest	Interest Only	5/1 ARM	Interest Only	Option Payment
	Fixed Rate (6.7%)	Fixed Rate (6.7%) Interest Only for First 5 Years.	Fixed Rate for First 5 Years; Adjustable Each Year After First 5 Years (Initial rate for years 1 to 5 is 6.5%; Maximum Rate is 11.5%)	Interest Only and Fixed Rate for First 5 Years; Adjustable Rate Each Year After First 5 Years (Initial rate for years 1 to 5 is 6.6%; Maximum Rate is 11.6%)	Adjustable Rate for Entire Term of the Mortgage (Rate in month 1 is 1.25%; Rate in month 2 through year 5 is 6.4%; Maximum Rate is 11.4%)
Minimum Monthly Payment Years 1–5, except as noted	\$1,162*	\$1,005	\$1,138	\$990	\$600*** (1st year only)
Monthly Payment Year 6—no change in rates	\$1,162	\$1,238**	\$1,138	\$1,227	\$1,324
Monthly Payment Year 6—2% rise in rates	\$1,162	\$1,238	\$1,357	\$1,462	\$1,581
Maximum Monthly Payment Year 8—5% rise in rates	\$1,162	\$1,238	\$1,702	\$1,832	1,985
How Much Will You Owe after 5 Years?	\$168,862	\$180,000	\$168,500	\$180,000	\$197,945
Have You Reduced Your Loan Balance after 5 Years of Payments?	Yes	No	Yes	No	No
	Your loan balance was reduced by \$11,118	You did not reduce your loan balance	Your loan balance was reduced by \$11,500	You did not reduce your loan balance	Your loan balance increased by \$17,945

* This illustrates an interest rate and payments that are fixed for the life of the loan.

** This illustrates payments that are fixed after the first 5 years of the loan at a higher amount because they cover both principal and interest.

*** This illustrates minimum monthly payments that are based on an interest rate that is in effect during the first month only. The payments required during the first year will not be sufficient to cover all of the interest that's due when the rate increases in the second month of the loan. Any unpaid interest amount will be added to the loan balance. Minimum payments for years 2–5 are based on the higher interest rate in effect at the time, subject to any contract limits on payment increases. Minimum payments will be recast (recalculated) after 5 years, or when the loan balance reaches a certain limit, to cover both principal and interest at the applicable rate.

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

Mr. NEUGEBAUER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. NEUGEBAUER. Mr. Chairman, I appreciate the spirit by which the gentlewoman is introducing this amendment, but what we are all trying to do with disclosure, I think, is simplify it in a way that consumers actually un-

derstand the terms and conditions of the contract.

I have worked with Representative BIGGERT and Congressman HINOJOSA to ensure that HUD, for example, and the Fed work together to have a simple

disclosure that is uniform and universal so that when people are taking credit out, they understand the terms and conditions of that and it's the same terms and conditions that they're presented when they get to closing.

Now, what the gentlewoman's amendment says is that all products offered or discussed or referred by the originator must be put in this spreadsheet. What does that mean? Well, that means that in order to cut down on the amount of paperwork that an originator is going to want to do, they're not going to discuss very many options and they're going to be asked to make assumptions of what are the benefits of a particular product over the other product.

One of the things that this bill does is it moves in a direction to begin to simplify that disclosure process, and now we're kind of truncating that with this new disclosure; so now we are going to add another piece of paper.

I would submit to you that a lot of people took on mortgages that they didn't understand the terms and conditions of. I don't know that there was any predatory lending necessarily going on. In some cases there may have been. But in many cases the disclosures are very hard to read, they're multipages, and the terms and conditions, unless you read many, many pages, you didn't understand.

One of the things that I believe is the best way to do that is that on a one-page form you have all of the more important conditions of this loan so that the person that's taking out that mortgage understands what they are getting. But I think we are going down a road here of what's going to happen in this legislation, if this amendment is passed is, we are going to tell the American people the government knows best what mortgage you should take out because we're going to make it so onerous for originators to display their products and to sit down and counsel with their prospective borrowers that they are going to only give them one choice. And, in fact, I think in many ways that's what this bill does.

It begins to say, you know what, the Federal Government is going to tell you what kind of mortgage that you should have. That's not the role of the Federal Government. The role of the Federal Government here is to make sure there are fair and ethical practices going on and not for the Federal Government to force originators of mortgages to be telling borrowers what kind of mortgages they should take out because they're afraid that they will fall under some of the provisions of this bill.

So I am very much opposed to this. I think it goes down the wrong direction. We are working in a bipartisan way to simplify disclosure for mortgages and we should stay that course.

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

Ms. TITUS. Mr. Chairman, just briefly, I would present this simple chart of

side by side. With all due respect, I think it's easy to draw up and even easier for an individual to understand. This is in the best interest of the banks so they can make good loans and the families so they can take out good loans to stay in their homes. Buying a house is a big decision, and people deserve all the information in a simple form.

Mr. Chairman, I now yield 2 minutes to the gentleman from North Carolina (Mr. MILLER).

Mr. MILLER of North Carolina. Mr. Chairman, this is a simplified disclosure. Ms. TITUS's amendment is good work. It is a helpful clarification.

The bill elsewhere already requires disclosure at the outset in a timely way. It requires the originator to present the consumer, the homebuyer, the homeowner with an array of mortgage products that are suitable to that consumer, mortgages that the consumer likely qualifies for and are appropriate to the consumer's existing circumstances, and requires a disclosure of comparative costs and benefits of each of the mortgage products offered. This simply requires that it be in a form. It doesn't bring down the thumb on one side of the scale. It really lets the consumer make the decision and make the decision based upon good information.

Elsewhere in the bill, we also require standardized forms designed by the bank regulators, not by the lenders, so we make sure that this is being presented in a way that's designed so that consumers can understand it, not designed in a way so consumers won't understand it.

This amendment is a helpful clarification. It will help consumers understand what they're doing. I support Ms. TITUS's amendment.

Mr. NEUGEBAUER. Mr. Chairman, somehow adding more forms doesn't sound simpler to me, and basically that's what we are doing here.

In the underlying legislation, we're working together for a simple, uniform form. And by the way, what would happen in that case is, as the lender is talking about different products, they would have that simplified one-page disclosure for this product and that product, and then it's up to the consumer to be able to say, I'm going to look through this information and make a determination.

And if the gentleman would like to answer this question: Do you believe that a lender that maybe has 15 or 20 products available to him for an individual borrower is going to display 15 or 20 products to you if he's going to have to do a spreadsheet that's 15 or 16 columns wide?

I yield to the gentleman.

Mr. MILLER of North Carolina. The bill elsewhere requires a full, complete, and timely disclosure to each consumer of the comparative costs and benefits of each residential mortgage loan product.

Mr. NEUGEBAUER. That wasn't the question. The question was, do you

think that someone is going to offer 15 choices if they're going to have to do a spreadsheet that's 15 columns wide?

Mr. MILLER of North Carolina. Well, if it's done on a standardized form, it probably is very helpful if it's on a standardized form. What's the disadvantage of putting it in writing rather than its being oral?

Mr. NEUGEBAUER. Reclaiming my time, Mr. Chairman, the answer to that question is going to be "no," because the people that are offering those are going to offer one or two choices because now they've got additional paperwork and they're going to have to be drawing assumptions of the cost/benefits.

If we go back to the underlying bill, which says you've got to make a disclosure, and it's going to be in a simplified form hopefully, and with government that's a stretch to simplify anything, but if we do get HUD and the Fed together to come up with one form, then we're going to be able to offer them products where we have a uniform disclosure. So they're going to be able to draw their own conclusions and not rely on the lender or the originator to make some kind of assumptions on a spreadsheet.

The CHAIR. The gentleman's time has expired.

Ms. TITUS. Mr. Chairman, I would just still say that the banks want to make good loans and families want to get loans so they can stay in their homes. And the paperwork is just a simple chart, side by side, that a second grader could make, and I show that to you again.

I would like to once again thank Chairman FRANK, Mr. WATT, and Mr. MILLER for their assistance on this legislation. I would urge my colleagues to support this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Nevada (Ms. TITUS).

The amendment was agreed to.

AMENDMENT NO. 13 OFFERED BY MR. MARIO DIAZ-BALART OF FLORIDA

The CHAIR. It is now in order to consider amendment No. 13 printed in House Report 111-98.

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mr. MARIO DIAZ-BALART of Florida:

At the end of the bill add the following new title:

TITLE VIII—STUDY OF EFFECT OF DRYWALL PRESENCE ON FORECLOSURES
SEC. 801. STUDY OF EFFECT OF DRYWALL PRESENCE ON FORECLOSURES.

(a) STUDY.—The Secretary of Housing and Urban Development, in consultation with the Secretary of the Treasury, shall conduct a study of the effect on residential mortgage loan foreclosures of—

(1) the presence in residential structures subject to such mortgage loans of drywall

that was imported from China during the period beginning with 2004 and ending at the end of 2007; and

(2) the availability of property insurance for residential structures in which such drywall is present.

(b) REPORT.—Not later than the expiration of the 120-day period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Congress a report on the study conducted under subsection (a) containing its findings, conclusions, and recommendations.

The CHAIR. Pursuant to House Resolution 406, the gentleman from Florida (Mr. MARIO DIAZ-BALART) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. MARIO DIAZ-BALART of Florida. Before anything else, I want to thank the chairman and also I want to thank Mr. WEXLER. Mr. WEXLER has been a leader on this issue from day one, and he's a leader also on this amendment, but it's more than just this amendment. He has done an incredible job on this issue. And I want to explain the issue and the amendment.

Mr. Chairman, we have all heard about this problem, I'm sure, with the Chinese drywall. Recent reports are that about 100,000 homes could be affected. This imported drywall from China contains sulfuric gas, which actually has corroded copper electrical wiring. It's corroded air conditioning units and copper pipes, including to the point where there have been fire hazards. It's also a health issue. It has created sinus problems, created bloody noses, headaches. It has created bronchitis and pneumonia in children, and now we hear that it's also harmful to pregnant women. As a matter of fact, Mr. Chairman, on April 17, the Wall Street Journal stated that the University of Southern California's School of Medicine, a professor there, stated "that sulfur compound gasses, even at low levels, have been found to cause respiratory problems such as asthma."

So here's the problem. There is this drywall that has been imported from China that has been installed in a number of homes, again maybe up to 100,000. Homeowners are stuck with these homes. It's more than just smell. It's potentially dangerous, and, again, it eats even wiring and copper.

□ 1400

Individuals, homeowners, are stuck with these homes. They can't sell them. They can't live in them, and they are stuck with them.

So what this amendment does, very simply, is the following. It authorizes a study by the Secretary of HUD, in consultation with the Secretary of the Treasury, on the effects of Chinese drywall on residential mortgage loan foreclosures and the availability of property insurance. And, again, then, it's to report to Congress within 120 days. It's critical that we have all the

information, that we have the actual information in a timely fashion.

I want to thank, again, the chairman for his consideration. And, as I said before, I want to thank Mr. WEXLER for his leadership. There are dozens and hundreds of homeowners who are desperately seeking relief, and this is one more way to try to do that.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I rise, in the absence of any other claimant, to claim the time in opposition.

The CHAIR. Without objection, the gentleman from Massachusetts is recognized for 5 minutes.

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, I commend this bipartisan effort to address an issue that is particularly important in their district.

I yield back the balance of my time.

Mr. MARIO DIAZ-BALART of Florida. I would like to yield as much time as he would consume to the gentleman from Florida (Mr. BUCHANAN).

Mr. BUCHANAN. I want to thank the gentleman for yielding.

I rise in support of this important bipartisan amendment.

Defective Chinese drywall has taken a toll on thousands of homeowners. Many, including my constituent, John Medico of Bradenton, are now finding their homes uninhabitable.

John left his new home and now rents a place. He is forced to not only to pay the mortgage, but he is paying rent on his new place. And this has happened to a lot of people in my area in southwest Florida.

Earlier this year I wrote the U.S. Trade Representative and the Federal Trade Commission asking them to take the appropriate steps to confront this problem.

I am concerned about the public health effects of the problem. Anecdotal evidence points to the Chinese drywall being responsible for the chronic respiratory problems in our region. Also, pregnant women have been advised to move out of their homes for the safety of the unborn.

I am grateful to the gentleman for bringing this amendment forward. I look forward to working with my colleagues on both sides of the aisle of Florida on this important issue and helping our constituents resolve this problem.

Mr. FRANK of Massachusetts. Mr. Chairman, I ask unanimous consent to reconsider my hasty action and take back my time.

The CHAIR. Without objection, the gentleman from Massachusetts may reclaim his remaining time.

There was no objection.

Mr. FRANK of Massachusetts. I yield 3 minutes to the gentleman from Florida (Mr. WEXLER).

Mr. WEXLER. I especially thank the chairman, and I want to point out the extraordinary effort that Congressman DIAZ-BALART has made to push this

issue forward. I rise in strong support of this amendment, because my constituents in Florida and citizens throughout our Nation are facing a real and a growing emergency from dangerous and harmful drywall imported from China.

The level of threat to the health and homes of our citizens is akin to a natural disaster. This danger is much more like a silent hurricane, and it is touching down not just in Florida, but in Louisiana, Mississippi, Texas, Virginia and a growing list of other States.

The Federal Government must take immediate steps to protect Americans whose homes are afflicted with defective drywall. This amendment is an important step forward.

I again want to thank Mr. DIAZ-BALART for his leadership on this crucial issue.

The affected drywall emits a foul odor. It produces gases that corrode copper, electrical wiring, and is likely responsible for chronic health problems for the occupants of the homes. This is an acute and growing crisis with an estimated 35,000 homes in Florida affected and tens of thousands more throughout the country.

Over the past few weeks, I have had the opportunity to meet parents and visit with them in their homes, where young children have developed bronchitis, pneumonia and other respiratory illnesses that have required hospitalization and surgery. Pregnant women in my district have been advised by their physicians to move out of their homes, and children have been waking up regularly to bloody noses and sinus infections.

It is in this vein that I, along with Mr. DIAZ-BALART, under his leadership, have introduced H.R. 1977, the Drywall Safety Act of 2009, which would require the Consumer Product Safety Commission to ban dangerous drywall, study drywall imported from China and make recommendations on new safety standards.

Currently the Consumer Product Safety Commission, the Centers for Disease Control and Prevention and the EPA are conducting tests. While these tests are essential, the current timeframe for completion is unacceptable and results may not be known for months, especially considering the problem is expected to grow during the hot and humid summer months.

We are, therefore, urging the EPA and CDC to exhaust all possible resources to expedite drywall testing. Furthermore, we have requested critical emergency funding that would allow relevant agencies to conduct the necessary investigations into the health and safety impacts of this drywall, as well as provide public information resources to alert those impacted about the risks they may be facing.

I want to applaud the efforts of Governor Charlie Crist and the Florida Department of Public Health for their

leadership. This is a complex and growing problem. We still don't know the extent.

I want to thank the chairman, thank Mr. DIAZ-BALART, and please support this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time.

Mr. MARIO DIAZ-BALART of Florida. Again, I do want to thank the chairman of the committee, Mr. FRANK; again, Mr. WEXLER in particular for his leadership.

This is a critical issue not only for Florida, but for thousands and thousands of other homeowners. With that, I would urge a "yes" vote.

I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Florida (Mr. MARIO DIAZ-BALART).

The amendment was agreed to.

AMENDMENT NO. 14 OFFERED BY MR. WEINER, AS MODIFIED

The CHAIR. It is now in order to consider amendment No. 14 printed in House Report 111-98.

Mr. WEINER. Mr. Chairman, I offer the said amendment made in order under the rule.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Mr. WEINER: At the end of the bill, add the following new title:

TITLE VIII—FANNIE MAE GUIDELINES FOR PURCHASE OF CONDOMINIUM AND COOPERATIVE HOUSING MORTGAGES

SEC. 801. GUIDELINES FOR PURCHASE OF CONDOMINIUM AND COOPERATIVE HOUSING MORTGAGES.

The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall take actions as are appropriate to establish and revise fee schedules, occupancy and pre-sale guidelines, and other relevant underwriting standards in order to ensure the availability of affordable mortgage credit for condominium and cooperative housing, consistent with appropriate levels of credit risk. In setting such fees, guidelines, and standards, each association may consider factors such as the relative health of the local or regional housing market in which such housing is located, and whether the housing is in a new or existing development.

The CHAIR. Pursuant to House Resolution 406, the gentleman from New York (Mr. WEINER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York.

Mr. WEINER. Mr. Chairman, I request unanimous consent to modify the amendment with the version that is at the desk.

The CHAIR. The Clerk will report the modification.

The Clerk read as follows:

Amendment No. 14 offered by Mr. WEINER, as modified:

At the end of the bill, add the following new title:

TITLE VIII—FANNIE MAE GUIDELINES FOR PURCHASE OF CONDOMINIUM AND COOPERATIVE HOUSING MORTGAGES

SEC. 801. GUIDELINES FOR PURCHASE OF CONDOMINIUM AND COOPERATIVE HOUSING MORTGAGES.

The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall take actions as are appropriate to establish and revise fee schedules, occupancy and pre-sale guidelines, and other relevant underwriting standards for the purchase of condominium and cooperative housing, consistent with appropriate levels of credit risk. In setting such fees, guidelines, and standards, each association may consider factors such as the relative health of the local or regional housing market in which such housing is located, and whether the housing is in a new or existing development.

Mr. WEINER (during the reading). I request unanimous consent that the modification be considered as read.

The CHAIR. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIR. Is there objection to the modification?

Mr. NEUGEBAUER. I do not object, but I would like for the gentleman to clarify what his amendment does.

The CHAIR. Without objection, the amendment is modified.

There was no objection.

Mr. WEINER. First, I want to begin by offering my gratitude to the chairman of the committee and the minority, including their staff: Scott Olson, majority staff; and Dave Oxner on the minority staff.

I don't intend to take the full time. You know, we have a phenomenon going on that we are trying, at the same time, to get people the credit that they want in order to be able to make purchases.

We also want Fannie and Freddie not to take unnecessary risks. We are trying to strike that balance. This legislation does it, I believe.

One of the challenges we have in some parts of the country, though, we have a large number of co-ops and condos that are in the stock that are now starting to find buyers. People are saying, you know what, the prices have come down, we want to make these purchases.

At the same time, the standards have been raised by Fannie and Freddie such that, according to the regulation, that you need to have 70 percent of the units in any co-op or condo purchased before the first one will be financed and guaranteed by Fannie and Freddie.

The problem is that you create this dynamic that people say I am interested, I am interested, I am interested. In order to reach that 70 percent threshold it's very, very difficult and you wind up chasing away people who simply don't want to wait that long. They leave with their deposits in hand, and, frankly we get into this cycle where these units remain on the markets.

We need to clear out the stock. We also want to give credit where it's due.

So what my amendment does is, it says listen, taking a look at the guidelines, taking a look at our desires not to have unnecessary risk taken, if you want to change, based on regional consideration, say, the gentleman from Florida, me from New York, Las Vegas, places that have a disproportionate number of these condos and co-ops on the market, we encourage Fannie and Freddie with this amendment to make those regional changes and requirements.

Let me stress we are not saying we want them to make bad loans. That doesn't do that in this amendment, and I don't think we want to do that in this Congress. But we do want them to be flexible to say, you know what, if you have communities like New York, where people are saying I want to get involved in that market, I want to buy co-ops and condos, to make the limit, the threshold so high you wind up putting a damper on the investment that we want to see happen.

I encourage a "yes" vote.

I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, I rise to claim time in opposition, although I am not opposed to the amendment.

The CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. NEUGEBAUER. I am sorry I didn't make the question clear to the gentleman, in his UC, he was trying to fix a PAYGO issue.

Could you explain how your unanimous consent request addressed that PAYGO issue?

Mr. WEINER. I will do that the best I can, although it was a fairly obscure thing. I was commenting to the chairman earlier, we have outsourced so much of our authority to bureaucrats at the CBO, but they apparently were concerned that language in my bill would have required them to make loans or make certain changes in regulations.

So what we did is we dialed down some of the language, and we said take actions that are appropriate to establish and revise schedules. I think we made some changes to make it clear we weren't requiring any specific action that might trigger a budget implication.

I think the Parliamentarian has told us that this new language doesn't trigger PAYGO. And I didn't want—even at the thought that it might happen, I didn't want it to drag down the whole bill, so we made the changes they recommended.

Mr. NEUGEBAUER. Thank you.

I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. The gentleman is correct. This does resolve the PAYGO issue. It makes it clear that this is not mandating, it's encouraging and that solves the problem.

Mr. NEUGEBAUER. So instead of being mandatory, it's discretionary.

Mr. FRANK of Massachusetts. The gentleman is correct.

Mr. SKELTON. Madam Chair, let me take this opportunity to express my support for an amendment offered by my good friend and colleague from New York, Congressman ANTHONY WEINER.

Like the gentleman, I have heard concerns about how Fannie Mae and Freddie Mac have established new, nationwide requirements relating to the guarantee of mortgages for condominiums. These new rules require condominium buildings to place 70 percent of the units under contract before any one mortgage will be guaranteed. Fannie and Freddie had previously required 51 percent of condo units to be under contract.

In areas of the country experiencing a severe glut in the condominium market and large numbers of foreclosures, restrictive requirements may be appropriate. But in parts of our nation that have not experienced the same degree of foreclosures, like rural Missouri, this one-size-fits-all approach is hindering the sale of condominiums to creditworthy borrowers.

Congressman WEINER's amendment would give Fannie and Freddie the flexibility to consider the health of a local or regional housing market when determining pre-sale thresholds. This flexibility is very important to realtors, bankers, and prospective homeowners in Missouri and especially those near the Lake of the Ozarks.

I would ask that letters from Central Bank of Lake of the Ozarks and from Lake Ozark Property, which explain how the rules are hindering business in Missouri, be submitted.

I commend Congressman WEINER for offering this amendment and look forward to working with him and with Financial Services Committee Chairman FRANK to ensure the language can be retained in a conference with the Senate.

I urge my colleagues to support passage of this amendment.

CENTRAL BANK
OF LAKE OF THE OZARKS,
Osage Beach, MO, April 20, 2009.

Re Legislative appeal

Hon. IKE SKELTON,
House of Representatives, Rayburn House Office
Building, Washington, DC.

DEAR CONGRESSMAN SKELTON: I would like to bring your attention to a couple of issues that have negatively impacted the economy and the lives of thousands of condominium owners at Lake of the Ozarks. These issues have to do with the changes concerning the financing of condominiums implemented by two of the GSEs (Government-Sponsored Enterprise): Freddie Mac and Fannie, Mae.

For as long as we can remember, we have been operating under a Master Agreement that contained special waivers approved by Freddie Mac and Fannie Mae, which allowed us to make condominium loans on new condo projects. These waivers had been predicated on the resiliency of our condominium market at the Lake of the Ozarks and Central Bank of Lake of the Ozarks' history of quality underwriting on loans sold to Freddie Mac and Fannie Mae. While our condominium sales have slowed too in response to economic conditions, neither Fannie Mae nor Freddie Mac have incurred any significant losses on the portfolio of condominium loans our bank has sold them. In spite of this stellar performance, both Freddie Mac and Fannie Mae have now eliminated the waiver that allowed us to finance condominiums in new projects already under construction and for condominium projects that have an on-

site nightly rental desk. By taking these actions without regard to the specific performance of local markets they are sure to make the issues of a handful of states a national crisis.

While it is undeniable that Fannie Mae and Freddie Mac have incurred unprecedented losses in the so called "sand states" of Florida, California, Nevada and Arizona, our market has remained stable but that stability is now being threatened by these shortsighted, "one size fits all" restrictions.

Freddie Mac and Fannie Mae have implemented presale requirements of 70 percent on new condominium developments. This single change in midstream for many projects that are in various stages of development will cause catastrophic damage to an otherwise stable market. You talk about changing the rules in the middle of the game and tanking a segment of the real estate market. This means that consumers who want to purchase a new condo in a new development cannot get 30 year fixed rate financing. If the consumer cannot purchase, then a developer cannot sell, and if a developer cannot sell, then a bank cannot be repaid for the commercial loan, and everyone involved loses. This change will work to make a regional crisis a national crisis. The Freddie and Fannie Account Representative abilities to negotiate agreements that are common and customary to local markets have been eliminated. Freddie Mac and Fannie Mae have removed the ability to lend in established condominium projects where there are nightly rental desks that are diminutive in size and impact the project very little. This will decrease the marketability and value of the units in those projects where consumers cannot get 30 year fixed-rate financing.

The consumers, condominium owners, and developers are losing out on the opportunity to purchase, refinance, and sell condominiums in a very favorable interest rate environment. We think the President of the United States, Department of the Treasury, Federal Reserve, and Congress are working hard to create a favorable market to sell real estate and stabilize the market. Freddie Mac and Fannie Mae policy changes, as they pertain to the condominium market at the Lake of the Ozarks, have done just the opposite. They have managed to take a market segment of the real estate market at the Lake of the Ozarks and bring it to a standstill.

The primary reason we have been given for the removal of these waivers by Freddie Mac and Fannie Mae is because of problems they have experienced with condos in the "sand states". This is a prime example of Freddie Mac and Fannie Mae painting every market and bank (underwriter) with a broad brush and then making decisions that have a negative impact on good markets and banks (underwriters) with a long history of outstanding performance.

We need your help. Please contact the people in charge at Freddie Mac and Fannie Mae and ask them to get in touch with us to address these issues.

Thank you for your time and help in this matter.

Very truly yours,

GREGORY J. GAGNON,
President & CEO.

RUSSELL CLAY,
Vice President, Mortgage Department
Head

LAKE OZARK PROPERTY,

Gravois Mills, MO, March 31, 2009.

Re Regulation Changes for Freddie Mac and Fannie Mae

Congressman IKE SKELTON,
4th District of Missouri, N. Adams Street, Lebanon, Missouri.

DEAR CONGRESSMAN SKELTON: I am a real estate broker with my own company here at Lake of the Ozarks. My main source of business is the sale of new condominiums.

Just today I spoke to Mr. Russ Clay from Central Bank. He informed me that the regulations for Freddie Mac will follow along with Fannie Mae by changing from the newly imposed 51 percent sold to 70 percent sold on any new condominium project.

As the Lake of the Ozark is a large portion of your district, you are aware that our economy is based on resort and vacation visitors. Many people come to the lake to purchase second homes and spend their discretionary income.

The area directly around the lake has not suffered with the foreclosure problems like Florida and California and yet Freddie and Fannie have decided to paint a broad stroke to include our area in these newly imposed restrictions.

The economic problems they are trying to dig out of in those areas will be created here by these new changes. The very tools they are using to stop the bleeding in other areas will create problems right here in our area. Many of our condominium projects are new and have not yet reached the 52 percent mark let alone the 70 percent mark and yet they are selling and are successful.

I am asking you to speak out for us here at the Lake. Freddie and Fannie should create criteria based on the needs of the area. Surely they have enough employees available to prepare market reports on the main districts within each state and create programs based on how well or how poorly we have performed in the past.

Also, as you meet regarding the regulations of appraisals for boat slips and dock values, please keep in mind that we are, basically, a community of water. Our area was created from the lake, therefore, for two-thirds of the year a place to park our boat is the same as a place to park our cars.

Thank you for reading this letter through. Please let me know what I can do to make Freddie Mac or Fannie Mae more aware of our plight here at Lake of the Ozarks.

Regards,

VICKI BROWN,
Broker/Owner.

Mr. NEUGEBAUER. I yield back the balance of my time.

Mr. WEINER. I yield back the balance of my time.

The Acting CHAIR (Ms. DEGETTE). The question is on the amendment offered by the gentleman from New York (Mr. WEINER), as modified.

The amendment, as modified, was agreed to.

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in House Report 111-98 on which further proceedings were postponed, in the following order:

Amendment No. 2 by Mr. FRANK of Massachusetts.

Amendment No. 5 by Mr. HENSARLING of Texas.

Amendment No. 7 by Mr. PRICE of Georgia.

Amendment No. 9 by Mr. MCHENRY of North Carolina.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 2 OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts (Mr. FRANK) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 245, noes 176, not voting 18, as follows:

[Roll No. 238]

AYES—245

Abercrombie	Edwards (TX)	Lowey
Ackerman	Ellison	Luján
Adler (NJ)	Ellsworth	Lynch
Altmire	Engel	Maffei
Andrews	Eshoo	Maloney
Arcuri	Etheridge	Markey (CO)
Baca	Faleomavaega	Markey (MA)
Baird	Farr	Marshall
Baldwin	Fattah	Massa
Barrow	Filner	Matheson
Bean	Foster	Matsui
Becerra	Frank (MA)	McCarthy (NY)
Berkley	Fudge	McCollum
Berman	Gonzalez	McDermott
Bishop (GA)	Gordon (TN)	McGovern
Bishop (NY)	Grayson	McMahon
Blumenauer	Green, Al	McNerney
Boccheri	Green, Gene	Meek (FL)
Bordallo	Griffith	Meeks (NY)
Boren	Grijalva	Melancon
Boswell	Gutierrez	Michaud
Boucher	Hall (NY)	Miller (NC)
Boyd	Halvorson	Miller, George
Brady (PA)	Hare	Moore (WI)
Bralley (IA)	Harman	Moran (VA)
Brown, Corrine	Hastings (FL)	Murphy (CT)
Butterfield	Heinrich	Murphy (NY)
Capuano	Herseth Sandlin	Murphy, Patrick
Cardoza	Higgins	Murtha
Carnahan	Hill	Napolitano
Carney	Himes	Neal (MA)
Carson (IN)	Hinchev	Norton
Castor (FL)	Hirono	Nye
Chandler	Hodes	Oberstar
Childers	Holden	Obey
Christensen	Honda	Olver
Clarke	Hoyer	Ortiz
Clay	Insee	Pallone
Cleaver	Israel	Pascarell
Clyburn	Jackson (IL)	Pastor (AZ)
Cohen	Jackson-Lee	Payne
Connolly (VA)	(TX)	Perlmutter
Conyers	Johnson, E. B.	Perriello
Cooper	Kagen	Peters
Costa	Kanjorski	Peterson
Costello	Kaptur	Pingree (ME)
Courtney	Kennedy	Polis (CO)
Crowley	Kildee	Pomeroy
Cuellar	Kilpatrick (MI)	Price (NC)
Cummings	Kilroy	Quigley
Dahlkemper	Kind	Rahall
Davis (AL)	Kirkpatrick (AZ)	Rangel
Davis (CA)	Kissell	Reyes
Davis (IL)	Klein (FL)	Richardson
Davis (TN)	Kosmas	Rodriguez
DeFazio	Kratovil	Ross
DeGette	Kucinich	Rothman (NJ)
Delahunt	Langevin	Roybal-Allard
DeLauro	Larsen (WA)	Ruppersberger
Dicks	Larson (CT)	Rush
Dingell	Lee (CA)	Ryan (OH)
Doggett	Levin	Sablan
Donnelly (IN)	Lewis (GA)	Salazar
Doyle	Lipinski	Sánchez, Linda
Driehaus	Loeb sack	T.
Edwards (MD)	Lofgren, Zoe	Sanchez, Loretta

Sarbanes	Snyder
Schakowsky	Space
Schauer	Speier
Schiff	Spratt
Schrader	Stupak
Schwartz	Sutton
Scott (GA)	Tanner
Scott (VA)	Tauscher
Serrano	Taylor
Sestak	Teague
Shea-Porter	Thompson (CA)
Sherman	Tierney
Shuler	Titus
Sires	Tonko
Skelton	Towns
Slaughter	Tsongas
Smith (WA)	Van Hollen

NOES—176

Aderholt	Galleghy
Akin	Garrett (NJ)
Alexander	Gerlach
Austria	Giffords
Bachmann	Gingrey (GA)
Bachus	Gohmert
Barrett (SC)	Goodlatte
Bartlett	Granger
Barton (TX)	Graves
Biggert	Guthrie
Bilbray	Hall (TX)
Bilirakis	Harper
Bishop (UT)	Hastings (WA)
Blackburn	Hensarling
Boehner	Herger
Bonner	Hoekstra
Bono Mack	Hunter
Boozman	Inglis
Boustany	Issa
Brady (TX)	Jenkins
Bright	Johnson (IL)
Broun (GA)	Johnson, Sam
Brown (SC)	Jones
Brown-Waite,	Jordan (OH)
Ginny	King (IA)
Buchanan	King (NY)
Burgess	Kingston
Burton (IN)	Kirk
Buyer	Kline (MN)
Calvert	Lamborn
Camp	Lance
Campbell	Latham
Cantor	LaTourette
Cao	Latta
Capito	Lee (NY)
Carter	Lewis (CA)
Cassidy	Linder
Castle	LoBiondo
Chaffetz	Lucas
Coble	Luetkemeyer
Coffman (CO)	Lummis
Cole	Lungren, Daniel
Conaway	E.
Crenshaw	Mack
Davis (KY)	Manzullo
Deal (GA)	Marchant
Dent	McCarthy (CA)
Diaz-Balart, L.	McCaul
Diaz-Balart, M.	McClintock
Dreier	McCotter
Duncan	McHenry
Ehlers	McHugh
Emerson	McKeon
Fallin	McMorris
Flake	Rodgers
Fleming	Mica
Forbes	Miller (FL)
Fox	Miller (MI)
Franks (AZ)	Miller, Gary
Frelinghuysen	Minnick

NOT VOTING—18

Berry	Hinojosa	Nadler (NY)
Blunt	Holt	Pierluisi
Kilroy	Johnson (GA)	Scalise
Capps	McIntyre	Stark
Kirckpatrick (AZ)	McIntyre	Thompson (MS)
Davis (AL)	Mollohan	Wamp
Davis (CA)	Moore (KS)	

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR (during the vote). Members are advised that there are 2 minutes left in this vote.

□ 1445

Ms. MARKEY of Colorado changed her vote from “no” to “aye.”
So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated against:

Mr. HELLER. Madam Chair, on rollcall No. 238, the Frank Amendment No. 2 to H.R. 1728, I was absent from the House at a family obligation. Had I been present, I would have voted “no.”

AMENDMENT NO. 5 OFFERED BY MR. HENSARLING

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. HENSARLING) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 171, noes 252, not voting 16, as follows:

[Roll No. 239]

AYES—171

Aderholt	Franks (AZ)	Miller (FL)
Akin	Frelinghuysen	Miller (MI)
Alexander	Galleghy	Miller, Gary
Austria	Garrett (NJ)	Moran (KS)
Bachmann	Gerlach	Murphy, Tim
Bachus	Gingrey (GA)	Myrick
Barrett (SC)	Gohmert	Neugebauer
Bartlett	Goodlatte	Nunes
Barton (TX)	Granger	Olson
Biggert	Graves	Paul
Bilbray	Guthrie	Paulsen
Bilirakis	Hall (TX)	Pence
Bishop (UT)	Harper	Petri
Blackburn	Hastings (WA)	Pitts
Boehner	Hensarling	Platts
Bonner	Herger	Poe (TX)
Bono Mack	Hoekstra	Posey
Boozman	Hunter	Price (GA)
Boustany	Inglis	Putnam
Brady (TX)	Issa	Radanovich
Bright	Jenkins	Rehberg
Broun (GA)	Johnson, Sam	Reichert
Brown (SC)	Jordan (OH)	Roe (TN)
Brown-Waite,	King (IA)	Rogers (AL)
Ginny	King (NY)	Rogers (KY)
Buchanan	Kingston	Rogers (MI)
Burgess	Kirk	Rohrabacher
Burton (IN)	Kirkpatrick (AZ)	Rooney
Buyer	Klieme (MN)	Ros-Lehtinen
Calvert	Kratovil	Roskam
Camp	Lamborn	Royce
Campbell	Lance	Ryan (WI)
Cantor	Latham	Schmidt
Cao	LaTourette	Schock
Capito	Latta	Sensenbrenner
Carter	Lee (NY)	Sessions
Cassidy	Lewis (CA)	Shimkus
Castle	Linder	Shuster
Chaffetz	LoBiondo	Simpson
Coble	Lucas	Smith (NE)
Coffman (CO)	Luetkemeyer	Smith (NJ)
Cole	Lummis	Smith (TX)
Conaway	Lungren, Daniel	Souder
Crenshaw	E.	Sullivan
Culberson	Mack	Terry
Davis (KY)	Manzullo	Thompson (PA)
Deal (GA)	Marchant	Thornberry
Dent	McCarthy (CA)	Tiahrt
Diaz-Balart, L.	McCaul	Tiberi
Diaz-Balart, M.	McClintock	Upton
Dreier	McCotter	Walden
Duncan	McHenry	Westmoreland
Emerson	McHugh	Whitfield
Fallin	McKeon	Wilson (SC)
Flake	McMahon	Wittman
Fleming	McMorris	Wolf
Forbes	Rodgers	Young (AK)
Fox	Mica	Young (FL)

NOES—252

Abercrombie	Grijalva	Oberstar
Ackerman	Gutierrez	Obey
Adler (NJ)	Hall (NY)	Olver
Altmire	Halvorson	Ortiz
Andrews	Hare	Pallone
Arcuri	Harman	Pascrell
Baca	Hastings (FL)	Pastor (AZ)
Baird	Heinrich	Payne
Baldwin	Herseth Sandlin	Perlmutter
Barrow	Higgins	Perriello
Bean	Hill	Peters
Becerra	Himes	Peterson
Berkley	Hinchev	Pingree (ME)
Berman	Hirono	Polis (CO)
Bishop (GA)	Hodes	Pomeroy
Bishop (NY)	Holden	Price (NC)
Blumenauer	Honda	Quigley
Bocchieri	Hoyer	Rahall
Bordallo	Inslée	Rangel
Boren	Israel	Reyes
Boswell	Jackson (IL)	Richardson
Boucher	Jackson-Lee	Rodriguez
Boyd	(TX)	Ross
Brady (PA)	Johnson (GA)	Rothman (NJ)
Braley (IA)	Johnson (IL)	Roybal-Allard
Brown, Corrine	Johnson, E. B.	Ruppersberger
Butterfield	Jones	Rush
Capuano	Kagen	Ryan (OH)
Cardoza	Kanjorski	Sablan
Carnahan	Kaptur	Salazar
Carney	Kennedy	Sánchez, Linda
Carson (IN)	Kildee	T.
Castor (FL)	Kilpatrick (MI)	Sanchez, Loretta
Chandler	Kilroy	Sarbanes
Childers	Kind	Schakowsky
Christensen	Kissell	Schauer
Clarke	Klein (FL)	Schiff
Clay	Kucinich	Schrader
Cleaver	Kucinich	Schwartz
Clyburn	Langevin	Scott (GA)
Cohen	Larsen (WA)	Scott (VA)
Connolly (VA)	Larson (CT)	Serrano
Conyers	Lee (CA)	Sestak
Cooper	Levin	Shadegg
Costa	Lewis (GA)	Shea-Porter
Costello	Lipinski	Sherman
Courtney	Loeb sack	Shuler
Crowley	Lofgren, Zoe	Sires
Cuellar	Lowey	Skelton
Cummings	Luján	Slaughter
Dahlkemper	Lynch	Smith (WA)
Davis (AL)	Maffei	Snyder
Davis (CA)	Maloney	Space
Davis (IL)	Markey (CO)	Speier
Davis (TN)	Markey (MA)	Spratt
DeGette	Marshall	Stearns
Delahunt	Massa	Stupak
DeLauro	Matheson	Sutton
Dicks	Matsui	Tanner
Dingell	McCarthy (NY)	Tauscher
Doggett	McCollum	Taylor
Donnelly (IN)	McDermott	Teague
Doyle	McGovern	Thompson (CA)
Driehaus	McIntyre	Tierney
Edwards (MD)	McNerney	Titus
Ehlers	Meek (FL)	Tonko
Ellison	Meeks (NY)	Towns
Ellsworth	Melancon	Tsongas
Engel	Michaud	Turner
Eshoo	Miller (NC)	Van Hollen
Etheridge	Miller, George	Visclosky
Faleomavaega	Minnick	Walz
Farr	Mitchell	Wasserman
Fattah	Mollohan	Schultz
Filner	Moore (KS)	Waters
Foster	Moore (WI)	Watson
Frank (MA)	Moran (VA)	Watt
Fudge	Murphy (CT)	Waxman
Giffords	Murphy (NY)	Weiner
Gonzalez	Murphy, Patrick	Welch
Gordon (TN)	Murtha	Wexler
Grayson	Napolitano	Wilson (OH)
Green, Al	Neal (MA)	Woolsey
Green, Gene	Norton	Wu
Griffith	Nye	Yarmuth

NOT VOTING—16

Berry	Heller	Stark
Blunt	Hinojosa	Thompson (MS)
Capps	Holt	Velázquez
DeFazio	Nadler (NY)	Wamp
Edwards (TX)	Pierluisi	
Fortenberry	Scalise	

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR (during the vote). Two minutes remain on this vote.

□ 1453

Mrs. MALONEY changed her vote from “aye” to “no.”

Mr. McMAHON changed his vote from “no” to “aye.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. HELLER. Madam Chair, on rollcall No. 239, the Hensarling Amendment No. 5 to H.R. 1728, I was absent from the House at a family obligation. Had I been present, I would have voted “aye.”

AMENDMENT NO. 7 OFFERED BY MR. PRICE OF GEORGIA

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Georgia (Mr. PRICE) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 167, noes 259, not voting 13, as follows:

[Roll No. 240]

AYES—167

Aderholt	Duncan	Manzullo
Akin	Emerson	Marchant
Alexander	Fallin	McCarthy (CA)
Arcuri	Flake	McCaul
Austria	Fleming	McClintock
Bachmann	Forbes	McCotter
Bachus	Fox	McHenry
Barrett (SC)	Franks (AZ)	McHugh
Bartlett	Frelinghuysen	McKeon
Barton (TX)	Gallely	McMorris
Biggett	Garrett (NJ)	Rodgers
Bilbray	Gingrey (GA)	Mica
Bilirakis	Gohmert	Miller (FL)
Bishop (UT)	Goodlatte	Miller (MI)
Blackburn	Granger	Miller, Gary
Boehner	Kus	Moran (KS)
Bonner	Guthrie	Murphy (NY)
Bono Mack	Hall (TX)	Myrick
Boozman	Harper	Neugebauer
Boustany	Hastings (WA)	Nunes
Brady (TX)	Hensarling	Olson
Bright	Herger	Paul
Broun (GA)	Hoekstra	Paulsen
Brown (SC)	Hunter	Pence
Buchanan	Inglis	Petri
Burgess	Issa	Pitts
Burton (IN)	Jenkins	Poe (TX)
Buyer	Johnson (IL)	Posey
Calvert	Johnson, Sam	Price (GA)
Camp	Jordan (OH)	Putnam
Campbell	King (IA)	Radanovich
Cantor	King (NY)	Rehberg
Cao	Kingston	Reichert
Capito	Kirk	Roe (TN)
Carter	Kirkpatrick (AZ)	Rogers (AL)
Cassidy	Kline (MN)	Rogers (KY)
Castle	Lamborn	Rogers (MI)
Chaffetz	Latham	Rohrabacher
Coble	LaTourette	Rooney
Coffman (CO)	Latta	Ros-Lehtinen
Cole	Lee (NY)	Roskam
Conaway	Lewis (CA)	Royce
Crenshaw	Linder	Ryan (WI)
Culberson	Lucas	Schmidt
Davis (KY)	Luetkemeyer	Schock
Deal (GA)	Lummis	Sensenbrenner
Diaz-Balart, L.	Lungren, Daniel	Sessions
Diaz-Balart, M.	E.	Shadegg
Dreier	Mack	Shimkus

Shuster	Thompson (PA)
Simpson	Thornberry
Smith (NE)	Tiahrt
Smith (TX)	Tiberi
Souder	Turner
Stearns	Upton
Sullivan	Walden
Terry	Westmoreland

NOES—259

Abercrombie	Green, Gene	Norton
Ackerman	Griffith	Nye
Adler (NJ)	Grijalva	Oberstar
Altmire	Gutierrez	Obey
Andrews	Hall (NY)	Olver
Baca	Halvorson	Ortiz
Baird	Hare	Pallone
Baldwin	Harman	Pascrell
Barrow	Hastings (FL)	Pastor (AZ)
Bean	Heinrich	Payne
Becerra	Herseth Sandlin	Perlmutter
Berkley	Higgins	Perriello
Berman	Hill	Peters
Bishop (GA)	Himes	Peterson
Bishop (NY)	Hinchev	Pingree (ME)
Blumenauer	Hirono	Platts
Bocchieri	Hodes	Polis (CO)
Bordallo	Holden	Pomeroy
Boren	Honda	Price (NC)
Boswell	Hoyer	Quigley
Boucher	Inslée	Rahall
Boyd	Israel	Rangel
Brady (PA)	Jackson (IL)	Reyes
Braley (IA)	Jackson-Lee	Richardson
Brown, Corrine	(TX)	Rodriguez
Brown-Waite, Ginny	Johnson (GA)	Ross
Butterfield	Johnson, E. B.	Rothman (NJ)
Capuano	Jones	Roybal-Allard
Cardoza	Kagen	Ruppersberger
Carnahan	Kanjorski	Rush
Carney	Kaptur	Ryan (OH)
Carson (IN)	Kennedy	Sablan
Castor (FL)	Kildee	Salazar
Chandler	Castor (FL)	Sánchez, Linda
Childers	Kilpatrick (MI)	T.
Christensen	Kilroy	Sanchez, Loretta
Clarke	Kind	Sarbanes
Clay	Kissell	Schakowsky
Cleaver	Klein (FL)	Schauer
Clyburn	Kosmas	Schiff
Cohen	Kratovil	Schrader
Connolly (VA)	Langevin	Lance
Conyers	Larsen (WA)	Schwartz
Cooper	Larson (CT)	Scott (GA)
Costa	Lee (CA)	Scott (VA)
Costello	Levin	Serrano
Courtney	Lewis (GA)	Sestak
Crowley	Lipinski	Shea-Porter
Cuellar	LoBiondo	Sherman
Cummings	Loeb sack	Shuler
Dahlkemper	Lofgren, Zoe	Sires
Davis (AL)	Lowey	Skelton
Davis (CA)	Luján	Slaughter
Davis (IL)	Lynch	Smith (NJ)
Davis (TN)	Maffei	Smith (WA)
DeFazio	Maloney	Snyder
DeGette	Markey (CO)	Space
Delahunt	Markey (MA)	Speier
DeLauro	Marshall	Spratt
Dent	Massa	Stupak
Dicks	Matheson	Sutton
Dingell	Matsui	Tanner
Doggett	McCarthy (NY)	Tauscher
Donnelly (IN)	McCollum	Taylor
Doyle	McDermott	Teague
Driehaus	McGovern	Thompson (CA)
Edwards (MD)	McIntyre	Tierney
Edwards (TX)	McMahon	Titus
Ehlers	McNerney	Tonko
Ellison	Meek (FL)	Towns
Ellsworth	Meeks (NY)	Tsongas
Engel	Melancon	Van Hollen
Eshoo	Michaud	Velázquez
Etheridge	Miller (NC)	Visclosky
Faleomavaega	Miller, George	Walz
Farr	Minnick	Wasserman
Fattah	Mitchell	Schultz
Filner	Mollohan	Waters
Foster	Moore (KS)	Watson
Frank (MA)	Moore (WI)	Watt
Fudge	Moran (VA)	Waxman
Giffords	Murphy (CT)	Weiner
Gonzalez	Murphy (NY)	Welch
Gordon (TN)	Murphy, Patrick	Wexler
Grayson	Murphy, Tim	Wilson (OH)
Green, Al	Murtha	Woolsey
Green, Gene	Napolitano	Wu
Griffith	Neal (MA)	Yarmuth

NOT VOTING—13

Berry	Hinojosa	Stark
Blunt	Holt	Thompson (MS)
Capps	Nadler (NY)	Wamp
Fortenberry	Pierluisi	
Heller	Scalise	

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR (during the vote).
Two minutes are remaining.

□ 1503

Ms. WATSON changed her vote from “aye” to “no.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. HELLER. Madam Chair, on rollcall No. 240, the Price (GA) Amendment No. 7 to H.R. 1728, I was absent from the House at a family obligation. Had I been present, I would have voted “aye.”

AMENDMENT NO. 9 OFFERED BY MR. MCHENRY

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from North Carolina (Mr. MCHENRY) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 171, noes 255, not voting 13, as follows:

[Roll No. 241]

AYES—171

Aderholt	Cole	Jordan (OH)
Akin	Conaway	King (IA)
Alexander	Crenshaw	King (NY)
Austria	Culberson	Kingston
Bachmann	Davis (KY)	Kirk
Bachus	Deal (GA)	Kirkpatrick (AZ)
Barrett (SC)	Dent	Kline (MN)
Bartlett	Diaz-Balart, L.	Lamborn
Barton (TX)	Diaz-Balart, M.	Lance
Biggert	Dreier	Latham
Bilbray	Duncan	LaTourette
Billirakis	Ehlers	Latta
Bishop (UT)	Emerson	Lee (NY)
Blackburn	Fallin	Lewis (CA)
Boehner	Flake	Linder
Bonner	Fleming	LoBiondo
Bono Mack	Forbes	Lucas
Boozman	Fox	Luetkemeyer
Boustany	Franks (AZ)	Lummis
Brady (TX)	Frelinghuysen	Lungren, Daniel
Bright	Galleghy	E.
Brown (GA)	Garrett (NJ)	Mack
Brown (SC)	Gerlach	Manzullo
Brown-Waite,	Gingrey (GA)	Marchant
Ginny	Gohmert	McCarthy (CA)
Buchanan	Goodlatte	McCaul
Burgess	Granger	McClintock
Burton (IN)	Graves	McCotter
Buyer	Guthrie	McHenry
Calvert	Hall (TX)	McHugh
Camp	Harper	McKeon
Campbell	Hastings (WA)	McMorris
Cantor	Hensarling	Rodgers
Cao	Herger	Mica
Capito	Hoekstra	Miller (FL)
Carter	Hunter	Miller (MI)
Cassidy	Inglis	Miller, Gary
Castle	Issa	Moran (KS)
Chaffetz	Jenkins	Myrick
Coble	Johnson (IL)	Neugebauer
Coffman (CO)	Johnson, Sam	Nunes

Olson	Rohrabacher
Paul	Rooney
Paulsen	Ros-Lehtinen
Pence	Roskam
Petri	Royce
Pitts	Ryan (WI)
Platts	Schmidt
Poe (TX)	Schock
Posey	Sensenbrenner
Price (GA)	Sessions
Putnam	Shadegg
Radanovich	Shimkus
Rehberg	Shuster
Roe (TN)	Simpson
Rogers (AL)	Smith (NE)
Rogers (KY)	Smith (NJ)
Rogers (MI)	Smith (TX)

NOES—255

Abercrombie	Gonzalez	Mollohan
Ackerman	Gordon (TN)	Moore (KS)
Adler (NJ)	Grayson	Moore (WI)
Altmire	Green, Al	Moran (VA)
Andrews	Green, Gene	Murphy (CT)
Arcuri	Griffith	Murphy (NY)
Baca	Grijalva	Murphy, Patrick
Baird	Gutierrez	Murphy, Tim
Baldwin	Hall (NY)	Murtha
Barrow	Halvorson	Napolitano
Bean	Hare	Neal (MA)
Becerra	Harman	Norton
Berkley	Hastings (FL)	Nye
Berman	Heinrich	Oberstar
Bishop (GA)	Herseth Sandlin	Obey
Bishop (NY)	Higgins	Olver
Blumenauer	Hill	Ortiz
Boccheri	Himes	Pallone
Bordallo	Hinchee	Pascarell
Boren	Hirono	Pastor (AZ)
Boswell	Hodes	Payne
Boucher	Holden	Perlmutter
Boyd	Honda	Perriello
Brady (PA)	Hoyer	Peters
Braley (IA)	Inslee	Peterson
Brown, Corrine	Israel	Pingree (ME)
Butterfield	Jackson (IL)	Polis (CO)
Capuano	Jackson-Lee	Pomeroy
Cardoza	(TX)	Price (NC)
Carmahan	Johnson (GA)	Quigley
Carney	Johnson, E. B.	Rahall
Carson (IN)	Jones	Rangel
Castor (FL)	Kagen	Reichert
Chandler	Kanjorski	Reyes
Childers	Kaptur	Richardson
Christensen	Kennedy	Rodriguez
Clarke	Kildee	Ross
Clay	Kilpatrick (MI)	Rothman (NJ)
Cleaver	Kilroy	Roybal-Allard
Clyburn	Kissell	Ruppersberger
Cohen	Klein (FL)	Rush
Connolly (VA)	Kosmas	Ryan (OH)
Conyers	Kratovil	Sablan
Cooper	Kucinich	Salazar
Costa	Langevin	Sanchez, Linda
Costello	Larsen (WA)	T.
Courtney	Larson (CT)	Sanchez, Loretta
Crowley	Lee (CA)	Sarbanes
Cuellar	Levin	Schakowsky
Cummings	Lewis (GA)	Schauer
Dahlkemper	Lipinski	Schiff
Davis (AL)	Loeb	Schrader
Davis (CA)	Loeb	Schwartz
Davis (IL)	Lofgren, Zoe	Scott (GA)
Davis (TN)	Lowey	Scott (VA)
DeFazio	Lujan	Serrano
DeGette	Lynch	Sestak
Delahunt	Maffei	Shea-Porter
DeLauro	Maloney	Sherman
Dicks	Markey (CO)	Shuler
Dingell	Markey (MA)	Sires
Doggett	Marshall	Skelton
Donnelly (IN)	Massa	Slaughter
Doyle	Matheson	Smith (WA)
Driehaus	Matsui	Snyder
Edwards (MD)	McCarthy (NY)	Space
Edwards (TX)	McCollum	Speier
Ellison	McDermott	Spratt
Ellsworth	McGovern	Stupak
Engel	McIntyre	Sutton
Eshoo	McMahon	Tanner
Etheridge	McNerney	Tauscher
Faleomavaega	Meek (FL)	Taylor
Farr	Meeks (NY)	Teague
Fattah	Melancon	Thompson (CA)
Filer	Michaud	Tierney
Foster	Miller (NC)	Titus
Frank (MA)	Miller, George	Tonko
Fudge	Minnick	Towns
Giffords	Mitchell	Tsongas

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

NOT VOTING—13

Berry	Hinojosa	Stark
Blunt	Holt	Thompson (MS)
Capps	Nadler (NY)	Wamp
Fortenberry	Pierluisi	
Heller	Scalise	

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR (during the vote).
Two minutes are remaining.

□ 1511

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. HELLER. Madam Chair, on rollcall No. 241, the McHenry Amendment No. 9 to H.R. 1728, I was absent from the House at a family obligation. Had I been present, I would have voted “aye.”

The Acting CHAIR. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The Acting CHAIR. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mrs. TAUSCHER) having assumed the chair, Ms. DEGETTE, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes, pursuant to House Resolution 406, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment reported from the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. SESSIONS. Madam Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SESSIONS. I am in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Sessions moves to recommit the bill, H.R. 1728, to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

After section 407, insert the following new section:

SEC. 408. ACCOUNTABILITY AND TRANSPARENCY FOR GRANT RECIPIENTS.

Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x), as amended by the preceding provisions of this title, is further amended by adding at the end the following:

“(i) ACCOUNTABILITY FOR RECIPIENTS OF COVERED ASSISTANCE.—

“(1) TRACKING OF FUNDS.—The Secretary shall—

“(A) develop and maintain a system to ensure that any organization or entity that receives any covered assistance uses all amounts of covered assistance in accordance with this section or section 216 of the Mortgage Reform and Anti-Predatory Lending Act, as applicable, the regulations issued under this section or such section 216, as applicable, and any requirements or conditions under which such amounts were provided; and

“(B) require any organization or entity, as a condition of receipt of any covered assistance, to agree to comply with such requirements regarding covered assistance as the Secretary shall establish, which shall include—

“(i) appropriate periodic financial and grant activity reporting, record retention, and audit requirements for the duration of the covered assistance to the organization or entity to ensure compliance with the limitations and requirements of this section or section 216 of the Mortgage Reform and Anti-Predatory Lending Act, as applicable, the regulations under this section or such section 216, as applicable, and any requirements or conditions under which such amounts were provided; and

“(ii) any other requirements that the Secretary determines are necessary to ensure appropriate administration and compliance.

“(2) MISUSE OF FUNDS.—If any organization or entity that receives any covered assistance is determined by the Secretary to have used any covered assistance in a manner that is materially in violation of this section or section 216 of the Mortgage Reform and Anti-Predatory Lending Act, as applicable, the regulations issued under this section or such section 216, as applicable, or any requirements or conditions under which such assistance was provided—

“(A) the Secretary shall require that, within 12 months after the determination of such misuse, the organization or entity shall reimburse the Secretary for such misused amounts and return to the Secretary any such amounts that remain unused or uncommitted for use; and

“(B) such organization or entity shall be ineligible, at any time after such determination, to apply for or receive any further covered assistance.

The remedies under this paragraph are in addition to any other remedies that may be available under law.

“(3) COVERED ASSISTANCE.—For purposes of this subsection, the term ‘covered assistance’ means any grant or other financial assistance provided under—

“(A) this section; or

“(B) section 216 of the Mortgage Reform and Anti-Predatory Lending Act.”.

Mr. SESSIONS (during the reading). Madam Speaker, I ask unanimous consent to dispense with the reading of the motion.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 5 minutes.

Mr. SESSIONS. Madam Speaker, yesterday in the Rules Committee I offered two amendments to this legislation. My first amendment asked for the courts to limit fees for attorneys filing lawsuits created by this legislation to reasonable levels to ensure that real victims of predatory lending, not trial lawyers, are fairly compensated for wrongdoing.

□ 1515

Unsurprisingly, this amendment was rejected by the committee Democrats on a party-line vote of 9–4. In rejecting this amendment, my Democrat colleagues chose to put trial lawyer fees over victims’ compensation in cases where homeowners have been defrauded.

My second amendment would require that ACORN meet the same transparency and reporting requirements that Democrats demanded from any financial institutions receiving TARP funds. My amendment would have ensured accountability and transparency for any taxpayer funds distributed as a result of this legislation. I will repeat that: my amendment would have ensured accountability and transparency for any taxpayer funds distributed as a result of this legislation, just like TARP funding that we have already passed in this body. But, once again, my colleagues in the Rules Committee decided to vote against this and in favor of special interests, and the amendment failed.

Madam Speaker, the main component of this amendment really was not received because it singled out ACORN as a group. And I note that it has a well-documented history of deceit and fraud, which, just again this week, ACORN has been accused in 26 counts of breaking the law in the State of Nevada, and today, seven more counts brought against them by a Democratic prosecutor in Pennsylvania.

So to answer this criticism, I am offering this motion to recommit to extend transparency and good government provisions from my original amendment to any group that is receiving government grants for legal or housing counseling.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. SESSIONS. I would yield to the gentleman.

Mr. FRANK of Massachusetts. I appreciate the gentleman accommodating my objection. I support the recommit, and I hope it is adopted.

Mr. SESSIONS. I appreciate the gentleman doing that, for him accepting this, in the spirit of what you have done. I appreciate that because it lives up to the gentleman’s word of accepting. It is my hope that by what I am

going to do now, it will ensure it will be in the final bill. Madam Speaker, I will ask for a recorded vote.

I yield back the balance of my time.

Mr. FRANK of Massachusetts. Madam Speaker, I believe it was premature to ask for a recorded vote because I had not yet been given my time and maybe cooler heads will prevail.

The SPEAKER pro tempore. Does the gentleman seek time in opposition?

Mr. FRANK of Massachusetts. Yes, in the absence of any other Member, I will seek the time in opposition.

The SPEAKER pro tempore. Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. FRANK of Massachusetts. We are going to support the amendment. I am puzzled as to what a rollcall would accomplish, except some missed planes.

So I will now yield back the balance of my time and promise to vote ‘yes’ very loudly.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was agreed to.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

Mr. FRANK of Massachusetts. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Members will record their vote by electronic device.

This is a 15-minute vote.

Without objection, the premature proceedings on passage are vacated and the Chair will entertain a forthwith report from the manager of the bill.

There was no objection.

Mr. FRANK of Massachusetts. Madam Speaker, pursuant to the instructions of the House in the motion to recommit, I report the bill, H.R. 1728, back to the House with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. FRANK of Massachusetts:

After section 407, insert the following new section:

SEC. 408. ACCOUNTABILITY AND TRANSPARENCY FOR GRANT RECIPIENTS.

Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x), as amended by the preceding provisions of this title, is further amended by adding at the end the following:

“(i) ACCOUNTABILITY FOR RECIPIENTS OF COVERED ASSISTANCE.—

“(1) TRACKING OF FUNDS.—The Secretary shall—

“(A) develop and maintain a system to ensure that any organization or entity that receives any covered assistance uses all amounts of covered assistance in accordance

with this section or section 216 of the Mortgage Reform and Anti-Predatory Lending Act, as applicable, the regulations issued under this section or such section 216, as applicable, and any requirements or conditions under which such amounts were provided; and

“(B) require any organization or entity, as a condition of receipt of any covered assistance, to agree to comply with such requirements regarding covered assistance as the Secretary shall establish, which shall include—

“(i) appropriate periodic financial and grant activity reporting, record retention, and audit requirements for the duration of the covered assistance to the organization or entity to ensure compliance with the limitations and requirements of this section or section 216 of the Mortgage Reform and Anti-Predatory Lending Act, as applicable, the regulations under this section or such section 216, as applicable, and any requirements or conditions under which such amounts were provided; and

“(ii) any other requirements that the Secretary determines are necessary to ensure appropriate administration and compliance.

“(2) MISUSE OF FUNDS.—If any organization or entity that receives any covered assistance is determined by the Secretary to have used any covered assistance in a manner that is materially in violation of this section or section 216 of the Mortgage Reform and Anti-Predatory Lending Act, as applicable, the regulations issued under this section or such section 216, as applicable, or any requirements or conditions under which such assistance was provided—

“(A) the Secretary shall require that, within 12 months after the determination of such misuse, the organization or entity shall reimburse the Secretary for such misused amounts and return to the Secretary any such amounts that remain unused or uncommitted for use; and

“(B) such organization or entity shall be ineligible, at any time after such determination, to apply for or receive any further covered assistance.

The remedies under this paragraph are in addition to any other remedies that may be available under law.

“(3) COVERED ASSISTANCE.—For purposes of this subsection, the term ‘covered assistance’ means any grant or other financial assistance provided under—

“(A) this section; or

“(B) section 216 of the Mortgage Reform and Anti-Predatory Lending Act.”.

Mr. FRANK of Massachusetts (during the reading). Madam Speaker, I ask unanimous consent that the amendment be considered as read.

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

There was no objection.

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

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

Mr. FRANK of Massachusetts. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 300, nays 114, not voting 19, as follows:

[Roll No. 242]

YEAS—300

Abercrombie	Fattah	Meeks (NY)
Ackerman	Filner	Melancon
Adler (NJ)	Forbes	Michaud
Altmire	Foster	Miller (MI)
Andrews	Frank (MA)	Miller (NC)
Arcuri	Fudge	Miller, Gary
Austria	Gerlach	Miller, George
Baird	Giffords	Minnick
Baldwin	Gonzalez	Mitchell
Barrow	Goodlatte	Mollohan
Bartlett	Gordon (TN)	Moore (KS)
Bean	Grayson	Moore (WI)
Becerra	Green, Al	Moran (VA)
Berkley	Griffith	Murphy (CT)
Berman	Grijalva	Murphy (NY)
Biggert	Gutierrez	Murphy, Patrick
Bilbray	Hall (NY)	Murphy, Tim
Bilirakis	Halvorson	Murtha
Bishop (GA)	Hare	Napolitano
Bishop (NY)	Harman	Neal (MA)
Blumenauer	Hastings (FL)	Nye
Boccheri	Heinrich	Oberstar
Bono Mack	Hereth Sandlin	Obey
Boren	Higgins	Olver
Boswell	Hill	Ortiz
Boucher	Himes	Pallone
Brady (PA)	Hinchev	Pascarell
Bralley (IA)	Hirono	Pastor (AZ)
Brown, Corrine	Hodes	Payne
Brown-Waite,	Holden	Perlmutter
Ginny	Honda	Perriello
Buchanan	Hoyer	Peters
Burgess	Inslee	Peterson
Burton (IN)	Israel	Petri
Butterfield	Jackson (IL)	Pingree (ME)
Buyer	Jackson-Lee	Platts
Calvert	(TX)	Polis (CO)
Capito	Johnson (GA)	Pomeroy
Capuano	Johnson (IL)	Price (NC)
Cardoza	Johnson, E. B.	Quigley
Carnahan	Jones	Rahall
Carney	Kagen	Rangel
Carson (IN)	Kanjorski	Reichert
Castle	Kaptur	Reyes
Castor (FL)	Kennedy	Richardson
Chandler	Kildee	Rodriguez
Childers	Kilpatrick (MI)	Rogers (AL)
Clarke	Kilroy	Rogers (MI)
Clay	King (NY)	Rohrabacher
Cleaver	Kirk	Rooney
Clyburn	Kissell	Ros-Lehtinen
Cohen	Klein (FL)	Ross
Connolly (VA)	Kosmas	Rothman (NJ)
Conyers	Kratovil	Roybal-Allard
Cooper	Kucinich	Ruppersberger
Costa	Lance	Rush
Costello	Langevin	Ryan (OH)
Courtney	Larsen (WA)	Salazar
Crowley	Larson (CT)	Sánchez, Linda
Cuellar	Latham	T.
Culberson	LaTourette	Sanchez, Loretta
Cummings	Lee (CA)	Sarbanes
Dahlkemper	Levin	Schakowsky
Davis (AL)	Lewis (GA)	Schauer
Davis (CA)	Lipinski	Schiff
Davis (IL)	LoBiondo	Schock
Davis (TN)	Loeb sack	Schwartz
DeFazio	Lofgren, Zoe	Scott (GA)
DeGette	Lowey	Scott (VA)
DeLahunt	Lujan	Serrano
DeLauro	Lungren, Daniel	Sestak
Dent	E.	Shea-Porter
Diaz-Balart, L.	Lynch	Sherman
Diaz-Balart, M.	Maffei	Shimkus
Dicks	Maloney	Shuler
Dingell	Markey (CO)	Simpson
Doggett	Markey (MA)	Sires
Donnelly (IN)	Marshall	Skelton
Doyle	Massa	Smith (NJ)
Dreier	Matheson	Smith (WA)
Driehaus	Matsui	Snyder
Edwards (MD)	McCarthy (NY)	Souder
Edwards (TX)	McCollum	Space
Ehlers	McCotter	Speier
Ellison	McDermott	Spratt
Ellsworth	McGovern	Stearns
Emerson	McHugh	Stupak
Engel	McIntyre	Sutton
Eshoo	McMahon	Tanner
Etheridge	McNerney	Tauscher
Farr	Meek (FL)	Taylor

Teague
Terry
Thompson (CA)
Tiberi
Tierney
Titus
Tonko
Townes
Tsongas
Turner
Upton

Van Hollen
Velázquez
Visclosky
Walden
Walz
Wasserman
 Schultz
Waters
Watson
Watt
Waxman

Weiner
Welch
Wexler
Wilson (OH)
Wittman
Wolf
Woolsey
Wu
Yarmuth
Young (FL)

NAYS—114

Aderholt	Gingrey (GA)	Miller (FL)
Akin	Gohmert	Moran (KS)
Alexander	Granger	Myrick
Bachmann	Graves	Neugebauer
Bachus	Guthrie	Nunes
Barrett (SC)	Hall (TX)	Olson
Barton (TX)	Harper	Paul
Bishop (UT)	Hastings (WA)	Paulsen
Blackburn	Hensarling	Pence
Boehner	Hergy	Pitts
Bonner	Hoekstra	Poe (TX)
Boozman	Hunter	Posey
Boustany	Inglis	Price (GA)
Brady (TX)	Issa	Putnam
Bright	Jenkins	Radanovich
Broun (GA)	Johnson, Sam	Rehberg
Brown (SC)	Jordan (OH)	Roe (TN)
Camp	King (IA)	Kingston
Cantor	King (KY)	Rogers (KY)
Cao	Kirkpatrick (AZ)	Roskam
Carter	Kline (MN)	Royce
Cassidy	Lamborn	Ryan (WI)
Chaffetz	Latta	Schmidt
Coble	Lee (NY)	Schrader
Coffman (CO)	Lewis (CA)	Sensenbrenner
Cole	Lucas	Sessions
Conaway	Luetkemeyer	Shadegg
Crenshaw	Lummis	Shuster
Davis (KY)	Mack	Smith (NE)
Deal (GA)	Manzullo	Smith (TX)
Duncan	Marchant	Sullivan
Fallin	McCarthy (CA)	Thompson (PA)
Flake	McCaul	Thornberry
Fleming	McClintock	Tiahrt
Fox	McHenry	Westmoreland
Franks (AZ)	McKeon	Whitfield
Frelinghuysen	McMorris	Wilson (SC)
Gallegly	Rodgers	Young (AK)
Garrett (NJ)	Mica	

NOT VOTING—19

Baca	Green, Gene	Scalise
Berry	Heller	Slaughter
Blunt	Hinojosa	Stark
Boyd	Holt	Thompson (MS)
Campbell	Kind	Wamp
Capps	Linder	
Fortenberry	Nadler (NY)	

□ 1543

Messrs. BROUN of Georgia and REHBERG changed their vote from “yea” to “nay.”

Messrs. PERLMUTTER and BURTON of Indiana changed their vote from “nay” to “yea.”

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for

Mr. HELLER. Mr. Speaker, on rollcall No. 242, final passage of H.R. 1728, I was absent from the House at a family obligation. Had I been present, I would have voted “yea.”

Mr. BOYD. Mr. Speaker, due to personal reasons, I was unable to attend a vote. Had I been present, my vote would have been “yea” on rollcall 242 for final passage of H.R. 1728, Mortgage Reform and Anti-Predatory Lending Act.

Ms. SLAUGHTER. Mr. Speaker, I was unavoidably detained and missed rollcall vote 242. Had I been present, I would have voted “aye” on rollcall No. 242.

THE HONORABLE LOIS CAPPS
PERSONAL EXPLANATION

Mrs. CAPPS, Mr. Speaker, I was not able to be present for the following rollcall votes on May 7, 2009 and would like the RECORD to reflect that I would have voted as follows: Rollcall No. 237: "yea"; rollcall No. 238: "aye"; rollcall No. 240: "no"; rollcall No. 241: "no"; rollcall No. 242: "yea."

AUTHORIZING THE CLERK TO
MAKE CORRECTIONS IN EN-
GROSSMENT OF H.R. 1728, MORT-
GAGE REFORM AND ANTI-PRED-
ATORY LENDING ACT

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that in the engrossment of H.R. 1728, the Clerk be authorized to correct section numbers, punctuation, and cross-references, and to make such other technical and conforming changes as may be necessary to accurately reflect the actions of the House.

The SPEAKER pro tempore (Mr. GRIFFITH). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 454. An act to improve the organization and procedures of the Department of Defense for the acquisition of major weapon systems, and for other purposes.

□ 1545

CONTINUATION OF THE NATIONAL
EMERGENCY WITH RESPECT TO
THE ACTIONS OF THE GOVERN-
MENT OF SYRIA—MESSAGE
FROM THE PRESIDENT OF THE
UNITED STATES (H. DOC. NO. 111-
38)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act, 50 U.S.C. 1622(d), provides for the automatic termination of a national emergency, unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent to the *Federal Register* for publication the enclosed notice stating that the national emergency with respect to the actions of the Government of Syria declared in Executive Order 13338 of May 11, 2004, and relied

upon for additional steps taken in Executive Order 13399 of April 25, 2006, and Executive Order 13460 of February 13, 2008, is to continue in effect beyond May 11, 2009.

The actions of the Government of Syria in supporting terrorism, pursuing weapons of mass destruction and missile programs, and undermining U.S. and international efforts with respect to the stabilization and reconstruction of Iraq pose a continuing unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. For these reasons, I have determined that it is necessary to continue in effect the national emergency declared with respect to this threat and to maintain in force the sanctions to address this national emergency.

BARACK OBAMA.

THE WHITE HOUSE, May 7, 2009.

LEGISLATIVE PROGRAM

(Mr. CANTOR asked and was given permission to address the House for 1 minute.)

Mr. CANTOR. Mr. Speaker, I yield to the gentleman from Maryland, the majority leader, for the purpose of announcing next week's schedule.

Mr. HOYER. I thank the gentleman for yielding.

On Monday, the House will meet in pro forma session at 2 p.m. On Tuesday, the House will meet at 12:30 p.m. for morning-hour debate and 2 p.m. for legislative business, with votes postponed until 6:30. On Wednesday and Thursday, the House will meet at 10 a.m. for legislative business. On Friday, the House will meet at 9 a.m. for legislative business.

We will consider several bills under suspension of the rules. A complete list of those bills will be provided by the end of business tomorrow.

In addition, we will consider H.R. 2187, the 21st Century Green High-Performing Public Schools Facilities Act; H.R. 2101, the Weapons Acquisition Systems Reform Through Enhancing Technical Knowledge and Oversight Act; and the fiscal 2009 war supplemental appropriations bill.

Mr. CANTOR. I would ask the gentleman what days he would think that the measures he discussed would come to the floor next week.

Mr. HOYER. I think that the 21st Century Green High-Performing Public Schools Facility Act will probably be on the floor on Wednesday. The weapons acquisition system and supplemental, I would expect the supplemental on Thursday or Friday, depending upon how our business proceeds.

Mr. CANTOR. Mr. Speaker, as the gentleman has discussed next week's schedule, I would like to ask the gentleman if he could give the House and the public a sense of what to expect for the following week as well.

Mr. HOYER. Well, we have a number of pieces of legislation. We have done a lot over this work period. We did the

National Water Research Development and Initiative Act, credit card legislation, hate crimes, budget conference report, Mortgage Reform and Anti-Predatory Lending Act, which we passed, and the Fight Fraud Act, which we passed yesterday, and we did the predatory lending.

In addition to the items that I already mentioned for next week, we will be keeping, obviously, in touch with the Senate as to what they are passing. We get a number of these items at conference before we have a break on Memorial Day. We hope that will happen as well.

But we have a number of items that will be pending.

I hope to be able to move the D.C. vote bill, we are working on that, before the Memorial Day break, and we will see what the committees are able to report out in the coming week that we can put on the floor the last week.

Mr. CANTOR. I would ask the gentleman to follow up on the prospect of a vote on the D.C. bill and ask whether he could assure the Members on, frankly, both sides of the aisle who are concerned about the Second Amendment, whether there will be the necessary protections for the Second Amendment rights in that measure.

Mr. HOYER. I think all of us are concerned about the Second Amendment. I hope all of us are also concerned about 600,000 citizens in the United States of America who have a Representative in this House who can't vote. Unfortunately, too many people, in my view, voted against that bill.

So what we have now done is undermine the home rule rights of the District of Columbia, as well as preventing them from voting on this floor. I think that is very unfortunate.

As the gentleman is well aware, there are, obviously, significant differences on the amendment that was offered in the Senate. We are going to be considering how we can try to get this bill through. Because the reality is, neither position might enjoy a majority in the final analysis, either in the Senate or perhaps here.

So I am trying to figure out how we can give 600,000 of our citizens—an awful lot of us get up on this floor and we talked about how important it is, in the 1980s, behind the Iron Curtain, to get people free. We talk about, in Cuba, how it's important to get people free. We talk about how it's important, in some Middle East states, to give people a vote.

But here, in the Nation's capital, the center of freedom and democracy, we do not have a representative. Unlike any other capital of any other democratic nation in the world, their representative cannot vote in this parliament.

I think that's a tragedy. I think it's a diminishment of our democracy. And I will tell the gentleman that I would hope that this House would rise up as one voice saying this is not right, and we will pass the D.C. voting rights. We