reflect the excellence of our civil service as a whole. They have each been selected by a blue ribbon panel which includes Senator SUSAN COLLINS, in concert with Partnership for Public Service, to receive a Service to America medal.

When she began her job as Director of the Office of Public Housing Programs in 2002, Nicole Faison inherited a HUD rental system program rated for 13 years as a ''high risk'' program by the Government Accountability Office due to rampant waste, fraud, and abuse. Today, it is recognized for helping more low-income families receive housing assistance without wasting resources. Under Nicole's guidance, the program eliminated over $2 billion in fraudulent payments and earned praise for its streamlined operations.

Since 9/11, there has been much attention on the security of cargo containers entering our country from overseas. Leading the charge to secure our ports, Tracy Mustin serves as Director of the Department of Energy's office of Second Line of Defense. Under Tracy's leadership, her office has installed monitoring devices at more than 100 airports, seaports, and border crossings in over 40 countries which help detect and prevent the trafficking of nuclear or radiological substances. She also oversees the Megaports Initiative, which screens and monitors cargo entering major seaports around the world. In addition to her responsibilities as a civil servant, Tracy is commissioned as a captain in the Navy Reserve.

While Tracy and her team have been fortifying our Nation's second line of defense against terrorism, brave men and women in the Armed Forces remain overseas fighting on the first line of defense. When our wounded warriors return home, they can thank the dedicated civilian employees of our Defense Department for significant advancements in the treatment and care they will receive for their injuries.

Dave Carballeyra, the Air Force's Director of Stereolithography, introduced a new 3–D technology for bone and tissue imaging which has improved treatment and rehabilitation care for wounded veterans. In particular, his work has helped soldiers suffering from severe burns from bombings in Iraq and Afghanistan and those requiring surgery to attach prosthetic devices. These advances have significantly improved their quality of life. Believe it or not, Dave is only 25 years of age.

Another public servant whom I very much want to mention is Dr. Rajiv Jain. Each year it is estimated that 2 million patients develop infections while in U.S. hospitals for routine procedures. One hundred thousand of these patients die as a result, and the elderly and newborn are particularly susceptible. Rajiv and his team at the Veterans Affairs Hospital in Pittsburgh are at the forefront of an effort to reduce these infections. The infection rate at their VA facility has already dropped 60 percent, and the strategy developed by Rajiv to prevent infections has now been adopted by all 153 VA hospitals.

When asked about his work, he commonly explains that ''one infection is too many.''

The final person I will mention, who works for the Department of Energy, has proven wrong those who are convinced that Government can't do something right. At the end of the Cold War, when the former Rocky Flats nuclear weapons plant near Denver was designated as a Superfund site, it was estimated that it would take 70 years and nearly $40 billion to clean it up. Many advocated a permanent quarantine of the site, arguing that its rehabilitation was not worth the cost. Frazer Lockhart took charge of the cleanup effort in 1995 and finished the job in 10 years, spending only $7 billion. Today, 95 percent of the original site has been delisted from the Superfund and been set aside as a 6,200-acre wildlife refuge. Frazer's sound management and perseverance led to the cleanup 60 years ahead of schedule and $30 billion under budget.

Mr. President, these stories are just a few of the countless many. Indeed, there are a great number of exceptional Federal employees, and I hope to continue sharing their stories before the Senate and honoring their service over the coming weeks and months, beginning with this group. I invite my fellow Senators to join me on those or other occasions in doing the same. These men and women daily carry out the work of developing new technologies, protecting our free markets, ensuring a cleaner environment, and advancing our interests around the world.

I believe the Founders foresaw the need for a vibrant and effective civil service and that they would be proud of the Federal employees serving today. When the first Congress convened in New York on March 4, 1789, its first matter of business was to fulfill an obligation set to it by the Constitution. Article VI declares that all public officers are to be bound by an oath or affirmation to support the Constitution, but the document leaves up to Congress to decide on the form.

The first piece of legislation ever to be passed by the United States Congress and signed into law by President Washington codified this simple but poignant oath:

> I do solemnly swear or affirm that I will support the Constitution of the United States.

In the years since, it has been expanded to the oath presently taken by all of us who serve in this Chamber and in the House of Representatives and by every Federal employee. But the underlying point remains unchanged from that original oath. What the Founders intended in their first act of Government, and what we now reaffirm with each taking of our modern oath, is that everyone who serves in our Government is not only obligated to support the Constitution but also entrusted with that responsibility. That trust—the same as was noted by Clay—is the foundation of our civil service. It is the guiding principle of our Federal workers and the reason they deserve the public's confidence.

Careers in Government, we know, frequently pay far less than comparable careers in the private sector, and many times our Federal employees are asked to move across the country or overseas to perform their duties. Many serve for 20 years or more, leaving a lasting impact on communities and on our national policies without special recognition. They never see bonuses like those paid on Wall Street or elsewhere in the private sector. However, after many years of service, when our civil servants retire, they can look back on their careers and know with certainty that when their country needed them, they gave of themselves. They gave to our Nation, and they know their contribution, even if little recognized, has been genuine and significant. This is their bonus, the satisfaction and the knowledge that they have answered the call to duty, that their lives have surely served a meaningful purpose.

Again, please let it be noted that the first week of May each year is Public Service Recognition Week, and it is with great pride that I honor the service and sacrifice of our Federal employees. I thank them, and I urge my colleagues to join me this week and in future weeks to thank them for their continued work in support of our recovery during this challenging time.

I yield the floor. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. KAUFMAN). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

HELPING FAMILIES SAVE THEIR HOMES ACT OF 2009

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 896, which the clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 896) to prevent mortgage foreclosures and enhance mortgage credit availability.

Pending:

Dodd/Shelby amendment No. 1018, in the nature of a substitute.

Corker amendment No. 1019 (to amendment No. 1018), to address safe harbor for certain servicers.

Vitter amendment No. 1016 (to amendment No. 1018), to authorize and remove impediments to the repayment of funds received under the Troubled Asset Relief Program.

Vitter amendment No. 1017 (to amendment No. 1018), to provide that the primary and foundational responsibility of the Federal Housing Administration shall be to safeguard and preserve the solvency of the Administration.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I am going to take a few minutes to explain. I know the leadership has already made these announcements, but as I have been told, at 5:30 there will be two votes on amendments offered by our colleague from Louisiana, Senator VITTER. I am going to take a few minutes here, once again, to review the underlying proposals Senator SHELBY of Alabama and I have crafted as part of this bill. Then I will take a few minutes to express my views on the two Vitter amendments. I presume Senator VITTER himself may come over and talk about this or others who are interested in the two amendments may show up to express their interest in them as well.

I thank the majority leader, Senator REID, for scheduling the time for the consideration of this bill. Obviously, the importance of foreclosure mitigation is still critical. I still believe, as many do, that the root cause of our financial problems in this country began with the residential mortgage market, the predatory lending that went on with literally millions of people in this country. The Wall Street Journal reported that some 60 to 65 percent of people who were talked into predatory loans, subprime loans, actually qualified for conventional mortgages. Conventional mortgages are far less costly than subprime mortgages, but because there was a greater financial reward for brokers and others who were able to market and sell the subprime mortgages, they were marketed to people. Of course, those mortgages became far more costly. There were adjustable rate mortgages, there were teaser rates with almost no downpayments required and very little interest payments for months on end and then, of course, ballooning to the point that many people could ill-afford them. For many, they could not the afford them at all, to the point that problem migrated to other areas of our economy. As a result, today we find ourselves in a recession, and a deep one at that.

This bill is designed to help families save their homes. That is what it is designed to do. There are a lot of provisions that relate to the smaller banks in the country and how we can be of some help to them to get credit moving.

I did this last week at the close of business, but I thought I would spend a few minutes to review, once again, the major provisions of the bill without going into great detail as to what is included in each provision and then, as I said, address the two Vitter amendments that will be offered later this afternoon.

This amendment we have offered is a substitute amendment that Senator SHELBY and I have before us now, which is S. 896. It expands the number of tools available to try to prevent foreclosures and the ability of homeowners and loan servicers to use those tools. In addition, the bill includes provisions to make the banking system more stable and improve the availability of credit.

Specifically, there are about 8 or 9 or 10 major provisions of the bill.

The first of these provisions expands the ability of the Federal Housing Administration in rural housing to modify loans. I made the point last week that this is absolutely critical. FHA has been a savior in many cases, providing credit when credit has not been available elsewhere to keep a limited housing market open. It is very important that they have the tools to do that—certainly the tools to modify FHA or USDA loans, as they do for non-Government loans they service.

This part of the bill is one that is critically important and can make a huge difference to people. There will be amendments offered to modify this provision of the bill. If we end up undermining the role of the FHA at this critical time, we can make it far more difficult for these foreclosures to be mitigated and decrease the possibility of people remaining in their homes.

Second, it expands access to the HOPE for Homeowners legislation, which makes a number of changes to that bill we adopted last summer. It was a program that was well intended but left a lot of problems in terms of the effectiveness and efficiency of the legislation. This bill will allow for the option to lower fees and streamline the borrower certification requirements. We give the Secretary of the housing agency in our country limited discretion to determine the amount and distribution of future appreciation. We ban the very wealthiest in our country from being involved in this program. It was never intended to be such. We allow for incentive payments to servicers and originators who participate in the program. Again, it is something designed to be of help to the average citizens, working families in this country.

Third, we create more enforcement tools for the FHA to eliminate bad lenders. This was an important provision that provides the tools to the housing and urban development agency to more expeditiously drop lenders that break FHA rules. This was needed to strengthen those provisions and make sure resources go to the areas that need them. They are certainly not to be used by lenders who are violating the rules of FHA.

We then provide for a safe harbor for servicers who would either modify a loan consistent with the Obama foreclosure mitigation program or refinance the borrower into a HOPE for Homeowners loan. This has been a contentious issue between bankers and investors, trying to do something with regard to mitigation. This has been narrowly drawn.

The House-passed bill—and I say this respectfully of the other body—had a broad provision in this area. This was an idea Senator MARTINEZ offered a number of weeks ago. He has since modified this—and I agree with him—to try to restrict time, duration, and circumstances in which a safe harbor would apply.

What is a safe harbor? A safe harbor is designed to encourage the servicers to modify loans, servicers who have had contracts with investors. The investors obviously are somewhat reluctant to watch a modification of any of these things that would deprive them of the ability to take legal action against a servicer who engaged in a modification creating a safe harbor for the servicer. We encourage them—it doesn't mandate but encourages them to modify those loans with the borrower, in the absence of which I doubt any servicer will be willing to step forward do so.

So this is an absolutely critical area. While there are still concerns on the part of some, I believe it is the right step to be taking. It is limited in duration. It is limited to only the Obama foreclosure mitigation and the HOPE for Homeowners, only in those two instances, and therefore would not be as open and broad-based as provisions that have been adopted elsewhere.

So I encourage my colleagues to be supportive. There will be an effort to change this in a way that I think would make it unworkable in terms of achieving the desired results here. Again, with 10,000 foreclosures going on every single day in our country, we need to try to bring closure to that problem where we can. This is not going to solve every foreclosure, but it can certainly make a huge difference. An estimated 1.7 to 2 million foreclosures can be avoided with this kind of proposal in the bill.

With the Obama proposals and HOPE for Homeowners proposals, we think that would make a significant difference, allow people to stay in their homes, and allow the lenders to get some payment back rather than the property falling into foreclosure.

As the Presiding Officer knows, the contagion effect of a foreclosed property in a neighborhood is very daunting. We know for a fact that with one foreclosure in a neighborhood of a one-square-block area, the value of every other property in that square block declines by as much as $5,000 that very day. The last thing you want to see on your block, in your neighborhood, is foreclosed, boarded-up properties deteriorating. If you have a home there and that property is declining in value by the day, obviously everyone is adversely affected.

So while I know this is a contentious issue for some, I am pleased that most

of the consumer groups, the realtors, the Financial Roundtable, and others strongly support the provisions Senator SHELBY and I have in this bill when it comes to the issue of safe harbor. Again, I thank Senator MARTINEZ, my colleague from Florida, for initiating the idea of this proposal.

The next provision authorizes an additional $130 million for foreclosure prevention activities. Senator REID is the author. I mentioned earlier that his support in creating the space and time for this bill to come up has been critically important but also the addition of this language which we now know is terribly effective.

Earlier, Senator SCHUMER and others offered language to provide resources for the support of the prevention activities; that is, counseling activities. It proved very helpful. These can be complicated areas. To get into the issue of modifying a mortgage requires some good counseling. This is not a matter where the average person can just walk in and negotiate by themselves. I think having people who are experienced and knowledgeable, as we now have across the country, who can assist in this process, has been a great asset. These additional resources Senator REID of Nevada has offered here will make a huge difference for people across our Nation, in addition to what has already been allocated.

Then we have some provisions to increase the deposit insurance with the Federal Deposit Insurance Corporation from $100,000 to $250,000. I mentioned earlier how important that is to people to avoid the kinds of runs that can occur when fear grips investors and depositors. Certainly, those who have even a passing knowledge of history, of the Great Depression, know what happened when fear gripped the country and there were great runs on the banks, people running and taking their deposits out of the banks, feeling as though they were going to lose them, and the old notion of hiding it in your mattress was not a joke; people actually did that. They buried their hard-earned money on their property rather than keep it in what they perceived as an unsafe institution where they could lose those resources.

So back in the 1930s, the FDIC was created to provide, among other things, an ability, when a bank is in trouble, to make that transition from a closed bank to one that could open so the people would not loose their resources, as well as providing insurance so that money would not be lost, a full guarantee of up to $100,000.

The world has changed a lot since the 1980s, which is when I believe that provision, the $100,000, was added, over the last 29 or 30 years. Raising it to $250,000 we believed was necessary to assist, providing further guarantee and assistance as well.

We increased borrowing authority in this bill for both the FDIC and the National Credit Union Administration, from $100 billion in the case of the FDIC and $6 billion for the National Credit Union Administration. There is additional authority that requires the approval of a two-thirds vote of the FDIC or National Credit Union Administration, a two-thirds vote of the Federal Reserve Board, and agreement by the Secretary of Treasury in consultation with the President of the United States.

We stretch out the payment of assessments to rebuild bank thrift and credit union deposit insurance funds to 8 years. This was a very important provision; for many of our lending institutions, that period of assessment is absolutely essential. If it is too short, it obviously puts a huge financial burden on these institutions. I believe the 8 years was a provision that was very important to these institutions and one that they are very pleased our legislation includes. I hope that will work as well as we intend it to.

We also improve the FDIC systemic risk special assessment authority. Again, that is a real relief to institutions that would not participate in that program, that would have been assessed anyway. This provision of the bill protects them from that kind of assessment. Again, it is essentially important.

That is a very quick review of the major provisions of the bill. As I mentioned earlier, this legislation enjoys broad-based support in our country, from major groups of people from major consumer groups in our Nation: The National Consumer Law Center, the Independent Community Bankers, the Center for Responsible Lending, along with the Housing Policy Council, the Financial Services Roundtable, the American Bankers Association. Rarely do I find these organizations coming together around a bill.

You will normally have the consumer groups on one side and your financial services sector on the other side. That is normally how it works. But because of the effort made by so many people on our committee and elsewhere, we have put together a piece of legislation which we think will make a difference on foreclosure, provide some needed reform to our major financial institutions, provide counseling and additional support for people who seek that kind of help, as well as attract the kind of support from diverse institutions that watch and care very much about these groups.

Last week I included letters of support. I should add as well that Lenders One, an association of mid-sized independent mortgage brokers, and the Mortgage Bankers Association, have endorsed what Senator SHELBY and I have put together in this bill.

That is a rough summary of the legislation. Of course, anybody who is interested in further information about this, we would welcome them to come over and discuss any provision they have interest in.

Let me, at this point, if I can, address the two amendments which this body will consider at 5:30. The first one I will discuss is the amendment of Senator VITTER of Louisiana No. 1015.

This amendment, as I understand it—obviously Senator VITTER will come and explain his own amendment. I hope I am accurately describing it. Under the Emergency Economic Stabilization Act, currently it requires the Treasury to permit a TARP recipient to repay the financial assistance it receives subject to consultation with the appropriate Federal banking agency. When the assistance is repaid, the recipient must also buy back the warrants it provided to the Treasury at the current market price.

As I understand the Vitter amendment, it would require the Treasury to permit a TARP recipient to repay TARP assistance it received if the institution would be ''well capitalized'' after repaying the funds.

Capitalization of our lending institutions is a critical component, as the Presiding Officer knows, very important, certainly essential, before one would even consider, again, having TARP money come back, the whole idea of insisting upon properly capitalized institutions.

Under the amendment, Treasury could not condition the right of a TARP recipient to repay TARP on an agreement to also buy back the warrants. Under the current law, payback of the TARP money must be accompanied by the repurchase of those warrants.

In fact, the amendment gives the TARP recipient the right to determine when the Treasury must buy back the warrants it received; the TARP recipient is not required to pay market price for them.

I oppose the amendment and urge my colleagues to vote against it, I say respectfully of the author of the amendment, Senator VITTER, a member of our committee. I am concerned this amendment, if adopted, would further destabilize our financial system and could harm taxpayers who, of course, are the ones who put up the TARP money.

Under this amendment, the Treasury would be forced to permit a bank that received TARP money to repay that assistance based on the sole criterion that the bank would remain well capitalized. Again, I emphasize that is an important consideration, but it is not the only one.

If there is one lesson we have learned from this crisis, the definition for what ''well capitalized'' means is inadequate. For example, Citibank and Bank of America are well capitalized according to the standard in the amendment, and despite their obvious troubles, they would be able to return the TARP money they received. The standard the amendment would establish is simply ineffective and not comprehensive enough.

Currently, the regulators can consider the bank's condition in a more complete, holistic way in assessing its

fitness to return TARP funds. The amendment would tie the hands of the regulators to this one particular factor, capital, a very important one but not the only one, a factor that has already proven to be faulty and insufficient to weather today's economic climate.

To get out from under the executive compensation restrictions and other conditions imposed by Treasury, for example, institutions that are in a weakened condition may put themselves and the broader economy at risk. That is why this is important. If we are only talking about one institution, certainly getting the TARP money back is something we would all welcome. But I think we need to look at this beyond just what the effect is on that one institution but what is the effect of the overall financial system. That was the reason why these TARP dollars went out in the first place.

So while being well capitalized is very important, if you limit it to that and that only and allow an institution, such as the ones I have mentioned, to then move beyond that, there could be put at risk the larger economy, which is, of course, the major goal here, to get the overall economy functioning and moving in the right direction.

If banks were allowed to move in that direction merely on that basis alone, then I think we would regret that. Again, I think it is something we ought to be striving for, but this amendment is too narrow, in my view, to limit the decisions strictly on that one criterion. If lending is limited as a result of this amendment, that would mean more businesses closing for lack of financing, more job losses in our country, and a further weakening of the overall economy, delaying even further the recovery we all seek.

It also would mean more foreclosures, which is at the heart of the bill. Foreclosed homes will stay on the market longer because people would not be able to get mortgages to buy these homes.

As my colleagues know, the large banks have gone through the so-called stress tests. Many of them, despite being designated as ''well-capitalized,'' may still be forced to raise more capital, we are told.

It strikes me as unwise that we want to tie Treasury's hands at this important time, right when the results of the stress tests are to be announced.

The amendment would also harm the taxpayer by allowing the TARP recipient to decide when warrants may be exercised and by limiting the Treasury's ability to require the repurchase of warrants when TARP funds have been repaid.

It also harms the taxpayer by eliminating the requirement that Treasury pay market price for the warrants and would allow banks to try to negotiate a better price, thereby reducing the returns to the taxpayers who put up the money in the first place.

In conclusion, I would respectfully oppose this amendment. Current law already allows the banks to repay their TARP funding—in fact, we would encourage it—when it is the right time and safe to do so, examining an array of criteria, not just being well-capitalized. The quicker we can do that, the better off we are going to be. But it will be important that when some of these major institutions repay that, that in so doing they are not going to be jeopardizing the economy at large.

The amendment, however, could cut credit availability at a time when credit is desperately needed; and could put more institutions at risk when stability is needed; and it is a bad deal, further, for the American taxpayer who, ultimately, is the one who put up the resources and hopes to get repaid when this economy begins to recover.

Again, respectfully I say to my colleague and friend from Louisiana, I would oppose that amendment.

The second amendment is No. 1017. This amendment deals with the Federal Housing Administration. The Vitter amendment would establish ''solvency'' as the ''primary foundational responsibility'' of the Federal Housing Administration, the FHA.

The amendment then requires the Secretary to close down any FHA program if it seems ''reasonably likely'' that the FHA might need credit subsidy from Congress. Again, I oppose this amendment because it does exactly the opposite of what we ought to be doing at a moment such as this.

We thank our lucky stars that we have the FHA providing credit at this time. In exactly a moment such as this, you need the FHA out there to provide that credit when credit is so unavailable through the clogged-up financial system in our Nation. First and foremost, this amendment fails to reflect the fact that the primary mission of the Federal Housing Administration is to help create and sustain home ownership for American families.

The mission of the FHA is especially important now, while we are struggling through such troubled economic times. FHA currently insures nearly 30 percent of the mortgage market in our Nation.

If you extend the logic that the amendment proposes, you would shut the doors of Fannie Mae and Freddie Mac right now because both have had to draw on their credit lines from the Treasury. Without them, we would lose the other 70 percent of the mortgage market overnight, turning a housing recession into a deep housing depression.

In my view, if it were not for the Federal Government at this hour, working through FHA and other federally supported institutions, there would be no mortgage credit available at all.

The FHA has a mission. It is to ensure that adequate and affordable mortgage credit is available in every part of our Nation. It is currently fulfilling that mission admirably, while many other sources of credit, as I mentioned earlier, have totally disappeared or almost completely disappeared.

The Federal Housing Administration pushes against the prevailing downward winds in our economy. It is countercyclical. The Senator's amendment would turn the FHA into a procyclical program, withdrawing credit, pulling it back, when credit is so difficult to come by. This change would help deepen the worst housing recession we are experiencing since the Great Depression.

Moreover, I think it is important to know that FHA fund is not at risk. As of the second half of the fiscal year 2009, the sum of FHA's investments and cash on hand is nearly $32 billion. Its net position, assets minus liabilities, on March 31 of this year, was a positive $11.8 billion. Although FHA's capital has fallen to 3 percent, it is still 50 percent above its statutorily mandated level of 2 percent. Falling capital in tough times is to be expected. That is what is going on. We all understand that. That is what you have capital for, to protect yourself in the bad times.

In addition, it is important to remember that FHA has always been a fixed-rate mortgage insurer. It never got involved in the exotic and often predatory practices offered by the subprime lenders. FHA has also required income to be documented and verified.

In fact, because FHA has been known for its solid loan products, more and more people with better credit quality are using FHA today. Over the past 6 months, the average credit score in FHA has increased by nearly 40 points.

Finally, current law already establishes a fiduciary duty ''to ensure that the Mutual Mortgage Insurance Fund remains financially sound.'' The Secretary is already required to make program changes or adjust premiums if FHA's performance is expected to differ substantially from the baseline established by an independent actuarial report.

Secretary Donovan has assured me and the Congress that the Congress would be immediately alerted if he thought the FHA was at risk at all.

In short, I ask my colleagues, again, I say this respectfully of its author, to oppose this amendment. It is not needed. It would be exactly the wrong message, the wrong action to be taking at this critical time. Solvency is not an insignificant issue, but the role of the FHA is not to provide solvency, necessarily, but it is to provide credit at a time when credit is not available.

When as many people as I have indicated by the facts are relying on the FHA at a time when we are trying to encourage home ownership on responsible terms—and the FHA, as I pointed out earlier, was not one of these exotic lenders that was out there with these predatory practices. Quite the contrary. So rather than, in a sense, changing the mission of the FHA, fundamentally altering what its goal is

and ought to be at these times, we need to oppose this amendment.

Again, we need to rely, as we can and must, on the fact that the FHA is in sound shape. If it is not for some reason, we have every reason to believe we can take improvement steps.

Accordingly, again, I would urge our colleagues, when talking about both of these amendments, join me in opposing them, given the difficulty that both these amendments would raise if they were to be adopted.

Again, I will be happy to be in the Chamber for the next hour or so. If people wish to come over and engage in a discussion or debate, I welcome that opportunity. But at 5:30, in a little more than an hour, we will have a vote on both these amendments of our colleague from Louisiana.

Let me say, again, I think we assume this is personal in nature. It is not. I have respect for my colleague. We have a different point of view on matters. That is the nature of the institution and the debate that occurs.

I don't question his motives or the sincerity behind his amendments, but I believe in both cases they would move us in the opposite direction from where we need to be going.

With regard to TARP funding, all of us wish to get the TARP money back to the taxpayers as quickly as we can with interest. But we need to understand it is more than just capitalization when we make that decision. We don't want to do harm to our economy at a critical moment such as this. Secondly, with regard to FHA, solvency is important. The mission of FHA is, of course, to be countercyclical, not procyclical. At a critical time such as this, depriving them of that opportunity to fill a credit gap that does not exist today would be exactly the wrong message and do great damage to a critical component of home ownership.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. HAGAN). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BOND. Madam President, I rise today to offer some remarks on the Helping Families Save Their Homes Act of 2009.

The housing foreclosure crisis continues to affect families and communities throughout the Nation. I appreciate the good efforts of Senators DODD and SHELBY and the Banking Committee for trying to tackle this crisis. Until we address these issues head-on and remove the toxic assets that have poisoned not only our financial system but the world's financial system, economic recovery will be difficult to achieve. President Obama himself said, when he addressed us in January, that all the other things happening are not going to get us out of the crisis we are in until we get the toxic assets out of the system.

I particularly appreciate the fact that included in the bill is the Dodd-Crapo-Bond bill as an amendment which will strengthen the power of the Federal Deposit Insurance Corporation to go after institutions which are on the verge of failing. To me, that is the direction this administration and the previous administration should have been following but have not.

But there are some troubling aspects of the Government's action in the FHA area, and I am concerned about the implications of some of the provisions in the bill before us. My biggest concern is the health and solvency of the Department of Housing and Urban Development's Federal Housing Administration, or FHA. I appreciate the work the managers have done to deal with the fraud issues. I also support Senator VITTER's efforts to raise this issue through an amendment he has offered. I think this amendment goes in the right direction. We might want to work on some of the language, but it gets at the problem.

The bottom line is this: The FHA is a powder keg that could explode, leaving the taxpayers on the hook if Congress and the administration continue to overburden the Government agency. As I stated at a recent Transportation, Housing and Urban Development Appropriations Subcommittee hearing, the FHA's health and solvency are at high risk. The signs are troubling in many areas: FHA default rates are at their highest level in several years. FHA's economic value has fallen by almost 40 percent over the past year. FHA approval of new lenders has increased by 525 percent over the past 2 years, and there is evidence that some former subprime lenders and brokers have infiltrated FHA to conduct business. That in itself ought to be an alarm bell that goes off. Fraudulent activity in the mortgage industry has put and is at risk of exposing FHA to more risk. FHA has seen a significant increase in foreclosures, which endangers the stability of communities and neighboring homes. The rise in FHA defaults and foreclosures, especially in areas already victimized by subprime lending, threatens to make a bad problem worse. These troubling signs all point to a powder keg that is waiting to explode.

What does this mean for taxpayers? It means, by law, FHA is required to carry a 2-percent reserve or a 50-to-1 leverage rate. If it falls below that statutory level, FHA must raise the premiums it charges to borrowers or Congress must appropriate funds. That means taxpayers footing more of the bill.

I have a message for my colleagues in Congress and the administration: Americans do not want another bailout. The taxpayer credit card is maxed out.

Luckily, HUD is currently being led by a very capable leader, HUD Secretary Shaun Donovan. However, he alone cannot fix the longstanding problems with HUD and FHA. The Congress and the administration must not make Secretary Donovan's job harder by placing more risk on FHA until the problems of the agency are fixed or the agency will crash.

I read in today's Wall Street Journal an editorial, which I will ask to be printed in the RECORD, that says:

> In a rational world, Congress and the White House would tighten FHA underwriting standards, in particular by eliminating the 100% guarantee. That guarantee means banks and mortgage lenders have no skin in the game; lenders collect the 2% to 3% origination fees on as many FHA loans as they can push out the door regardless of whether the borrower has a likelihood of repaying the mortgage.

Madam President, I ask unanimous consent to have this article printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. BOND. Let me reemphasize, because this is important, if we continue to overburden FHA, this powder keg may explode.

I thank my colleague, Senator VITTER, for highlighting the need to make protecting FHA solvency a priority—so taxpayers are not left on the hook. I ask my colleagues to support that amendment.

Madam President, I yield the floor.

[From the Wall Street Journal, May 4, 2009]

EXHIBIT 1

THE NEXT HOUSING BUST

Everyone knows how loose mortgage underwriting led to the go-go days of multitrillion-dollar subprime lending. What isn't well known is that a parallel subprime market has emerged over the past year—all made possible by the Federal Housing Administration. This also won't end happily for taxpayers or the housing market.

Last year banks issued $180 billion of new mortgages insured by the FHA, which means they carry a 100% taxpayer guarantee. Many of these have the same characteristics as subprime loans: low downpayment requirements, high-risk borrowers, and in many cases shady mortgage originators. FHA now insures nearly one of every three new mortgages, up from 2% in 2006.

The financial results so far are not as dire as those created by the subprime frenzy of 2004–2007, but taxpayer losses are mounting on its $562 billion portfolio. According to Mortgage Bankers Association data, more than one in eight FHA loans, is now delinquent—nearly triple the rate on conventional, nonsubprime loan portfolios. Another 7.5% of recent FHA loans are in ''serious delinquency,'' which means at least three months overdue.

The FHA is almost certainly going to need a taxpayer bailout in the months ahead. The only debate is how Much it will cost. By law FHA must carry a 2% reserve (or a 50 to 1 leverage rate), and it is now 3% and falling. Some experts see bailout costs from $50 billion to $100 billion or more, depending on how long the recession lasts.

How did this happen? The FHA was created during the Depression to help moderate-income and first time homebuyers obtain a mortgage. However, as subprime lending took off, banks fled from the FHA and its business fell by almost 80%. Under the Bush

Administration, the FHA then began a bizarre initiative to ''regain its market share.'' And beginning in 2007, the Bush FHA, Congress, the homebuilders and Realtors teamed up to expand the agency's role.

The bill that passed last summer more than doubled the maximum loan amount that FHA can insure—to $719,000 from $362,500 in high-priced markets. Congress evidently believes that a moderate-income buyer can afford a $700,000 house. This increase in the loan amount was supposed to boost the housing market as subprime crashed and demand for homes plummeted. But FHA's expansion has hardly arrested the housing market decline. The higher FHA loan ceiling was also supposed to be temporary, but this year Congress made it permanent.

Even more foolish has been the campaign to lower FHA downpayment requirements. When FHA opened in the 1930s, the downpayment minimum was 20%; it fell to 10% in the 1960s, and then 3% in 1978. Last year the Senate wisely insisted on raising the downpayment to 3.5%, but that is still far too low to reduce delinquencies in a falling market.

Because FHA also allows borrowers to finance closing costs and other fees as part of the mortgage, the purchaser's equity can be very close to zero. With even a small drop in prices, many homeowners soon have mortgages larger than their home's value—which is one reason FHA's defaults are rising. Every study shows that by far the best way to reduce defaults and foreclosures is to increase downpayments. Banks know this and have returned to a 10% minimum downpayment on their non-FHA loans.

In a rational world, Congress and the White House would tighten FHA underwriting standards, in particular by eliminating the 100% guarantee. That guarantee means banks and mortgage lenders have no skin in the game; lenders collect the 2% to 3% origination fees on as many FHA loans as they can push out the door regardless of whether the borrower has a likelihood of repaying the mortgage. The Washington Post reported in March a near-tripling in the past year in the number of loans in which a borrower failed to make more than a single payment. One Florida bank, Great Country Mortgage of Coral Gables, had a 64% default rate on its FHA properties.

The Veterans Affairs housing program has a default rate about half that of FHA loans, mainly because the VA provides only a 50% maximum guarantee. If banks won't take half the risk of nonpayment, this is a market test that the loan shouldn't be made.

These reforms have long been blocked by the powerful housing lobby—Realtors, homebuilders and mortgage bankers, backed by their friends in Congress. They claim FHA makes money for taxpayers through the premiums it collects from homebuyers. But keep in mind these are the same folks who said taxpayers weren't at risk with Fannie Mae and Freddie Mac.

A major lesson of Fan and Fred and the subprime fiasco is that no one benefits when we push families into homes they can't afford. Yet that's what Congress is doing once again as it relentlessly expands FHA lending with minimal oversight or taxpayer safeguards.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. BROWN. Madam President, I applaud the work of Chairman DODD on this issue, as on so many others—fighting the terrible problems of credit card abuse, dealing with the home foreclosure mess—and thank him for his work.

(The remarks of Mr. BROWN are printed in today's RECORD under ''Morning Business.'')

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENTS NOS. 1020 AND 1021 TO AMENDMENT NO. 1018

Mr. DODD. Madam President, I know this may confuse some people. I am going to call up a couple amendments for my colleague from Iowa, Senator GRASSLEY. He cannot be here.

I ask unanimous consent to temporarily set aside the pending amendments and call up amendments Nos. 1020 and 1021 on behalf of the Senator from Iowa, Mr. GRASSLEY.

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

The clerk will report.

The bill clerk read as follows:

The Senator from Connecticut [Mr. DODD], for Mr. GRASSLEY, for himself, Mr. BAUCUS, and Ms. SNOWE, proposes an amendment numbered 1020.

The Senator from Connecticut [Mr. DODD], for Mr. GRASSLEY, proposes an amendment numbered 1021.

The amendments are as follows:

AMENDMENT NO. 1020 TO AMENDMENT NO. 1018

(Purpose: To enhance the oversight authority of the Comptroller General of the United States with respect to expenditures under the Troubled Asset Relief Program)

At the end of the bill, add the following:

TITLE V—ENHANCED OVERSIGHT OF THE TROUBLED ASSET RELIEF PROGRAM

SEC. 501. ENHANCED OVERSIGHT OF THE TROUBLED ASSET RELIEF PROGRAM.

Section 116 of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5226) is amended—

(1) in subsection (a)(1)(A)—

(A) in clause (iii), by striking ''and'' at the end;

(B) in clause (iv), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(v) public accountability for the exercise of such authority, including with respect to actions taken by those entities participating in programs established under this Act.''; and

(2) in subsection (a)(2)—

(A) by redesignating subparagraph (C) as subparagraph (E); and

(B) by striking subparagraph (B) and inserting the following:

''(B) ACCESS TO RECORDS.—

''(i) IN GENERAL.—Notwithstanding any other provision of law, and for purposes of reviewing the performance of the TARP, the Comptroller General shall have access, upon request, to any information, data, schedules, books, accounts, financial records, reports, files, electronic communications, or other papers, things, or property belonging to or in use by the TARP, any entity established by the Secretary under this Act, or any entity participating in a program established under the authority of this Act, and to the officers, employees, directors, independent public accountants, financial advisors and any and all other agents and representatives thereof, at such time as the Comptroller General may request.

''(ii) VERIFICATION.—The Comptroller General shall be afforded full facilities for verifying transactions with the balances or securities held by, among others, depositories, fiscal agents, and custodians.

''(iii) COPIES.—The Comptroller General may make and retain copies of such books, accounts, and other records as the Comptroller General deems appropriate.

''(C) AGREEMENT BY ENTITIES.—Each contract, term sheet, or other agreement between the Secretary or the TARP (or any TARP vehicle, officer, director, employee, independent public accountant, financial advisor, or other TARP agent or representative) and an entity participating in a program established under this Act shall provide for access by the Comptroller General in accordance with this section.

''(D) RESTRICTION ON PUBLIC DISCLOSURE.—

''(i) IN GENERAL.—The Comptroller General may not publicly disclose proprietary or trade secret information obtained under this section.

''(ii) EXCEPTION FOR CONGRESSIONAL COMMITTEES.—This subparagraph does not limit disclosures to congressional committees or members thereof having jurisdiction over any private or public entity participating in a program established under this Act.

''(iii) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to alter or amend the prohibitions against the disclosure of trade secrets or other information prohibited by section 1905 of title 18, United States Code, or other applicable provisions of law.''.

AMENDMENT NO. 1021 TO AMENDMENT NO. 1018

(Purpose: To amend chapter 7 of title 31, United States Code, to provide the Comptroller General additional audit authorities relating to the Board of Governors of the Federal Reserve System, and for other purposes)

At the appropriate place insert the following:

TITLE ___—COMPTROLLER GENERAL ADDITIONAL AUDIT AUTHORITIES

SEC. ___. COMPTROLLER GENERAL ADDITIONAL AUDIT AUTHORITIES.

(a) DEFINITION OF AGENCY.—Section 714(a) of title 31, United States Code, is amended by striking ''Federal Reserve Board,'' and inserting ''Board of Governors of the Federal Reserve System (in this section referred to as the 'Board'), the Federal Open Market Committee, the Federal Advisory Council,''.

(b) AUDITS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM AND THE FEDERAL RESERVE BANKS.—Section 714(b) of title 31, United States Code, is amended by striking the second sentence.

(c) CONFIDENTIAL INFORMATION.—Section 714(c) of title 31, United States Code, is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following:

''(2)(A) Except as provided under paragraph (4), an officer or employee of the Government Accountability Office may not provide to any person outside the Government Accountability Office any document or name described under subparagraph (B) if that document or name is maintained as confidential by the Board, the Federal Open Market Committee, the Federal Advisory Council, or any Federal reserve bank.

''(B) The documents and names referred to under subparagraph (A) are—

''(i) any document relating to—

''(I) transactions for or with a foreign central bank, government of a foreign country, or nonprivate international financing organization;

''(II) deliberations, decisions, or actions on monetary policy matters, including discount window operations, reserves of member banks, securities credit, interest on deposits, and open market operations; or

''(III) transactions made under the direction of the Federal Open Market Committee; or

''(ii) the name of any foreign central bank, government of a foreign country, or non-private international financing organization associated with a transaction described under clause (i)(I).''; and

(3) by striking paragraph (4) (as redesignated by this subsection) and inserting the following:

''(4) This subsection shall not—

''(A) authorize an officer or employee of an agency to withhold information from any committee or subcommittee of jurisdiction of Congress, or any member of such committee or subcommittee; or

''(B) limit any disclosure by the Government Accountability Office to any committee or subcommittee of jurisdiction of Congress, or any member of such committee or subcommittee.''.

(d) ACCESS TO RECORDS.—

(1) ACCESS TO RECORDS.—Section 714(d)(1) of title 31, United States Code, is amended—

(A) in the first sentence, by inserting ''or any entity established by an agency'' after ''an agency''; and

(B) by inserting ''The Comptroller General shall have access to the officers, employees, contractors, and other agents and representatives of an agency or any entity established by an agency at any reasonable time as the Comptroller General may request. The Comptroller General may make and retain copies of such books, accounts, and other records as the Comptroller General determines appropriate.'' after the first sentence.

(2) UNAUTHORIZED ACCESS.—Section 714(d)(2) of title 31, United States Code, is amended by inserting '', copies of any record,'' after ''records''.

(e) AVAILABILITY OF DRAFT REPORTS FOR COMMENT.—Section 718(a) of title 31, United States Code, is amended by striking ''Federal Reserve Board,'' and inserting ''Board of Governors of the Federal Reserve System, the Federal Open Market Committee, the Federal Advisory Council,''.

Mr. DODD. Madam President, let me just say that my offering these amendments should not necessarily indicate we have reached an agreement on these amendments. Senator GRASSLEY's staff and our staff are working together to see if we can achieve an agreement on them. We hope we do. But certainly he has the right to raise those amendments, and I was more than happy to offer them on his behalf.

With that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENTS NOS. 1016 AND 1017

Under the previous order, the time until 5:30 shall be equally divided prior to a vote in relation to amendments Nos. 1016 and 1017 offered by the Senator from Louisiana, Mr. VITTER.

The Senator from Louisiana is recognized.

Mr. VITTER. Madam President, I rise to again present my amendments coming up for a vote, Nos. 1016 and 1017. I have spoken before on this floor about them, but I want to summarize briefly.

Amendment No. 1016 is very simple and straightforward, but it is very important as well. It says any bank that has accepted taxpayer TARP dollars can repay those dollars, with interest, and get out of the program whenever it wants, as long as it meets all of the safety and soundness criteria, and all the capitalization and liquidity criteria that all of the regulators who regulate that bank have on them. Again, this is a very basic but important idea.

The TARP program was designed to stabilize shaky banks. So if a bank wants to give back the money, with interest, as long as it meets all of the safety and soundness criteria—every one in sight—it should be able to do that.

You would think this would be beyond debate. Unfortunately, it is not and, unfortunately, several folks, starting with the Secretary of the Treasury, Timothy Geithner, are refusing to let this happen. In fact, Secretary Geithner has been very clear that this isn't simply up to those banks; it is up to their new senior partner, the Federal Government. It is sort of like when the mob comes in as your partner in a business; you lose complete control and you cannot decide that it is not time for them to buy you out. After that happens, no, no, no, it is no longer your decision.

As the Wall Street Journal recently reported, with regard to an interview with the Secretary, he indicated that the ''health of individual banks won't be the sole criteria for whether financial firms will be allowed to repay bailout funds.''

What a great, brave, new world we now live in, where individual private institutions cannot set their own course, cannot decide their own destiny, and cannot even give back taxpayer dollars to benefit the taxpayer, benefit the Treasury, with interest, as long as they meet all of the safety and soundness and capitalization and liquidity requirements in sight.

There is also a provision in my amendment that says Treasury cannot force repayment buyback of the warrants at a price they name. That is completely noncontroversial, since a distinguished member of the majority, Senator JACK REED of Rhode Island, is proposing precisely my same language with regard to warrants. This is an important issue regarding our free market system and whether we are going to allow it to get back to a private firm-based free market system.

I urge my colleagues to support this amendment.

Second is my amendment No. 1017. This amendment has to do with the Federal Housing Administration. It simply focuses like a laser beam on the importance of preserving and protecting the fundamental solvency of the FHA. This amendment requires that the first duty of the FHA is to maintain that solvency. It says if the provisions of this underlying bill, or any other existing requirement, cause the FHA to be reasonably likely to need a bailout from Congress—which a lot of folks think is imminent—then the Commissioner shall temporarily suspend that program which is causing a need for a bailout and recommend legislation to Congress to fix the situation.

Many observers, including the Wall Street Journal, think it is a virtual certainty that we are headed toward a crippling blow to the FHA needing a bailout from Congress. Rather than rush there and heap more burdens and more requirements and more need for more money on the FHA, which this underlying bill does, perhaps we should put in place some basic protections to the solvency of the FHA. That is what my amendment does very clearly.

With that, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Connecticut is recognized.

Mr. DODD. Madam President, I see my friend from Louisiana is here. I spoke earlier about my colleague's two amendments. I appreciate the spirit and motivation behind them. I will take a couple of minutes to review my concern about them.

First, regarding Senator VITTER's first amendment, No. 1016, dealing with TARP money, I think we all would like money coming back sooner rather than later—getting to a point where these resources come back, with additional interest, to the extent that taxpayers can be made whole as a result of coming up with that money in the first instance and trying to bring stability to the financial markets. There is no debate about that. We agree about that.

There was significant debate that occurred about whether there should be TARP money to begin with. It wasn't all one way. I supported it. I thought it made sense to try to stabilize our economy. I believe most believe that the decision made last September, early October, was the right one. In fact, had we not done that, we probably would have lost major lending institutions in the country over many months. Obviously, this administration inherited a good part of the problem, which didn't begin overnight, and it is trying to grapple with it in a holistic fashion, institution by institution.

My concern with the amendment of my friend from Louisiana is this: He is absolutely correct that, again, if we have an institution that is well capitalized, that is a very important criteria in consideration of when these TARP moneys ought to be repaid. My concern is it is not the only criteria. We have major lending institutions, which I could make a case both in Citi and Bank of America, that are well capitalized but, frankly, they have other issues they are grappling with beyond being well capitalized.

If that was the sole criterion, then we would be able to have the TARP money come back. Citi may want to do that, and Bank of America—and I am not suggesting they do, but they may—

their problems could migrate very quickly to the larger financial problems with which we are trying to deal.

On the one hand, I agree with the motivation, and that is we ought to try to get to the bottom of this as quickly as we can, get the TARP moneys back so the Treasury is replenished with these resources. On the other hand, if we do so prematurely solely on the basis of being well capitalized, we can end up compounding a problem that is already serious and making it far worse.

For that reason, I urge this amendment be rejected. I say that respectfully to my colleague. I don't like getting up and opposing amendments for the simple reason of opposing them. There is a difference here, to have one criteria on which we would depend solely on the determination of returning these dollars, putting the larger issues at risk, I think would not be the right move to make at this point. Therefore, at the appropriate time I will ask for the amendment to be rejected.

Regarding FHA—and, again, I find myself in the awkward position of not disagreeing with my colleague. Solvency is obviously an important issue. Had the rest of the lending institutions in the country been as prudent as FHA, we wouldn't be here talking about this larger problem.

FHA never engaged in the exotic instruments that many others did in the subprime markets with teaser rates and no-doc loans, as they were called, or liar loans. FHA has been a well-run, prudent operation. Today, when very little credit is available for home mortgages, FHA is proving to be vitally important. Thirty percent of the mortgage market today is made up of FHA. If the goal of FHA is strictly the solvency of it—today it is 50 percent above statutorily what it is required to have on a cap of 2 percent, at 3 percent, less than 6 they had a while ago. Obviously, we have to keep an eye on this. But the law statutorily requires the Secretary of the Treasury to notify the Congress when, in fact, there is danger of FHA falling either at or below that 2-percent requirement.

Again, solvency is not insignificant. If that becomes the criteria at a time when we need to be getting more credit out so we begin to get the housing market moving again, I think it is absolutely essential. If FHA is forced to close down just as it is needed most, making it procyclical not countercyclical—which is exactly what we need to be is countercyclical, not procyclical—then we would be turning the recession in the housing area into a depression, which none of us want to see happen.

At this hour, it is very important that we keep FHA moving in that direction, watching, obviously, as my colleague from Louisiana suggests by his amendment, that solvency not be disregarded.

Current statute already requires the Secretary to adjust programs that ensure FHA remains financially sound. In fact, like all housing-focused activities, FHA has lost money in this crisis, but it still has more capital than the law requires, and the quality of its borrowers is improving as we speak. That is to be applauded.

At this very moment, were we to move away from FHA when so much of our housing market depends upon them, I think would be a step in the wrong direction. For that reason, I respectfully ask our colleagues to oppose this amendment. Again, I find myself in the awkward position of not disagreeing with what my colleague talks about in the case of both amendments; that is, getting TARP money back as soon as we can and that solvency is a critically important function at FHA. That is why the statute was written the way it was. I agree with him on those points. I am just concerned if in the first case we set a sole criteria of being well capitalized, and in the case of FHA if solvency is the only value, then we lose the value of FHA at a time when housing is having a hard time finding available credit.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. VITTER. Madam President, I appreciate the kind comments of my colleague. I note that he never disagrees with me, although, unfortunately, he always opposes my amendments. We will work through that.

I have a few closing comments. First of all, with regard to my first amendment allowing banks to repay the TARP money as long as they are sound and secure, I note that the U.S. Chamber of Commerce strongly supports this amendment. I have a letter from the Chamber.

I ask unanimous consent to have printed in the RECORD the letter from the Chamber of Commerce.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE
OF THE UNITED STATES OF AMERICA,
Washington, DC, May 4, 2009.

TO THE MEMBERS OF THE UNITED STATES SENATE: The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, supports Vitter Amendment #1 to S. 896, the ''Helping Families Save Their Homes Act of 2009.'' This amendment would remove impediments to the repayment of funds received under the Troubled Asset Relief Program (TARP).

The Chamber supported the passage of the Emergency Economic Stabilization Act (EESA) and the creation of the TARP program. Inadequate credit markets blocked the life blood of the economy forcing thousands of businesses to close and millions of people to lose their jobs. The EESA allows the federal government to undertake temporary measures to stabilize the financial services sector and restore fully functioning credit markets. To bolster the effectiveness of TARP, the Treasury Department requested that otherwise healthy firms enter the program. Those firms have since complied.

While the success and administration of TARP has been hotly debated, the program was always envisioned as a temporary measure. Last week, House Financial Services Committee Chair Barney Frank was quoted in reports that he envisioned the banking sector being TARP-free within a year and that ''it would be good for public confidence'' if banks repay TARP funds. Nevertheless, published reports have stated that impediments may exist, or would be put in place, to make the repayment of TARP funds problematic at best.

The Vitter Amendment would remove any impediments to repaying TARP funds. The repayment of TARP funds is an important element in restoring confidence in the financial services sector and a vital and necessary step on the road to economic recovery.

Accordingly, the Chamber urges you to support Vitter Amendment #1 to S. 896.

Sincerely,

R. BRUCE JOSTEN,
Executive Vice President, Government Affairs.

Mr. VITTER. Madam President, I also note a particular line in that letter, which is an excellent point, which is that the repayment of these moneys from TARP banks will actually be an enormously positive confidence-inspiring turn of events, and I think it will do a lot to shore up concern regarding financial institutions that will be correctly perceived as movement in the right direction.

With regard to my second amendment regarding the FHA, I will just note a couple of things. First of all, my amendment does not propose in any way shutting down the FHA under any circumstances. What it says is, if the FHA thinks it is headed toward insolvency, it is going to stop these new mandates on it, these new programs which are pushing it toward insolvency and, at the same time, immediately report to Congress about how we deal with that situation.

Unfortunately, I don't think it is a very well kept secret that this is a grave threat for the FHA to start walking down the path of Fannie and Freddie and everyone else.

Again, the Wall Street Journal wrote in their very prescient article, ''The Next Housing Bust,'' predicting exactly that. There are very many tell-tale signs on the horizon:

According to Mortgage Bankers Association data, more than one in eight FHA loans is now delinquent, nearly triple the rate of conventional non-subprime loan portfolios. Another 7.5 percent of recent FHA loans are in serious delinquency, which means at least 3 months overdue. The FHA is almost certainly going to need a taxpayer bailout in the months ahead.

Let's try to head this off before another collapse, another rattling of the system is upon us and keep the FHA solvent rather than having it shaken, having public confidence rattled once again and having Congress have to act in a complete emergency atmosphere. My amendment would head that off in an effective way.

Madam President, I reserve the remainder of my time to the extent I have any.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Madam President, I wish to add regarding the FHA amendment,

for my colleague's information, joining me in opposing the amendment are the mortgage bankers, homebuilders, realtors, Lenders One—the people very involved in the residential mortgage market. I note they expressed a concern about the amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Under the previous order, there will now be 2 minutes of debate, equally divided, prior to a vote on amendment No. 1016, offered by the Senator from Louisiana, Mr. VITTER.

Mr. DODD. Madam President, I think we are both prepared to waive that time. We have talked enough about the amendments, so I am prepared to waive that time and go right to the vote.

The PRESIDING OFFICER. If all time is yielded back, the question is on agreeing to amendment No. 1016.

Mr. VITTER. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator for South Dakota (Mr. JOHNSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from West Virginia (Mr. ROCKEFELLER), and the Senator from New Hampshire (Mrs. SHAHEEN) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Oklahoma (Mr. COBURN), the Senator from Florida (Mr. MARTINEZ), and the Senator from Arizona (Mr. MCCAIN).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 39, nays 53, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—39

Barrasso
Bayh
Bennett
Bond
Brownback
Bunning
Burr
Chambliss
Cochran
Collins
Cornyn
Crapo
DeMint
Dorgan
Ensign
Enzi
Graham
Grassley
Hatch
Hutchison
Inhofe
Isakson
Johanns
Kohl
Kyl
Lincoln
McConnell
Murkowski
Nelson (NE)
Risch
Roberts
Sessions
Shelby
Snowe
Thune
Vitter
Voinovich
Webb
Wicker

NAYS—53

Akaka
Alexander
Baucus
Begich
Bennet
Bingaman
Boxer
Brown
Burris
Byrd
Cantwell
Cardin
Carper
Casey
Conrad
Corker
Dodd
Durbin
Feingold
Feinstein
Gillibrand
Gregg
Hagan
Harkin
Inouye
Kaufman
Kerry
Klobuchar
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lugar
McCaskill
Menendez
Merkley
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Reid
Sanders
Schumer
Specter
Stabenow
Tester
Udall (CO)
Udall (NM)
Warner
Whitehouse
Wyden

NOT VOTING—7

Coburn
Johnson
Kennedy
Martinez
McCain
Rockefeller
Shaheen

The amendment (No. 1016) was rejected.

Mr. DODD. Madam President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate equally divided prior to a vote on amendment No. 1017, offered by the Senator from Louisiana, Mr. VITTER.

The Senator from Connecticut is recognized.

Mr. DODD. Madam President, I believe Senator VITTER and I are prepared to waive the 2 minutes equally divided.

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

The question is on agreeing to amendment No. 1017.

Mr. DODD. Does my colleague want a recorded vote?

Mr. VITTER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from West Virginia (Mr. ROCKEFELLER), and the Senator from New Hampshire (Mrs. SHAHEEN) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Florida (Mr. MARTINEZ), the Senator from Arizona (Mr. MCCAIN), and the Senator from Oklahoma (Mr. COBURN).

The PRESIDING OFFICER (Mr. BEGICH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 36, nays 56, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—36

Alexander
Barrasso
Bennett
Bond
Brownback
Bunning
Burr
Chambliss
Cochran
Collins
Corker
Cornyn
Crapo
DeMint
Ensign
Enzi
Graham
Grassley
Gregg
Hatch
Hutchison
Inhofe
Isakson
Johanns
Kyl
Lugar
McConnell
Murkowski
Risch
Roberts
Sessions
Shelby
Snowe
Thune
Vitter
Wicker

NAYS—56

Akaka
Baucus
Bayh
Begich
Bennet
Bingaman
Boxer
Brown
Burris
Byrd
Cantwell
Cardin
Carper
Casey
Conrad
Dodd
Dorgan
Durbin
Feingold
Feinstein
Gillibrand
Hagan
Harkin
Inouye
Kaufman
Kerry
Klobuchar
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
McCaskill
Menendez
Merkley
Mikulski
Murray
Nelson (NE)
Nelson (FL)
Pryor
Reed
Reid
Sanders
Schumer
Specter
Stabenow
Tester
Udall (CO)
Udall (NM)
Voinovich
Warner
Webb
Whitehouse
Wyden

NOT VOTING—7

Coburn
Johnson
Kennedy
Martinez
McCain
Rockefeller
Shaheen

The amendment (No. 1017) was rejected.

Mr. DODD. Mr. President, I move to reconsider the vote and lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

KENTUCKY DERBY

Ms. LANDRIEU. Mr. President, I know we are probably going to move forward on discussing the underlying bill. I ask unanimous consent to speak about a resolution I would like to discuss for a moment, about a wonderful event that actually took place in our country this weekend.

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

Ms. LANDRIEU. Mr. President, every year for 135 years, the country has been watching and cheering and celebrating the Kentucky Derby.

While this event is not held in Louisiana—it is held in Kentucky—many people in my State and around the country tune in. Some people have the opportunity to actually attend what has become one of the most extraordinary sporting events in our Nation's calendar year. This weekend was no exception. It was an extraordinary race. Anyone who watched it could attest to the tremendous skill of the Louisiana born-and-bred jockey who rode Mine That Bird to a victory in a heart-pounding, quite shocking and surprising victory. So this resolution just simply says:

Whereas Calvin Borel, born and raised in St. Martin Parish, Louisiana, began riding match horses at the age of 8;—

As my husband says, we just sort of strap them on and let them go, but he most certainly learned at a young age—

Whereas Mr. Borel began his professional career as a jockey at the age of 16;

Whereas [he] has won more than 4,500 career starts;

Whereas [he] won the 135th Kentucky Derby by 6¾ length, the greatest winning margin since 1946;

Where [he] is the first jockey since 1993 to win both the Kentucky Oaks—

Which is the fillies race—

and the Kentucky Derby in the same year;

Whereas in 2 minutes and 2.66 seconds, [he] and Mine That Bird completed the race and placed first, making it [his] second Kentucky Derby victory: Now, therefore, be it

Resolved, That the Senate commends Calvin Borel and Mine That Bird for their extraordinary victory at the 135th Kentucky Derby.

It is sporting events like this and races run like this on a horse that cost $9,500, I understand, that was trailored by the owner and its manager that keeps this sport exciting and open for so many. For all of us in Louisiana, we are very proud of this young jockey from down in the bayou, as we say, and for the pride that he brings to our State and to a wonderful industry.

TAKE OUR DAUGHTERS AND SONS TO WORK DAY

Finally, let me take a moment before the Senator comes back to debate the underlying bill and submit to the RECORD a statement about an event that took place last week on Capitol Hill and actually around the country. It is an event that Senator KAY BAILEY HUTCHISON and I proudly and happily, joyfully sponsor every year for the Senate; that is, Take Our Daughters and Sons to Work Day.

It was started 17 years ago by Ms. Magazine, thinking it might be a good idea for girls, particularly girls between the ages of 10 and 16, to have an opportunity to go to work with their parents because many women, of course, do wonderful work at home raising children and working out of the home. But a lot of important work goes on outside of the home as well. Ms. Magazine thought it would be a great opportunity for girls, particularly, and then, of course, have included boys, to go anywhere where their parents work, whether that work is out of the home or in the home and actually come to appreciate the work that goes into keeping our society moving forward and this country moving forward.

So KAY BAILEY HUTCHISON and I cohosted. The Senator from Texas and I host this every year. I would like to first acknowledge her support, also acknowledge Ms. Magazine that founded this day, and to thank all of our Senators and staffers and workers around the Capitol who participated in that day.

I ask unanimous consent to print in the RECORD the names of the young ladies who joined me that day.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Sophie Boudreaux, Meraux, LA, Chalmette High School; Dominique Cravins, Washington, DC, St. Peter's School; Heather Duplessis, New Orleans, LA, Metairie Park Country Day School; Maya English, Baton Rouge, LA, St. George's Episcopal School; Matisse Gilmore, Mitchellville, MD; Monet Gilmore, Mitchellville, MD; Golnaz Kamrad, Washington, DC, Georgetown Day School; Mallory MacRostie, Bethesda, MD, Bethesda Chevy Chase High School; Lily Silva, Washington, DC, Georgetown Day School; Mary Shannon Snellings, daughter of Senator Mary Landrieu, Washington, DC, Georgetown Day School; Mary Agnes Nixon, Washington, DC, Aidan Montessori School; Sydni Rita-Louise Sumas, New Orleans, LA, Ursuline Academy; Kelsey Teo, Bristow, VA, Stonewall Jackson High School; Eliza Warner, daughter of Senator Mark Warner, Alexandria, VA, Potomac School; Brittany Watts, Tickfaw, LA, Hammond High School.

Ms. LANDRIEU. These young ladies and many young men who joined them had a wonderful day, understanding what happens at the Capitol, working in the Senate. I thank them and their parents for making this day special for us and hope and trust that their day was inspirational to them as they think about their career opportunities in the future.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SCHUMER. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SCHUMER. Mr. President, I will not offer my amendment at the moment. We are still trying to negotiate it. But I want to discuss an amendment I will offer, hopefully, with agreement. That is an amendment that would require the Secretary of the Treasury, in consultation with the Secretary of HUD and other housing-related Federal agencies, to develop a program to address the rising defaults and foreclosures in multifamily properties.

The program is necessary because the same excesses that occurred in the single-family mortgage market also occurred in the multifamily mortgage market, leading to buildings that are significantly overleveraged with rent rolls that are unable to support basic operational expenses and maintenance. The tenants of these buildings had absolutely no input into the misguided decision of the owners and lenders who mortgaged the property beyond supportable levels, but they are the ones who will face the consequences of this investment and foreclosure, as owners are unable to meet monthly payments and maintain the properties.

In New York City alone, it is estimated that 60,000 units of multifamily housing are at risk of disinvestment and foreclosure. We have similar problems in smaller ways in many upstate cities as well. We have seen buildings in New York where in order to make the loan underwriting work, lenders estimated tenant turnover rates that would double or triple the neighborhood average, rent increases that were not even legal under local law, and expected maintenance costs that were actually less than half of what the owner spent in previous years. This kind of basic underwriting malpractice has left tens of thousands of families in New York State and other States vulnerable. We are not the only ones. New York has the eleventh highest multifamily delinquency rate in the country, according to a recent Deutsche Bank report.

The 15 States with the highest multifamily delinquency rates are not concentrated just in the Northeast or on the west coast. This is a truly national problem. I ask my colleagues to listen because their State may be among the one-third, or close to it, the 15 out of 50. They are Tennessee, Georgia, Florida, Michigan, Nevada, Texas, Illinois, Ohio, Indiana, Connecticut, Oklahoma, New York, Kentucky, Missouri, and Mississippi.

While I am strongly supportive of the administration's efforts to help families across the country obtain loan modifications and other financing options, a similar effort to protect tenants of multifamily properties must be made. It must be made in a way to protect the tenants first and foremost and not let the developers and the investors, who did all the wrong, get away with wrongs.

Housing experts in New York have begun to examine options to assist these buildings. There are a number of different ways that might be effective in addressing this problem. So the bottom line is, we need Federal expertise, leadership, and support to help determine the best course of action and implement a program across the country to ensure that innocent tenants do not have to pay the price for the poor decisions of landlords and lenders.

This should be an easy amendment to support. I am not asking for any new money. We are certainly not asking to bail out any of the bad actors or even giving specific directions to the Treasury Department to take this approach or that one, although I have talked to the Secretary of HUD about this problem and, in fact, we worked on some problems related to this when he was the head of the HPD, the housing department in New York City.

What we are doing in this amendment is simply asking the Congress to direct Treasury to examine this problem and develop a program to address it in whatever way they determine best. My hope is that the Treasury will consult with HUD. It is unfair that tenants of multifamily rental buildings are being left out in the cold while single-family homeowners receive focused attention from their agencies. Single-family homeowners should but so should those in multiple developments.

I urge my colleagues to support the amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. SCHUMER. Mr. President, I ask unanimous consent that once the Senate resumes consideration of S. 896 on Tuesday, May 5, the time until 10:50 a.m. be for debate with respect to the Corker amendment No. 1019, with the time equally divided and controlled between Senators DODD and CORKER or their designees; that at 10:50 a.m., the Senate proceed to vote in relation to the amendment, with no amendment in order to the amendment prior to a vote.

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

MORNING BUSINESS

Mr. SCHUMER. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

NATIONAL TEACHER DAY

Mr. BROWN. Mr. President, tomorrow is National Teacher Day, granting us all an opportunity—an important opportunity—to honor and thank some of the most dedicated public servants in our land: our teachers. Their tireless devotion to the education of our children is the greatest investment made in the future success of this country. At no time is this more obvious than today. I rise to express my gratitude to those who make a difference in young lives every day.

My mother, who passed away 3 months ago, was a high school English teacher. She grew up in Georgia. She taught in Florida. She taught in Ohio. She always stressed the importance of an education but also impressed upon me and my two older brothers the importance of how we use that education.

So many teachers across the country are like my mother. They impart knowledge while they cultivate wisdom. They teach the facts while they encourage the imagination. Most importantly, our teachers inspire us to achieve our greatest goals while providing us with the foundation we need to do so.

There are over 100,000 Ohio teachers who spend each day devoted to the education and enrichment of our children. There is not one Senator here who does not owe his or her achievement in public service to a teacher who lit that path before us. Let's all take the time to remember that support for our teachers today is the surest way to promote a better tomorrow.

HEALTH INSURANCE REFORM

Mr. BROWN. Mr. President, in the last 2-plus years, I have held almost 150 roundtables around my State, and there is one thing I know for sure: health care reform must include health insurance reform.

Ohioans—as are North Carolinians and people from Connecticut—are tired of trying to get coverage and being rebuffed because they have a ''preexisting health condition.'' They are tired of premiums, deductibles, and copays that keep climbing. They are tired of fighting tooth and nail simply to get their claims paid. They are tired of wondering whether their insurer will pay for them to see the specialist they need, get the medicine they need, have the operation they need. They are tired of health insurance, which is supposed to ease uncertainty, breeding uncertainty instead. If they lose their job, they lose their insurance. If they get sick, they cannot get insurance. If they submit a claim, it may be paid in a month, in 3 months, in 6 months. Sometimes they fight and fight and fight, and the claim is not paid at all. Ohioans are tired of their insurer treating them like unwanted guests rather than paying customers.

To be meaningful, health care reform must be responsive. And to be responsive, health care reform must address insurance affordability, insurance reliability, and insurance continuity. That requires a two-part strategy.

The first strategy is to give Ohioans and every American more options. They should be able to choose whether to keep the coverage they have or purchase coverage backed by the Federal Government. What is the difference between the two?

The federally backed plan—again, an option—would provide continuity; it would be available in every part of the country, no matter how rural, no matter how sparsely populated, its benefits would be guaranteed, and its cost-sharing would be affordable, no ifs, ands, or buts. The federally backed plan would be an option but certainly not the only option. Americans who have employer-sponsored coverage would still have it. Americans who have individual coverage through a private insurer would still have that. The federally backed insurance would be an option, not a mandate. Some people will choose it, others will not.

One reason such an option—a Federal option—is important is because hundreds of thousands of Americans are losing their jobs and have no place to go, have no affordable coverage options. This would give them one. Where would they turn otherwise? If you have ever tried to purchase affordable coverage in the individual insurance market, you understand why a federally backed insurance program is so important. If you live in a rural area where no affordable insurance coverage is available, you know why a federally backed insurance option is so important. There needs to be an option for people who cannot find what they need in the private insurance market—just as Medicare is there for seniors. The federally backed option will give those under 65 a place to turn.

The second strategy is to fix what is wrong with private insurance. Ohioans should not be discriminated against by insurers based on past health care needs. Take, for example, Debra from Summit County, OH, near Akron. She is one of the nearly 50 million Americans locked out of our health care system because she lacks insurance. Her income is too high for Medicaid, and her preexisting conditions—she has a spinal injury and is recovering from two heart attacks—disqualify her from finding affordable insurance in the private market. As a result, she has piled up thousands of dollars in unpaid bills and is in constant pain.

She wrote to me:

> My only option [is] to start paying for my funeral.

Ohioans should not have to go through 100 hoops just to get a claim paid or see the specialist they need. They should not have to wait for months to receive their claims check. They should not have to pay premiums that break the bank. They should not have to pay copays and deductibles so high that coverage, for all intents and purposes, is meaningless. They should not be subjected to huge bills based on the difference between what their provider charges and their insurer's reasonable and customary payments. When an insurer reimburses providers only pennies on the dollar and patients have to pick up the difference, that is not reasonable. That is not real insurance.

Long story short: Insurance reform, plus the public option, must be part of health care reform. We cannot claim we have fixed our health care system while leaving a fault-riddled insurance system intact. If we give consumers more options, including the option to purchase federally backed coverage designed to provide affordability, reliability, and continuity, and if we reform the private health insurance system to require insurers to actually do their job instead of skirting their liability, we will have gone a long way toward making the U.S. health care system work for every American.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I compliment our colleague from Ohio for his eloquent statement. I think it is important that we all hear our colleagues as to what goes on in our respective States.

I commend my colleague, who has had around 150 roundtables in his State where he has been listening to his constituents on a wide range of issues. I think we all benefit from his report on those meetings.

I say to my colleague from Ohio, those responses you are hearing from your constituents in Ohio are not any different from what we are hearing from all across the country, as I know my colleague is aware. So we thank our colleague very much for that, and his comments on health care are very important.

KENTUCKY DERBY

Mr. BINGAMAN. Mr. President, even people who don't follow horse racing, and certainly those who do, have been thunderstruck by this year's Kentucky Derby results. The only reason I mention it is that the horse wearing the blanket of roses this year is a gelding from New Mexico. ''Mine That Bird'' swept the field on Saturday, coming from so far behind he was last, to win with nearly seven lengths separating him from his nearest competitor.