

HONORING LATINA LEADER
AWARD RECIPIENT DR. JULIET
V. GARCÍA, PRESIDENT OF UTB/
TSC

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 28, 2010

Mr. ORTIZ. Madam Speaker, I rise today to honor the work, dedication and leadership of Nueces, UTB/TSC President, Dr. Juliet V. García, who will receive this evening the Latina Leader Award at the Washington Court Hotel.

Dr. García joined The University of Texas System as the president of The University of Texas at Brownsville in January 1992 after having served as president of Texas Southmost College for six years. When she was named as president of TSC in 1986, she became the first Mexican-American woman in the nation to become president of a college or university.

Under Dr. García's leadership, the campus has grown from 49 acres to more than 460 acres; the budget has increased from \$31.4 million to \$150 million, and the total fall enrollment has grown from 7,000 students to more than 15,000 students.

While the university has continued to increase in quantity, it has also grown in quality. The vocational nursing graduates have achieved a pass rate of more than 95 percent for their state licensures, likewise, the teacher education graduates achieved a 94 percent pass rate on their certification exams, with education students specializing in music, school counseling, Spanish, social studies, special education, physical education and mathematics achieving a 100 percent pass rate.

Dr. García has established a campus culture that promotes student success. She was instrumental in the establishment of a Math and Science Academy for high school students, an Early College High School in collaboration with the Brownsville Independent School District.

She has a strong history of public service. She served as chair of the Advisory Committee to Congress on Student Financial Assistance and on the White House Initiative on Educational Excellence for Hispanic Americans. Most recently, Dr. García has served on the boards of National Campus Compact, chaired Texas Campus Compact, and was a member of President-Elect Obama's Transition Team.

She currently serves on the boards of Ford Foundation, the Public Welfare Foundation, the Robert Wood Johnson Foundation, Humanities Texas, and Raise Your Hand Texas. She is also currently serving as the co-chair of the Notre Dame University Task Force: On the Participation of Latino Children and Families in Catholic Schools in America.

Among the many honors Dr. García has received for her work is induction into the Texas Women's Hall of Fame for Lifetime Achievement in Education and the Hispanic Heritage Award. She has received the Reginald V. Wilson Diversity Award from the Office of Minority Affairs from the American Council on Education. She was named one of the Top 10 College Presidents by Time magazine; Hispanic Business magazine recognized her multiple times in their 100 Most Influential His-

panics annual publication. The Brownsville Independent School District named the Juliet V. García Middle School after her.

She has received honorary degrees from the University of Notre Dame and Brown University. Dr. García earned a Ph.D. in Communications and Linguistics from The University of Texas at Austin and an M.A. and B.A. in Classical Rhetoric and Public Address and English from the University of Houston. For more than a decade, she has been invited annually to lecture at Harvard's Institute for Educational Management on the university presidency. She is often invited to speak at national conferences on the issues of access and innovation in higher education.

She is married to Oscar E. García for 40 years. They are the parents of two grown children, Oscar D. García and Paulita Rico, and are blessed with four grandchildren.

I ask my colleagues to join me in commemorating UTB/TSC President Dr. Juliet V. García for her work and dedication to UTB/TSC and her well deserved award as a Latina Leader.

NATIONALLY ENHANCING THE WELLBEING OF BABIES THROUGH OUTREACH AND RE- SEARCH NOW ACT

SPEECH OF

HON. DANNY K. DAVIS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 22, 2010

Mr. DAVIS of Illinois. Mr. Speaker, I wish to take a moment to state my strong support for H.R. 3470, the Nationally Enhancing the Wellbeing of Babies through Outreach and Research Now—or the NEWBORN Act. This bill authorizes grants to create, implement, and oversee infant mortality pilot programs. These grants could support a number of important activities to reduce our national infant mortality rate, including: educational outreach to at-risk mothers; development and implementation of standardized systems for improved access and services; and regional public education campaigns.

In order to fully understand the importance of this act, I believe our country needs to take a moment to reflect upon our infant mortality rate of 6.7 per thousand live births. The United States currently has one of the highest infant mortality rates among industrialized nations—higher than Cuba or Japan. Although the infant mortality rate has declined over time, this rate is unacceptably high and tragic because many of these infant deaths are preventable when mothers receive adequate care and education. Access to quality prenatal healthcare and parenting education greatly reduces many of the risk factors that contribute to infant mortality, such as low birth weight and short gestational age births.

It is of serious concern that great disparity exists in infant mortality rates across our country based on geographic location and racial/ethnic minority status. According to the Centers for Disease Control and Prevention, the infant mortality rate is much higher in the Southeastern and Midwestern regions of our Nation. In my home State of Illinois in 2006 is 7.29 per thousand live births, well above the national average. For African Americans, the

infant mortality rate is 13.35, almost double the national average and almost triple the national average for Latino and White children. We cannot allow these disparities to continue. We cannot continue to allow particular groups of our citizens to lose their children at higher rates than others. We must work to dramatically reduce these deaths for all Americans.

These numbers reflect the need for federal legislation to increase access to quality prenatal care. I am proud to have played an active role in creating a dedicated funding stream for the home visiting to support families with or expecting young children. Authorized by the Patient Protection and Affordable Care Law, the new Maternal, Infant, and Early Childhood Home Visiting Program will provide grants to States to provide evidence-based home visitation services to improve outcomes for children and families who reside in at-risk communities. Research shows that these programs are effective at improving the health and well-being of children and families.

It is federal investments in home visiting and in the NEWBORN Act that will help improve children's well-being and lower the infant mortality rate. I stand in strong support of the NEWBORN Act and urge my colleagues to vote in favor of this bill.

SMALL BUSINESS JOBS ACT OF 2010

SPEECH OF

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 23, 2010

Mr. FRANK of Massachusetts. Madam Speaker, attached is a Wall Street Journal article noting that the lack of credit was hurting many small businesses in our country.

[From the Wall Street Journal]

LOAN SQUEEZE THWARTS SMALL-BUSINESS REVIVAL

(By Mark Whitehouse)

YPSILANTI, MI.—Thomas Harrison, chief executive of Michigan Ladder Co., has a plan that would contribute to the U.S. economic recovery: Expand the 108-year-old company, adding at least 20 jobs in the process. His chances of getting the loan of \$300,000 or more he needs to do so, though, depend in part on what happens to folks like home builder James Haeussler.

Both are customers of the same community bank, the Bank of Ann Arbor. Mr. Haeussler is struggling to repay \$8.3 million he and a partner borrowed to build a residential community in nearby Saline, Mich. In this economic environment, the bank doesn't want to take a chance on what it sees as a risky new loan to Mr. Harrison.

"In a world where Jim Haeussler makes it, Tom Harrison will make it," says Timothy Marshall, the bank's president. "But it's not prudent to do both loans at this point in time. We're in a more risk-averse mode."

Mr. Marshall's reluctance sheds light on a problem looming over the economy. A year and a half after the financial crisis hit, the U.S. credit machine is still malfunctioning. During the boom, credit was too abundant. Now the pendulum has swung. With an eye toward limiting such swings, Sen. Christopher Dodd is expected to unveil a bill Monday that would be especially tough on big banks while preserving the Fed's regulatory role, but the bill's prospects remain uncertain.

For a recovery to take hold, hundreds of thousands of small businesses must find the confidence to expand and create jobs. But when they get to that point, the local banks they depend on—worried about borrowers' financial strength, scrutinized by regulators and slammed by souring real-estate loans—might not be willing or able to provide the credit they need.

While big companies have been able to borrow in bond markets, smaller companies rely mainly on bank credit, which has been shrinking. In 2009, total lending by U.S. banks fell 7.4%, the steepest drop since 1942. In all, the credit pulled out of the economy by banks since the downfall of Lehman Brothers in September 2008 amounts to about \$700 billion, more than double the amount so far distributed under President Barack Obama's \$787 billion stimulus program.

"It's a dismal situation," says Diane Swonk, chief economist at Chicago-based financial-services firm Mesirow Financial. "Banks won't lend to businesses because they're afraid they'll go bad, but that can become a self-fulfilling prophecy."

The dearth of credit for small businesses could have a big effect on prospects for restoring the 8.4 million jobs lost since the recession began. From 1992 through the beginning of the latest recession, companies with fewer than 100 employees accounted for about 45% of net job growth, according to Labor Department data.

Policy makers have been looking for ways to reopen the spigot. President Obama has proposed creating a \$30 billion fund to support small-business lending. Last month, in an unusual show of solidarity, the Federal Reserve, the Federal Deposit Insurance Corp. and other state and federal regulators issued a joint statement urging banks to continue lending to credit-worthy small enterprises.

Making sure small firms get access to credit "is crucial to avoiding a Japan-type scenario of persistent stagnation," says Mark Gertler, a New York University economist who has done seminal research with Fed Chairman Ben Bernanke, then a Princeton University professor, on how troubles with bank lending can aggravate economic downturns.

Getting banks to lend more won't be easy, given the rising tide of defaults on loans made to finance housing developments, office buildings, shopping malls and other commercial real estate. Deutsche Bank expects banks to suffer at least \$250 billion in losses on such loans, with about half coming in the next few years. Together with an estimated \$250 billion in further charge-offs on home mortgages, that's more than double banks' current reserves against losses on all types of loans.

The stakes are particularly high for community banks, which tend to be much more active in commercial real estate than their larger counterparts. As of December 2009, such loans comprised about 42% of all loans held by the 7,344 banks with less than \$1 billion in assets, compared to about 17% for the hundred or so banks with more than \$10 billion in assets.

Some bankers say policy makers' desire to encourage lending isn't always reflected on the ground, where they say bank inspectors are getting tougher about lending standards. "For the first time in my 37 years in banking, we're having to say to our clients that we're not sure this will pass muster with the regulators," says Larry Barbour, president and chief executive of North State Bank in Raleigh, N.C. "That's not healthy."

Washtenaw County, Mich., which includes Ann Arbor, Ypsilanti and Saline, offers a glimpse of how the cycle of economic malaise and shrinking credit is playing out

across the country. The county includes the Willow Run plant, where Ford Motor Co. once produced the B-24 Liberator bombers that helped win World War II, the University of Michigan football stadium, and hospital complexes and high-tech start-ups in Ann Arbor. As of December, Washtenaw's unemployment rate stood at 9%, close to the national average.

Michigan Ladder's Mr. Harrison, 44 years old, remembers vividly the day in September 2008 when the recession hit home. The company, which manufactures wooden ladders and distributes imported aluminum and fiberglass models, had been doing well despite the financial crisis. Sales were up 6% over the previous year, and Mr. Harrison had expanded the company's staff to about 28, from 20 at the beginning of the year.

But during the week of Sept. 15, the company's largest supplier of aluminum and fiberglass ladders suddenly refused to deliver ladders unless it was paid in advance. Within days, says Mr. Harrison, Michigan Ladder lost as much as \$1 million of the supplier credit on which it relied to pay for raw materials and maintain its inventory of ladders. At the same time, its customers started failing to pay for ladders it had already delivered.

"Literally overnight, the whole world changed for us," says Mr. Harrison. "It was simply too much of a shock—too much of a change, too quickly." He laid off eight workers in December 2008 and another eight in 2009 as sales fell 40%.

Mr. Harrison has since lined up new credit from suppliers, and he says sales are on track to rise 15% this year. He thinks the time has come to implement the expansion project he shelved when the crisis hit. The plan: Produce in Michigan the aluminum and fiberglass ladders he currently imports from places such as Mexico and China. He already has the customers, and he calculates that manufacturing in Michigan will actually boost his profit margins, in part because the savings on shipping will offset the higher cost of U.S. labor.

"We can do this," he says. "We can be a low-cost producer, and we will have a made-in-USA product, which we think will have some appeal to people."

The Bank of Ann Arbor is Mr. Harrison's best bet to finance his project. Larger banks typically don't deal with companies the size of Michigan Ladder. Also, Bank of Ann Arbor, which has \$543 million in assets, has weathered the crisis much better than most of its peers. It turned profits every year, expanded overall lending and declined the support of the government Troubled Asset Relief Program.

The bank has made loans to finance expansions for some of its stronger customers, such as Solohill Engineering, which makes products used in the manufacture of vaccines and more than doubled sales in 2009. Nonetheless, says its president, Mr. Marshall, fears about a weak recovery are prompting even healthy banks to be careful, a trend he recognizes could help make those fears a reality.

"It's kind of a vicious cycle," he says. "Anytime you're in an economic environment like we are, bankers are going to be more conservative."

One of bankers' main concerns is the damage the recession has done to many companies' finances. Values of real estate and other things small business owners can put up as collateral for loans have fallen so far, so fast, that many businesses have little to offer. Also, a year or more of losses have eroded the value of owners' stakes in companies, leaving less of a cushion against bankruptcy.

Mr. Marshall says such financial concerns are a big reason he's not ready to lend to Mr.

Harrison, who says his company took heavy losses in 2008 before returning to profitability in 2009. Mr. Harrison says he's exploring ways to raise new money from investors, but so far to no avail. "It's not reasonable to expect that [the Bank of Ann Arbor] can make up for all the credit companies like ours have lost," he says.

Mr. Harrison's credit difficulties also are linked to the travails of other borrowers such as Mr. Haeussler, the 51-year-old president of Peters Building. In 2005, he and a partner began developing a 625-acre piece of land known as Saline Valley Farms, the site of a cooperative farm in the mid-1900s.

The downturn hit Mr. Haeussler hard in 2007, when home builder Toll Brothers called with bad news: It wouldn't exercise its option to purchase 93 luxury-home lots, the entire first phase of the Saline Valley Farms project. When the \$8.3 million loan he and a partner had taken out to grade the lots and build infrastructure came due in late 2008, they still owed \$6.7 million and had 76 empty lots, the estimated value of which had fallen to about \$1.4 million.

"It was perfectly wrong timing," says Mr. Haeussler.

Losses on loans to developers such as Mr. Haeussler have taken a toll on community banks, eroding their capital and limiting their capacity to make new loans. Bank of Ann Arbor has moved more quickly than other banks to recognize losses, charging off nearly one-quarter of its construction and development loans in 2009. That compares to about 5% for all banks. In its remaining portfolio of such loans, about 6% are delinquent, compared to about 16% for all banks.

Many community banks are renegotiating troubled real-estate loans. In Mr. Haeussler's case, the Bank of Ann Arbor cut a deal: In return for a four-year extension, Mr. Haeussler and his partner more than quadrupled the amount of collateral backing the loan, putting up the entire Saline Valley Farms project and more. Even with the added collateral, the bank charged off \$2.1 million of the loan, effectively recognizing that it may never get the money back.

The bank figures that giving Mr. Haeussler more time increases the odds he will pay off his loan. But such deals tie up cash on what essentially are bets that existing borrowers will make it through. That leaves banks, including Bank of Ann Arbor, with less appetite to make new loans to customers like Mr. Harrison, who doesn't have the resources Mr. Haeussler and his partner used to secure their loan.

Mr. Haeussler, for his part, says he's trying not to think too much about all that's hanging in the balance, which could include his entire business. "It's a little unnerving at times," he says. "But you just have to put your head down and work through it."

THE PEOPLE OF KASHMIR DESERVE A VOTE ON THEIR FUTURE

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 28, 2010

Mr. BURTON of Indiana. Madam Speaker, I rise tonight to call the attention of the House to the ongoing unrest in Kashmir. Although this conflict is a world away from our shores, it directly impacts our sons and daughters fighting the Global War on Terror in Afghanistan and Pakistan.

The mountainous region of Kashmir has been a flashpoint between India and Pakistan