the moral resolve as a Nation to secure the dignity our borders, to protect the lawmen that are down there doing the job that we let them do, we ask them to do, and they are trying to do the best they can. They need more resources, more boots on the ground, and that includes sending the National Guard on the border, as requested by State Governors, because it is the first duty of government to protect the country and the people that live in it. And that includes Border Patrol agents.

And that's just the way it is.

TALE OF WALL STREET

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

Ms. KAPTUR. Madam Speaker, the clever comedy tale that's being spun by Wall Street megabanks and their minions here in Washington is that they are paying back $700 billion our taxpayers bestowed on them in the fall of 2008. In fact, some spinmeisters say the bailout actually will cost our taxpayers just $109 billion, not the originally projected $700 billion of costs, called TARP, the Troubled Asset Relief Program. The PR spin even got CNN to report that the cost to the taxpayers will be far less than originally anticipated. If you believe that, you'll believe anything.

One of the bittersweet reasons that they will pay back less is that the Obama administration originally stated that up to 4 million people could save their homes through the loan modification program that was part of the TARP. But through this February, only 170,000 distressed homeowners received any long-term modification. So that program is a failure, as the American people continue to be disgorged out of their homes. In fact, only 4 percent of those eligible have even been dealt with and their mortgages reworked.

We need a full cost accounting across this economy of what these speculators did to us. They took our money, they gambled with it, and then they turned our Treasury into their insurance company. And now they're dumping all their mistakes on our generation and the next two to follow.

I want to shine the light on a very dark corner where the true cost of the bailout sits. Come with me and look beyond the curtain where the wizard is really hiding. Secretary Geithner and even Elizabeth Warren, the TARP overseer, say the banks are paying us back. But what they are paying back is only part of the so-called TARP moneys. Paying back the TARP is far, far from enough. At least 12 Treasury programs have thus far cost our taxpayers over $727 billion. Perhaps $380 billion represents TARP. But there are 24 Federal Reserve programs that have already cost $1.738 billion. So the approximate total cost of the Wall Street meltdown is somewhere over $2.4 trillion put right at the taxpayers' doorstep. That number is staggering. It's huge. Thus, the TARP money being paid back is less than 1 percent of the staggering number.

Paying back the TARP is hardly enough. Wall Street banks recorded record profits and record bonuses last year on the backs of the American people who are struggling without jobs and fighting to keep their homes. We expect the $2.4 trillion will continue to rise. And here is why: Treasury has promised unending support, regardless of the dollar amount, for the next 3 years to Fannie Mae and Freddie Mac to fill the holes in each institution. These are two secondary market institutions' dumping grounds for all of Wall Street's unfinished laundry.

Our government has spent already $61 billion on Freddie Mac. Plus $83 billion more on Fannie Mae. That's another $144 billion—and the number is rising.

□ 1945

We will spend more, as both companies continue their death spiral of losses. But the $2.4 trillion cost still might not be all that the financial crisis, brought on by reckless speculators on Wall Street, will cost us.

What about the cost of all those bad mortgages settled in at Fannie and Freddie, as well as institutions across this country and world? You see, the heart of the financial crisis is the housing crisis, so we need to add in the losses at FHA, VA, and the Agriculture Department because they all do housing programs. Add in the cost to our economy as a decline in equity in homes across this country. We need to count that too. And what about the total cost of unemployment that came after that? Figure out how much the Federal Government has paid out in insurance in COBRA payments. What about including an accurate estimate of the cost of lost productivity? What growth potential have we lost? And what about the effect on the economy of the loss in stock earnings? How about the loss in IRAs and pension funds? The Ohio public pension funds took a $480 million hit with the failure of Lehman Brothers. What about the effect on the economy of higher premiums on the FDIC banks who had to shore up the insurance fund because so many smaller banks have collapsed under the toxic weight and potentially fraudulent practices of the big banks? Community banks can't expand, hire, or lend more since more revenue has gone into insuring their deposits. When these small banks go down due to the damaged economy brought to us by Wall Street, the big banks gobble them up and even get bigger.

Can you put a dollar value on the mental and emotional strain that citizens across this country are experiencing? It's clear that Wall Street is doing just fine, and it's equally clear that Main Street is not. Madam Speaker, we need a full cost accounting of what Wall Street cost this economy, and we're far from calculating it.

[From the New York Times, May 7, 2010]

IGNORING THE ELEPHANT IN THE BAILOUT

(By Gretchen Morgenson)

If you blinked, you might have missed the ugly first-quarter report last week from Freddie Mac, the mortgage finance giant that, along with its sister Fannie Mae, soldiers on as one of the financial world's biggest wards of the state.

Freddie—already propped up with $52 billion in taxpayer funds used to rescue the company from its own mistakes—recorded a loss of $6.7 billion and said it would require an additional $10.6 billion from taxpayers to shore up its financial position.

The news caused nary a ripple in the placid Washington scene. Perhaps that's because many lawmakers, especially those who once assured us that Fannie and Freddie would never cost taxpayers a dime, hope that their constituents don't notice the burgeoning money pit these mortgage monsters represent. Some $130 billion in federal money had already been larded on both companies before Freddie's latest request

But taxpayers should examine Freddie's first-quarter numbers not only because the losses are our responsibility. Since they also include details on Freddie's delinquent mortgages, the company's sales of foreclosed properties and losses on those sales, the results provide a telling snapshot of the current state of the housing market

That picture isn't pretty. Serious delinquencies in Freddie's single-family conventional loan portfolio—those more than 90 days late—came in at 4.13 percent, up from 2.41 percent for the period a year earlier. Delinquencies in the company's Alt-A book, one step up from subprime loans, totaled 12.84 percent, while delinquencies on interest-only mortgages were 18.5 percent. Delinquencies on its small portfolio of option-adjustable rate loans totaled 19.8 percent.

The company's inventory of foreclosed properties rose from 29,145 units at the end of March 2009 to almost 54,000 units this year. Perhaps most troubling, Freddie's nonperforming assets almost doubled, rising to $115 billion from $62 billion.

When Freddie sells properties, either before or after foreclosure, it generates losses of 39 percent, on average.

There is a bright spot: new delinquencies were fewer in number than in the quarter ended Dec. 31.

Freddie Mac said the main reason for its disastrous quarter was an accounting change that required it to bring back onto its books $1.5 trillion in assets and-liabilities that it had been keeping off of its balance sheet.

None of the grim numbers at Freddie are surprising, really, given that it and Fannie have pretty much been the only games in town of late for anyone interested in getting a mortgage. The problem for taxpayers, of course, is that the company's future doesn't look much different from its recent past

Indeed, Freddie warned that its credit losses were likely to continue rising throughout 2010. Among the reasons for this dour outlook was the substantial number of borrowers in Freddie's portfolio that currently owe more on their mortgages than their homes are worth.

Even as its business suffers through a sour real estate market, Freddie must pay hefty cash dividends on the preferred stock the government holds. After it receives the additional $10.6 billion it needs from taxpayers, dividends owed to Treasury will total $6.2 billion a year. This amount, the company said, ''exceeds our annual historical earnings in most periods.''

In spite of these difficulties, Freddie and Fannie are nowhere to be seen in the various financial reform efforts under discussion on Capitol Hill. Timothy F. Geithner, the Treasury secretary, offered a vague comment to Congress last March, that after some unspecified reform effort someday in the future, the companies ''will not exist in the same form as they did in the past''

Fannie and Freddie, lest you've forgotten, have been longstanding kingpins in the housing market, buying mortgages from banks that issue them so the banks could turn around and lend even more. After both companies overindulged in the lucrative but riskier end of home loans, they nearly collapsed, prompting the federal rescue. Since then, the government has continued to use the firms as mortgage buyers of last resort, to help stabilize a housing Market that is still deeply troubled.

To some, the current silence on what to do about Freddie and Fannie is deafening—as is the lack of chatter about Freddie's disastrous report last week.

''I don't understand why people are not talking about it,'' said Dean Baker, co-director of the Center for Economic and Policy Research in Washington, referring to Freddie's losses. ''It seems to me the most fundamental question is, have they on an ongoing basis been paying too much for loans even since they went into conservatorship?''

Michael L. Cosgrove, a Freddie spokesman, declined to discuss what the company pays for the mortgages it buys. ''We are supporting the market by providing liquidity,'' he said. ''And we have longstanding relationships with all the major mortgage lenders across the country. We're in the business of buying loans and we are one of the few sources of liquidity available.''

But Mr. Baker's question gets to the heart of the conflicting roles that Freddie and Fannie are being asked to play today. On the one hand, the companies are charged with supporting the mortgage market by buying loans from banks and other lenders. At the same time, they must work to minimize credit losses to make sure the billions that taxpayers have poured into the firms don't disappear.

Freddie acknowledged these dueling goals in its quarterly report ''Certain changes to our business objectives and strategies are designed to provide support for the mortgage market in a manner that serves our public mission and other nonfinancial objectives, but may not contribute to profitability,'' it noted. Freddie said that its regulator, the Federal Housing Finance Agency, has advised it that ''minimizing our credit losses is our central goal and that we will be limited to continuing our existing core business activities and taking actions necessary to advance the goals of the conservatorship.''

Mr. Baker's concern that Freddie may be racking up losses by overpaying for mortgages derives from his suspicion that the government might be encouraging it to do so as a way to bolster the operations of mortgage lenders.

That would make Fannie's and Freddie's mortgage-buying yet another backdoor bailout of the nation's banks, Mr. Baker said, and could explain the government's reluctance to include them in the reform efforts now being so hotly debated in Washington.

''If they are deliberately paying too much for mortgages to support the banks,'' Mr. Baker said, ''the government wants them to be in a position to keep doing that, and that would mean not doing anything about their status until further down the road.''

It's no surprise that the government doesn't want to acknowledge the soaring taxpayer costs associated with these mortgage zombies. The truth about Fannie and Freddie has always been hard to come by in Washington, and huge piles of money seem to circulate silently around both firms.

Remember last Christmas Eve? That's when the Treasury quietly decided to remove the $400 billion limit on federal borrowings available to Fannie and Freddie through 2012.

That stealth move didn't engender much confidence in either the companies or their government guardian.

But because taxpayers own Freddie and Fannie, we should know more about their buying habits, as Mr. Baker points out. Unfortunately, if the government's past actions are any indication of what we can expect, then don't hold your breath waiting for the facts.

LET'S MAKE HISTORY BY SUPPORTING OUR NATION'S MARINES AS THEY SUPPORT US

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

Mr. JONES. Madam Speaker, last week, the House of Representatives passed a suspension bill that was H.R. 24, to redesignate the Department of the Navy to be known as the Department of the Navy and Marine Corps. That bill had 426 cosponsors, colleagues from both sides of the aisle, who believe sincerely that the Marine Corps has earned this right to be recognized. All this is about recognition.

I want tonight to thank Senator PAT ROBERTS. Senator PAT ROBERTS last January put in a companion bill to H.R. 24, Senate Bill 504. Senator ROBERTS himself served in the United States Marine Corps. He was an officer, a retired Marine officer. This Monday, he wrote a letter to every Senator, and I want to read just a little part of this, Madam Speaker. First, the subtitle of his letter says, ''Let's Make History By Supporting Our Nation's Marines As They Support Us: Redesignate the Department of Navy as the Department of Navy and the Marine Corps.'' And he further states, ''Dear Colleague,''—I'm just going to read paragraphs from this letter, Madam Speaker—''it is not possible to overstate the service and sacrifice of any man or woman who wears or has worn the Marine Corps uniform, whether in Iwo Jima 65 years ago or today. The Corps has been 'first to fight for right and freedom' for over 234 years. That is why I am writing to urge you to cosponsor S. 504, a bill to redesignate the Department of the Navy as the Department of the Navy and Marine Corps.'' He does state, but I am not going to repeat this because I just stated this, that he praises the House of Representatives because we passed unanimously H.R. 24, and he does mention the number of 426 cosponsors.

He further states in his letter to his colleagues in the Senate, ''I hope you will join me in recognizing our Nation's force in readiness, our Marine Corps, and those who serve in it as equal to our other Armed Forces.'' To cosponsor S. 504, please contact his office.

Madam Speaker, I want to read this as well: ''P.S. One only has to watch the current acclaimed special television production ''Pacific'' to understand why Marines everywhere are expressing their heartfelt support for what they believe is a long overdue oversight. The Marines and Marine veterans in your State simply ask you to join them with your support.'' Again, this letter is to the Senate, and I know that Senator ROBERTS himself plans to reach out to as many Senators as he can to ask them to support this.

Madam Speaker, with that, I would like to close by asking, as I do on the floor of the House many times, I ask God to please bless our men and women in uniform. I ask God to please bless the families of our men and women in uniform. I ask God in his loving arms to hold the families who have given a child dying in Afghanistan and Iraq, and I ask God to please bless the House and Senate, that we will do what is right in the eyes of God. And I ask God to give strength, wisdom, and courage to President Obama, that he will do what is right in the eyes of God. And three times I will ask God, please God, please God, please God, continue to bless America.

A TRIBUTE TO ASIAN PACIFIC AMERICANS

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

Mr. SCHIFF. Madam Speaker, each May we honor Asian Pacific Americans and celebrate the extraordinary contributions they make to enhance our communities and our Nation. Since the first Japanese immigrants arrived in the United States on May 7, 1843, generations of brave men and women have come to our country seeking new lives for themselves and their families, the promise of the American Dream. Their perseverance in the fight for equality and opportunity despite obstacles such as racial, social, and religious discrimination, is truly inspiring. I am proud to represent one of the most diverse congressional districts in the country. One in four of my constituents is of Asian Pacific heritage, many of whom are of Chinese, Filipino, Korean, Japanese, and Vietnamese descent. We share our customs and traditions, and ultimately, our community and our Nation are enriched by the presence of Asian Pacific Americans.

They have distinguished themselves as entrepreneurs, educators, and members of our Armed Forces. And the 29th Congressional District boasts an impressive list of Asian Pacific American civic leaders who are strongly committed to our community, including: John Chiang, serving California as controller, is the highest-ranking Asian Pacific American elected State official. Representing California's 21st Senate District is Carol Liu, and serving the 49th Assembly District is Assemblyman Mike Eng.