

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5297) to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses.

and for other purposes, with Mr. CUELLAR (Acting Chair) in the chair.

The Clerk read the title of the bill.

The Acting CHAIR. When the Committee of the Whole rose on Wednesday, June 16, 2010, amendment No. 17 printed in part C of House Report 111-506 offered by the gentleman from Texas (Mr. AL GREEN) had been disposed of.

Pursuant to House Resolution 1448, it shall be in order to consider the amendments printed in House Report 111-508 as if such amendments had been printed in part C of House Report 111-506. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. SCHRADER

The Acting CHAIR. It is now in order to consider amendment No. 1 printed in House Report 111-508.

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

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Add at the end the following new title:

**TITLE —SMALL BUSINESS BORROWER ASSISTANCE PROGRAM**

**SEC. 1. SHORT TITLE.**

This title may be cited as the "Small Business Assistance Fund Act of 2010".

**SEC. 2. SMALL BUSINESS BORROWER ASSISTANCE PROGRAM.**

(a) IN GENERAL.—The Administrator shall carry out a program to be called the "Small Business Borrower Assistance Program" to provide payments of principal and interest on qualifying small business loans.

(b) AUTOMATIC ENROLLMENT; COMMITMENT OF FUNDS.—

(1) IN GENERAL.—To the extent funds are available under the Program, each borrower that receives a qualifying small business loan after the date on which the Administrator issues regulations pursuant to subsection (e) shall be automatically enrolled in the Program, unless the borrower requests otherwise, and the Administrator shall commit an amount to each borrower equal to 6 percent of the principal disbursed amount of such borrower's qualifying small business loan.

(2) ONE YEAR WINDOW FOR PARTICIPATING IN PROGRAM.—Notwithstanding paragraph (1), a borrower may only be enrolled in the Program if the borrower is approved for a qualifying small business loan before the end of the 1-year period following the date on which the Administrator issues final regulations pursuant to subsection (e).

(3) TERMINATION OF PARTICIPATION IN CERTAIN CIRCUMSTANCES.—In any instance in which the Administrator determines that a borrower participating in the Program has committed fraud or made a material misrepresentation related to such participation, the Administrator may terminate such borrower's participation in the Program and ban such borrower from any future participation in the Program.

(c) DISBURSEMENT OF FUNDS.—

(1) IN GENERAL.—A borrower enrolled in the Program may submit a request for the pay-

ment of committed funds by a method to be developed by the Administrator.

(2) MULTIPLE DISBURSEMENTS PERMITTED.—A borrower enrolled in the Program may request multiple payments under paragraph (1), as long as the aggregate amount of such payments does not exceed the amount committed to such borrower under subsection (b).

(d) TERMS.—

(1) PAYMENTS ONLY TO LENDER OR SERVICER.—Payments made by the Administrator under the Program shall only be made to the lender or servicer of a qualifying small business loan to be applied against outstanding principal or interest, and may not be made to the borrower.

(2) PROGRAM PARTICIPATION ONLY PERMITTED DURING FIRST 2 YEARS.—

(A) IN GENERAL.—Payments made by the Administrator under the Program may only be made with respect to a payment of interest or principal due on a qualifying small business loan within the 2-year period following the date on which such loan is disbursed.

(B) UNEXPENDED COMMITTED FUNDS.—

(i) IN GENERAL.—With respect to any funds committed to a borrower enrolled in the Program that remain unexpended at the end of the 2-year period described under subparagraph (A), such funds shall be paid to the lender or servicer of the borrower's loan and applied to the principal of such loan.

(ii) EXCEPTION.—In any case in which the amount of committed funds that remain unexpended is greater than the remaining principal of a borrower's loan, the amount of any excess shall be returned to the Treasury.

(e) RULEMAKING.—Not later than 180 days after the date of the enactment of this section, the Administrator shall issue regulations necessary to carry out this section.

(f) CONTRACTING WITH AGENTS.—The Administrator may contract with one or more entities as necessary to carry out the provisions of the Program. The Secretary of the Treasury is authorized to designate financial institutions, including any bank, savings association, or trust company, as financial agents of the Federal government to carry out the authorities of this section, and such institutions shall perform all such reasonable duties related to the Program as financial agents of the Federal government as the Secretary may require. In engaging any such third parties to carry out the Program, the Administrator or the Secretary shall seek to involve small businesses in the provision of the core direct services required under the engagement.

(g) DEFINITIONS.—For purposes of this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Small Business Administration.

(2) PROGRAM.—The term "Program" means the Small Business Borrower Assistance Program established under subsection (a).

(3) QUALIFYING SMALL BUSINESS LOAN.—The term "qualifying small business loan" means any loan, up to \$300,000, made to a small business concern and guaranteed under section 7(a) of the Small Business Act (15 U.S.C. 636(a)), other than a loan made pursuant to section 7(a)(31) of such Act, a revolving credit line, or any other revolving loan.

(4) SMALL BUSINESS CONCERN.—The term "small business concern" has the meaning given such term under section 3 of the Small Business Act (15 U.S.C. 632).

(h) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated to the Administrator \$300,000,000 to carry out this section.

The Acting CHAIR. Pursuant to House Resolution 1448, the gentleman

from Oregon (Mr. SCHRADER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Oregon.

Mr. SCHRADER. I yield myself 5 minutes.

Mr. Chairman, this amendment basically authorizes funding in the establishment of the Small Business Borrower Assistance Program to provide temporary assistance for a lot of the struggling small businesses out in America.

The Small Business Borrower Assistance Program will provide these small businesses which take out 7(a) loans under \$300,000 with a reserve fund they can use at their discretion to help pay principal and interest payments if they should hit rough spots in their business cycles. Eligible small business borrowers will automatically be enrolled in the program unless they request otherwise, so it is very easy and unbureaucratic.

Once a borrower has been enrolled, the Small Business Administration will place an amount equal to 6 percent of the loan principal in reserve for the borrower. This means that a borrower who obtains a \$300,000 loan will have \$18,000 placed in reserve to help the borrower pay principal or interest payments. These funds can be applied to both of those at the borrower's discretion.

To be eligible for the program, a borrower must obtain the qualifying loan within 1 year after the SBA issues final regulations. This is a temporary bill to help us through the recession. The SBA must issue those final regulations within 180 days after the enactment of the program. That is to make sure that the program itself is available in the crunch times.

To prevent funds from being used for purposes other than for paying down the balances of small business loans, disbursements will be made directly to the lenders or to the loan servicers. Additionally, the Small Business Administration will have the authority to remove borrowers from the program who commit fraud or material misrepresentation.

Mr. Chairman, this is just another great tool in the toolbox for our small businesses in order to help them get back on their feet and to be the engines of economic growth.

I reserve the balance of my time.

Mr. GRAVES of Missouri. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman is recognized for 5 minutes.

Mr. GRAVES of Missouri. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Oregon.

Small business owners are going to be enrolled automatically in a program that sets aside 6 percent of the value of an SBA guaranteed loan to pay off that loan, as it was previously described. While I appreciate very much the gentleman's effort to reduce the financial

burden on small business owners, there are a number of problems with this program.

First, it forces business owners to opt out of a federally mandatory set-aside of funds. This is going to reduce the amount of capital available because disbursements of those set-aside funds will be made to a bank or to a loan servicer instead of to small businesses.

Second, by requiring an opt-out, it suggests that a Federal agency, the SBA, is better at managing the small business rather than its owner—a conclusion that I, obviously, strongly dispute.

Third, loans under the 7(a) loan program are just that. Mr. Chairman, they are loans. It seems rather absurd to have the SBA automatically set aside funds in order to pay off loans it has just approved.

Fourth, the size of loans in the program are limited to those businesses with loans of less than \$300,000.

I wonder: Why are these businesses favored over small business owners who may need slightly larger amounts of capital? By making the program available for loans of less than \$300,000, I guess it suggests that small business owners at that level are less credit worthy and are incapable of managing their finances as opposed to businesses requiring a little bit larger loans.

All of these points, Mr. Chairman, are points that I am making. I strongly dispute the reason for this program. For that reason, I oppose the gentleman's amendment. Again, I appreciate very much his efforts and what he is trying to do, but I can't agree with this at all.

I reserve the balance of my time.

Mr. SCHRADER. I yield 2 minutes to the chairwoman of the Small Business Committee, the gentlewoman from New York (Ms. VELÁZQUEZ).

Ms. VELÁZQUEZ. I thank the gentleman for yielding.

Mr. Chairman, my colleagues, we have spent much of this debate discussing ways to help the banks, but now it is time that we talk about helping small businesses directly.

The Schrader amendment does this by providing entrepreneurs with incentives to expand their businesses. It does so by giving business owners maximum flexibility because they know best how to purchase equipment or to hire workers when they need to do so. If we have this tool now, during the early stages of the recovery, it will allow manufacturers to purchase the new machine tools they need, and it will allow retailers to hire a few more salesmen.

As they have created two-thirds of the net new jobs over the past 10 years, it is absolutely critical to get small businesses off the sidelines. Unfortunately, the Federal Reserve Senior Loan Officer survey continues to report that loan demand among small firms has decreased. The most recent NFIB report also confirms this. Only 32 percent of small businesses borrowed last

quarter, which is near the record low. When fewer small businesses take out loans, there is less employment and more abandoned storefronts. By giving firms access to a financial backstop, the Schrader amendment will give them the confidence to turn this around.

With this in mind, it is no surprise that, when small firms are not active in the capital markets, we lose jobs. This is exactly what happened between 2007 and 2009 when self-employment declined by 7.5 percent. If we do not want to repeat this, we must embrace the small business-focused policies contained in the Schrader amendment.

I ask my colleagues to support Mr. SCHRADER's amendment.

Mr. GRAVES of Missouri. I would like to reiterate that this is just a giveaway. That is all it is. If we want to help small businesses, then let's reinstate bonus depreciation. Let's shorten appreciation to buy new equipment and to add more jobs.

The bottom line is let the government get out of the way. Increasing their taxes at a time when the deficit is running at a record high and when the administration continues to rack up more debt is not the way to help small businesses. Again, I oppose the amendment.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. SCHRADER. I appreciate the concerns of the gentleman from Missouri. I do take issue with them, obviously.

Mr. Chairman, to prevent fraud and abuse—and unfortunately, that does happen in tough economic times—these payments are made to the lenders to make sure they go back to where they are supposed to be, as the taxpayers have authorized under this amendment and this bill. The 7(a) program is the most popular program out there. It is something banks are familiar with, and it is the small, struggling businesses that are likely to take loans out for under \$300,000 that are most in need.

So this program is targeted, temporary, and timely. Small business lending in my State is half of what it was 2 years ago. We need every tool in the toolbox to encourage the lenders who have shown extreme reticence to lend to small businesses that this country is willing to back them up and to help these small businesses pay their loans if they need to during tough stretches and tough times.

I think if you're in favor of small business and of lending and if you want to make sure that they have access and that the program that we are establishing with \$30 billion really goes to small business, you will want to vote "yes," in favor of this amendment.

I urge a "yes" vote, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Oregon (Mr. SCHRADER).

The amendment was agreed to.

□ 1230

AMENDMENT NO. 2 OFFERED BY MR. MILLER OF NORTH CAROLINA

The Acting CHAIR. It is now in order to consider amendment No. 2 printed in House Report 111-508.

Mr. MILLER of North Carolina. I have an amendment at the desk made in order under the rule.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 6, after line 9, insert the following new clause:

(v) CONSTRUCTION, LAND DEVELOPMENT, AND OTHER LAND LOANS.—

(I) IN GENERAL.—Loans secured by real estate—

(aa) that are made to finance—

(AA) land development that is preparatory to erecting new structures, including improving land, laying sewers, and laying water pipes; or

(BB) the on-site construction of industrial, commercial, residential, or farm buildings;

(bb) that is vacant land, except land known to be used or usable for agricultural purposes, such as crop and livestock production;

(cc) the proceeds of which are to be used to acquire and improve developed or undeveloped property; or

(dd) that are made under title I or title X of the National Housing Act.

(II) CONSTRUCTION INDUSTRY REQUIREMENT.—Subclause (I) shall only apply to loans that are extended to small business concerns in the construction industry, as such term is defined by the Secretary in consultation with the Administrator of the Small Business Administration.

(III) CONSTRUCTION DEFINED.—For purposes of this clause, the term "construction" includes the construction of new structures, additions or alterations to existing structures, and the demolition of existing structures to make way for new structures.

The Acting CHAIR. Pursuant to House Resolution 1448, the gentleman from North Carolina (Mr. MILLER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. MILLER of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill is the right idea. We will not have a strong recovery until small businesses can again get ordinary loans to expand and hire new workers. But this bill leaves out an important industry. In past recessions, the first industry to suffer from the recession and the first industry to come out of it was residential construction, home building. There's a reason that housing starts and building permits are leading economic indicators.

Home building will not lead us out of this recession, no matter what we do. Too much of the foolishness that led to the financial crisis was connected to housing. There are some markets that are hopelessly overbuilt. The inventory of new housing is at a 42-year low, but in many markets there is a substantial overhang of existing houses and a shadow inventory of homes destined for foreclosure. But there are many markets where there is a real demand for

new housing, and we won't have much of a recovery if we don't bring residential construction along.

Home building has been 16 percent of our GDP. We can't tell 16 percent of our GDP just to hang out until we get things figured out.

Because of foolish real estate lending a few years ago, many community banks were under great pressure from banking regulators to scale back on all real estate lending, including sensible projects where there is a market for new housing. Community banks are even calling in performing acquisition development and construction loans. We've gone from indiscriminate lending to an indiscriminate refusal to lend that is killing jobs.

We've lost 3 million jobs in home construction and related industries in the last 5 years. The jobs we lost are jobs for the working man—carpenters, plumbers, electricians, masons, painters, landscapers, roofers, and on and on. We've got to put those Americans back to work. In the words of Alan Jackson, There's nothing wrong with a hard hat and a hammer, the kind of glue that sticks this world together.

Our amendment adds construction and land development loans to the loans that qualify as small business lending under the SBLF program so we can put the working man back to work. God bless the working man and woman.

I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chair, I claim time in opposition, although I'm not opposed to the amendment.

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

There was no objection.

Mr. NEUGEBAUER. Mr. Chairman, I appreciate what the gentleman's amendment is trying to do. I think the intent, if this bill goes forward, is that all small businesses would be eligible under this program. But I think the gentleman is trying to accentuate the fact that land developers and home builders in America are also small businesses and should be able to participate under this program.

As a former developer and builder myself, I'm sympathetic to the difficulties many of these in the construction and housing business face. I think we have to be careful here not to send a signal that would encourage an oversupply in the marketplace and further hurt the industry and job creation.

Also, I would have to remind my colleagues, though, something that we talked about yesterday, is that this is a \$30 billion lending fund. The United States Treasury does not have \$30 billion, and that's the reason they have these auctions every week. And we're going to have to go borrow another \$30 billion, which is going to increase the national debt by another \$30 billion.

I have the same concerns about the bill that we had yesterday. We're not sure that this is the right prescription for small businesses. We've seen record liquidity in many of the financial insti-

tutions. And as I talk to many banker friends of mine and also the small businesses, basically what's really holding back the country is sales.

The American people are cutting back; they're balancing their budgets, but, unfortunately, the Federal Government is not balancing its budget. In fact, we're going to have a \$1.6 trillion deficit this year. We just went over \$13 trillion in debt in this country. We're approaching a time in this country, and God forbid, where our GDP and our national debt will be the same number.

So I appreciate what my colleagues are trying to do, but I believe if you really want to help small businesses, bring some certainty to the economy. Right now, many businesses are uncertain about what this body might do to them next. They've imposed massive increases in the cost through their health insurance, uncertainty about what the cost of utilities are going to be in the future with cap-and-trade.

So this overall uncertainty is creating a lot of angst in the marketplace, and I think it's affecting the American consumers. Certainly, the people that affect American small businesses the most are the American consumers—the people that are going to buy houses, going to buy cars, going to buy telecommunications.

And so while I understand where the gentleman is coming from and support his intent to make sure this program is all-inclusive, I do not support the underlying bill. Again, when we say that this is really not going to put the taxpayers at risk, I remind my colleagues that, in fact, 91 banks that received TARP money—and, by the way, this is another TARP program; this is TARP, Junior, TARP II—that another 91 banks missed their dividend payment in May. And so what does that say? That the Treasury's ability to pay out this money to banks that are not in trouble is somewhat questioned because, in fact, when 91 banks miss their dividend payment, evidently there's not something going well in that bank.

Many people voted against TARP I. I believe a number of people are going to vote against TARP II, because that's not the right prescription to get our country going again.

With that, I reserve the balance of my time.

Mr. MILLER of North Carolina. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. BACA).

Mr. BACA. I rise in support of this amendment and thank Mr. MILLER for this amendment, which will open the programs that include housing production loans to home builders, which are primarily small businesses.

As we continue to see some positive signs in the economy, our housing market and construction industry show signs of distress. Moreover, the increase in foreclosures has created a perception of overstocked inventory in the housing market. However, this is not true everywhere. But the percep-

tion has forced the industry to shrink, cutting back on jobs and projects to save money. This downsizing has only made our economic troubles worse.

We must create an opportunity for jobs. In order to have a complete recovery, every aspect of our housing market needs to be supported, and that includes construction.

The construction industry has been a consistent source of jobs for the American people, and especially for the Latino community and many others. In 2006, employment in the construction sector was at 7.7 million. In just 2 years, the number has dropped to 5.6 million. The drop has been felt hardest in States like Nevada, Florida, and my home State of California, where the housing crisis has forced the construction industry to come to a standstill. In fact, we are now seeing Latino unemployment over 30 percent in the State of California, and then in my district, 17 percent overall for everyone.

In the committee's testimony, the National Association of Home Builders stated that the bill will do little to produce jobs and free up credit for builders. If our goal is to pass legislation that will work to create jobs, we must target our resources where they are most needed.

This amendment will address these concerns that include housing production loans to our Nation's home builders, who are comprised primarily of small businesses. Our housing collapse led our country into this economic crisis, and creating incentives to allow the housing market to thrive will help bring us out of this recession.

Again, I thank Mr. MILLER for his hard work on this amendment. I urge my colleagues to support this amendment.

Mr. NEUGEBAUER. Mr. Chair, I have no further requests for time, and I yield back the balance of my time.

Mr. MILLER of North Carolina. Mr. Chair, I yield back the balance of my time.

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

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

Mr. MILLER of North Carolina. Mr. Chair, I demand a recorded vote.

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

#### ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in part C of House Report 111-506 and in House Report 111-508 on which further proceedings were postponed, in the following order:

Amendment No. 1 in part C of House Report 111-506 by Mr. ISRAEL of New York;

Amendment No. 12 in part C of House Report 111-506 by Mr. CAO of Louisiana; and

Amendment No. 2 in House Report 111-508 by Mr. MILLER of North Carolina.

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

AMENDMENT NO. 1 OFFERED BY MR. ISRAEL

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment printed in part C of House Report 111-506 offered by the gentleman from New York (Mr. ISRAEL) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

#### RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 420, noes 0, not voting 18, as follows:

[Roll No. 371]

#### AYES—420

Ackerman	Carson (IN)	Faleomavaega
Aderholt	Carter	Fallin
Adler (NJ)	Cassidy	Farr
Akin	Castle	Fattah
Alexander	Castor (FL)	Filner
Altmire	Chaffetz	Flake
Andrews	Chandler	Fleming
Arcuri	Christensen	Forbes
Austria	Chu	Fortenberry
Baca	Clarke	Foster
Bachmann	Clay	Fox
Bachus	Cleaver	Frank (MA)
Baird	Clyburn	Franks (AZ)
Baldwin	Coble	Frelinghuysen
Barrow	Coffman (CO)	Fudge
Bartlett	Cohen	Galleghy
Bean	Cole	Garamendi
Becerra	Conaway	Garrett (NJ)
Berkley	Connolly (VA)	Gerlach
Berman	Conyers	Giffords
Berry	Cooper	Gingrey (GA)
Biggert	Costa	Gohmert
Bilbray	Costello	Gonzalez
Bilirakis	Courtney	Goodlatte
Bishop (GA)	Crenshaw	Gordon (TN)
Bishop (NY)	Critz	Granger
Bishop (UT)	Crowley	Graves (GA)
Blackburn	Cuellar	Graves (MO)
Blumenauer	Culberson	Grayson
Blunt	Cummings	Green, Al
Boccieri	Dahlkemper	Green, Gene
Bonner	Davis (AL)	Grijalva
Bono Mack	Davis (CA)	Guthrie
Boozman	Davis (IL)	Gutierrez
Bordallo	Davis (KY)	Hall (NY)
Boren	Davis (TN)	Hall (TX)
Boswell	DeFazio	Halvorson
Boucher	DeGette	Hare
Boustany	Delahunt	Harman
Boyd	DeLauro	Harper
Brady (PA)	Dent	Hastings (FL)
Brady (TX)	Deutch	Hastings (WA)
Braley (IA)	Diaz-Balart, L.	Heinrich
Bright	Diaz-Balart, M.	Heller
Brown (GA)	Dicks	Hensarling
Brown, Corrine	Dingell	Herger
Brown-Waite,	Djou	Herseth Sandlin
Ginny	Doggett	Higgins
Buchanan	Donnelly (IN)	Hill
Burton (IN)	Doyle	Himes
Butterfield	Dreier	Hinchee
Calvert	Driebehaus	Hinojosa
Camp	Duncan	Hirono
Campbell	Edwards (MD)	Hodes
Cantor	Edwards (TX)	Holden
Cao	Ehlers	Holt
Capito	Ellison	Honda
Capps	Ellsworth	Hoyer
Capuano	Emerson	Hunter
Cardoza	Engel	Inslee
Carnahan	Eshoo	Israel
Carney	Etheridge	Issa

Jackson (IL)	Melancon	Sarbanes
Jackson Lee	Mica	Scalise
(TX)	Michaud	Schakowsky
Jenkins	Miller (FL)	Schauer
Johnson (GA)	Miller (MI)	Schiff
Johnson (IL)	Miller (NC)	Schmidt
Johnson, E. B.	Miller, Gary	Schock
Johnson, Sam	Miller, George	Schrader
Jones	Minnick	Schwartz
Jordan (OH)	Mitchell	Scott (GA)
Kagen	Mollohan	Scott (VA)
Kanjorski	Moore (KS)	Sensenbrenner
Kaptur	Moran (KS)	Serrano
Kennedy	Moran (VA)	Sessions
Kildee	Murphy (CT)	Sestak
Kilpatrick (MI)	Murphy (NY)	Shadegg
Kilroy	Murphy, Patrick	Shea-Porter
Kind	Murphy, Tim	Sherman
King (IA)	Myrick	Shimkus
King (NY)	Nadler (NY)	Shuler
Kingston	Napolitano	Shuster
Kirk	Neal (MA)	Simpson
Kirkpatrick (AZ)	Neugebauer	Sires
Kissell	Norton	Skelton
Klein (FL)	Nunes	Slaughter
Kline (MN)	Nye	Smith (NE)
Kosmas	Oberstar	Smith (NJ)
Kratovil	Olver	Smith (TX)
Kucinich	Ortiz	Smith (WA)
Lamborn	Owens	Snyder
Lance	Pallone	Space
Langevin	Pascarella	Adler (NJ)
Larsen (WA)	Pastor (AZ)	Akin
Larson (CT)	Paul	Alexander
Latham	Paulsen	Altmire
LaTourette	Pence	Andrews
Latta	Perlmutter	Arcuri
Lee (CA)	Perriello	Austria
Lee (NY)	Peters	Baca
Levin	Peterson	Bachmann
Lewis (CA)	Petri	Bachus
Lewis (GA)	Pierluisi	Baird
Linder	Pingree (ME)	Baldwin
Lipinski	Pitts	Barrow
LoBiondo	Platts	Bartlett
Loebach	Poe (TX)	Barton (TX)
Lofgren, Zoe	Polis (CO)	Bean
Lowe	Pomeroy	Becerra
Lucas	Posey	Berkley
Luetkemeyer	Price (GA)	Berman
Lujan	Price (NC)	Berry
Lummis	Putnam	Biggert
Lungren, Daniel	Quigley	Bilbray
E.	Radanovich	Bilirakis
Lynch	Rahall	Bishop (NY)
Mack	Rangel	Bishop (UT)
Maffei	Rehberg	Blackburn
Maloney	Reichert	Blumenauer
Manzullo	Reyes	Blunt
Marchant	Richardson	Bonner
Markey (CO)	Rodriguez	Bono Mack
Markey (MA)	Roe (TN)	Boozman
Marshall	Rogers (AL)	Bordallo
Matheson	Rogers (KY)	Boren
Matsui	Rogers (MI)	Boswell
McCarthy (CA)	Rohrabacher	Boucher
McCarthy (NY)	Rooney	Boustany
McCaul	Roskam	Boyd
McClintock	Ross	Brady (PA)
McCollum	Rothman (NJ)	Brady (TX)
McCotter	Royal-Ballard	Brady (IA)
McDermott	Royce	Bright
McGovern	Ruppersberger	Brown (GA)
McHenry	Rush	Brown, Corrine
McIntyre	Ryan (OH)	Brown-Waite,
McKeon	Ryan (WI)	Ginny
McMahon	Sablan	Buchanan
McMorris	Salazar	Burgess
Rodgers	Sanchez, Linda	Burton (IN)
McNerney	T.	Butterfield
Meeks (NY)	Sanchez, Loretta	Buyer
		Calvert
		Camp
		Campbell
		Cantor
		Cao
		Capito
		Capps
		Capuano
		Cardoza
		Carnahan
		Carney
		Childers
		Griffith
		Hoekstra
		Inglis
		Meek (FL)
		Moore (WI)
		Obey
		Olson
		Payne
		Ros-Lehtinen
		Sullivan
		Wamp

#### NOT VOTING—18

□ 1307

So the amendment was agreed to.  
The result of the vote was announced as above recorded.

AMENDMENT NO. 12 OFFERED BY MR. CAO

The Acting CHAIR. The unfinished business is the demand for a recorded

vote on the amendment printed in part C of House Report 111-506 offered by the gentleman from Louisiana (Mr. CAO) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

#### RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 414, noes 0, answered “present” 1, not voting 23, as follows:

[Roll No. 372]

#### AYES—414

Ackerman	Christensen	Garrett (NJ)
Aderholt	Chu	Gerlach
Adler (NJ)	Clarke	Giffords
Akin	Clay	Gingrey (GA)
Alexander	Cleaver	Gonzalez
Altmire	Altmire	Goodlatte
Andrews	Coble	Gordon (TN)
Arcuri	Coffman (CO)	Granger
Austria	Cohen	Graves (GA)
Baca	Cole	Graves (MO)
Bachmann	Conaway	Grayson
Bachus	Connolly (VA)	Green, Al
Baird	Conyers	Green, Gene
Baldwin	Cooper	Grijalva
Barrow	Costa	Guthrie
Bartlett	Costello	Gutierrez
Barton (TX)	Courtney	Hall (NY)
Bean	Crenshaw	Hall (TX)
Becerra	Critz	Halvorson
Berkley	Crowley	Hare
Berman	Cuellar	Harman
Berry	Culberson	Harper
Biggert	Dahlkemper	Hastings (FL)
Bilbray	Davis (AL)	Hastings (WA)
Bilirakis	Davis (CA)	Heinrich
Bishop (NY)	Davis (IL)	Heller
Bishop (UT)	Davis (KY)	Hensarling
Blackburn	Davis (TN)	Herger
Blumenauer	DeFazio	Herseth Sandlin
Blunt	DeGette	Higgins
Bonner	Delahunt	Hill
Bono Mack	DeLauro	Himes
Boozman	Dent	Hinchee
Bordallo	Deutch	Hinojosa
Boren	Diaz-Balart, L.	Hirono
Boswell	Diaz-Balart, M.	Hodes
Boucher	Dicks	Holden
Boustany	Dingell	Holt
Boyd	Djou	Honda
Brady (PA)	Doggett	Hoyer
Brady (TX)	Donnelly (IN)	Hunter
Braley (IA)	Doyle	Inslee
Bright	Dreier	Israel
Brown (GA)	Driebehaus	Issa
Brown, Corrine	Duncan	Jackson (IL)
Brown-Waite,	Edwards (MD)	Jackson Lee
Ginny	Edwards (TX)	(TX)
Buchanan	Ehlers	Jenkins
Burgess	Ellison	Johnson (GA)
Burton (IN)	Ellsworth	Johnson (IL)
Butterfield	Emerson	Johnson, E. B.
Buyer	Engel	Johnson, Sam
Calvert	Eshoo	Jones
Camp	Etheridge	Jordan (OH)
Campbell	Faleomavaega	Kagen
Cantor	Fallin	Kanjorski
Cao	Farr	Kaptur
Capito	Fattah	Kennedy
Capps	Filner	Kildee
Capuano	Flake	Kilpatrick (MI)
Cardoza	Fleming	Kilroy
Carnahan	Forbes	Kind
Carney	Foster	King (IA)
	Fox	King (NY)
	Frank (MA)	Kingston
	Franks (AZ)	Kirk
	Frelinghuysen	Kirkpatrick (AZ)
	Fudge	Kissell
	Galleghy	Klein (FL)
	Garamendi	Kline (MN)

Kosmas Nadler (NY)  
 Kratovil Napolitano  
 Kucinich Neal (MA)  
 Lamborn Neugebauer  
 Lance Norton  
 Langevin Nunes  
 Larsen (WA) Nye  
 Larson (CT) Oberstar  
 Latta Obey  
 Lee (CA) Olson  
 Lee (NY) Oliver  
 Levin Ortiz  
 Lewis (CA) Owens  
 Lewis (GA) Pallone  
 Linder Pastor (AZ)  
 Lipinski Paul  
 LoBiondo Paulsen  
 Loeb sack Payne  
 Lofgren, Zoe Pence  
 Lowey Perlmutter  
 Lucas Perriello  
 Luetkemeyer Peters  
 Luján Peterson  
 Lummis Petri  
 Lungren, Daniel E. Pierluisi  
 E. Pingree (ME)  
 Lynch Pitts  
 Mack Platts  
 Maffei Poe (TX)  
 Maloney Polis (CO)  
 Manzullo Pomeroy  
 Marchant Posey  
 Markey (CO) Price (GA)  
 Markey (MA) Price (NC)  
 Matheson Putnam  
 Matsui Quigley  
 McCarthy (CA) Radanovich  
 McCarthy (NY) Rahall  
 McCaul Rangel  
 McClintock Rehberg  
 McCollum Tiberi  
 McCotter Reyes  
 McDermott Richardson  
 McGovern Rodriguez  
 McHenry Roe (TN)  
 McIntyre Rogers (AL)  
 McKeon Rogers (KY)  
 McMahon Rogers (MI)  
 McMorris Rohrabacher  
 Rodgers Rooney  
 McNerney Roskam  
 Meeks (NY) Ross  
 Melancon Rothman (NJ)  
 Mica Roybal-Allard  
 Micaud Royce  
 Miller (FL) Ruppertsberger  
 Miller (MI) Rush  
 Miller (NC) Ryan (OH)  
 Miller, George Ryan (WI)  
 Minnick Sablan  
 Mitchell Salazar  
 Mollohan Sanchez, Linda  
 Moore (KS) T.  
 Moran (KS) Sanchez, Loretta  
 Moran (VA) Sarbanes  
 Murphy (CT) Scalise  
 Murphy (NY) Schakowsky  
 Murphy, Patrick Schauer  
 Murphy, Tim Schiff  
 Myrick Schmidt

## ANSWERED "PRESENT"—1

Miller, Gary

## NOT VOTING—23

Barrett (SC) Gohmert  
 Bishop (GA) Griffith  
 Boccieri Hoekstra  
 Boehner Inglis  
 Brown (SC) Latham  
 Childers LaTourette  
 Cummings Marshall  
 Fortenberry Meek (FL)

## ANNOUNCEMENT BY THE ACTING CHAIR

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

□ 1314

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. BOCCIERI. Mr. Chair, on rollcall No. 372, the Jackson Lee/Cao amendment, had I been present, I would have voted "yes."

Ms. ROS-LEHTINEN. Mr. Chair, on rollcall No. 372, I was unavoidably detained. Had I been present, I would have voted "yes."

## AMENDMENT NO. 2 OFFERED BY MR. MILLER OF NORTH CAROLINA

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment printed in House Report 111-508 offered by the gentleman from North Carolina (Mr. MILLER) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

## RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 418, noes 3, not voting 17, as follows:

[Roll No. 373]

## AYES—418

Ackerman Carson (IN) Farr  
 Aderholt Carter Fattah  
 Adler (NJ) Cassidy Filner  
 Akin Castle Fleming  
 Alexander Chaffetz Forbes  
 Altmire Chandler Fortenberry  
 Andrews Christensen Foster  
 Arcuri Chu  
 Austria Clarke  
 Baca Clay  
 Bachmann Clyburn  
 Bachus Coble  
 Baird Coffman (CO)  
 Baldwin Cohen  
 Barrow Cole  
 Bartlett Conaway  
 Barton (TX) Connolly (VA)  
 Bean Conyers  
 Becerra Cooper  
 Berkeley Costa  
 Berman Costello  
 Berry Courtney  
 Biggert Crenshaw  
 Bilbray Critz  
 Bilirakis Crowley  
 Bishop (GA) Cuellar  
 Bishop (NY) Culberson  
 Bishop (UT) Cummings  
 Blackburn Dahlkemper  
 Blumenauer Davis (AL)  
 Blunt Davis (CA)  
 Boccieri Davis (IL)  
 Bonner Davis (KY)  
 Bono Mack Davis (TN)  
 Boozman DeFazio  
 Bordallo DeGette  
 Boren Delahunt  
 Boswell DeLauro  
 Boucher Dent  
 Boustany Deutch  
 Boyd Diaz-Balart, L.  
 Brady (PA) Diaz-Balart, M.  
 Brady (TX) Dicks  
 Braley (IA) Dingell  
 Bright Djou  
 Broun (GA) Doggett  
 Brown, Corrine Donnelly (IN)  
 Buchanan Doyle  
 Burgess Dreier  
 Burton (IN) Driehaus  
 Butterfield Duncan  
 Buyer Edwards (MD)  
 Calvert Edwards (TX)  
 Camp Ehlers  
 Cantor Ellison  
 Cao Ellsworth  
 Capito Emerson  
 Capps Engel  
 Capuano Eshoo  
 Cardoza Etheridge  
 Carnahan Faleomavaega  
 Carney Fallon

Johnson (GA) Miller (MI)  
 Johnson (IL) Miller (NC)  
 Johnson, E. B. Miller, Gary  
 Johnson, Sam Miller, George  
 Jones Minnick  
 Jordan (OH) Mitchell  
 Kagen Mollohan  
 Kanjorski Moore (KS)  
 Kaptur Moran (KS)  
 Kennedy Moran (VA)  
 Kildee Murphy (CT)  
 Kilpatrick (MI) Murphy (NY)  
 Kilroy Murphy, Patrick  
 Kind Murphy, Tim  
 King (IA) Myrick  
 King (NY) Nadler (NY)  
 Kingston Napolitano  
 Kirk Neal (MA)  
 Kirkpatrick (AZ) Neugebauer  
 Kissell Norton  
 Klein (FL) Nunes  
 Kline (MN) Nye  
 Kosmas Oberstar  
 Kratovil Obey  
 Kucinich Olson  
 Lamborn Oliver  
 Lance Ortiz  
 Langevin Owens  
 Larsen (WA) Pallone  
 Larson (CT) Pascrell  
 Latham Pastor (AZ)  
 LaTourette Paul  
 Latta Paulsen  
 Lee (CA) Payne  
 Lee (NY) Pence  
 Levin Perlmutter  
 Lewis (CA) Perriello  
 Lewis (GA) Peters  
 Lipinski Peterson  
 LoBiondo Petri  
 Loeb sack Pierluisi  
 Lofgren, Zoe Pingree (ME)  
 Lowey Pitts  
 Lucas Platts  
 Luetkemeyer Poe (TX)  
 Luján Polis (CO)  
 Lummis Pomeroy  
 Lungren, Daniel E. Posey  
 E. Price (GA)  
 Lynch Price (NC)  
 Mack Putnam  
 Maffei Quigley  
 Maloney Radanovich  
 Manzullo Rahall  
 Marchant Rangel  
 Markey (CO) Rehberg  
 Markey (MA) Reichert  
 Marshall Reyes  
 Matheson Richardson  
 Matsui Rodriguez  
 McCarthy (CA) Roe (TN)  
 McCarthy (NY) Rogers (AL)  
 McCaul Rogers (KY)  
 McCollum Rogers (MI)  
 McCotter Rohrabacher  
 McDermott Rooney  
 McGovern Ros-Lehtinen  
 McHenry Roskam  
 McIntyre Ross  
 McKeon Rothman (NJ)  
 McMahon Roybal-Allard  
 McMorris Royce  
 Rodgers Ruppertsberger  
 McNerney Rush  
 Meeks (NY) Ryan (OH)  
 Melancon Ryan (WI)  
 Mica Salazar  
 Micaud Sanchez, Linda  
 Miller (FL) T.

## NOES—3

Campbell Flake McClintock

## NOT VOTING—17

Barrett (SC) Childers  
 Boehner Cleaver  
 Brown (SC) Griffith  
 Brown-Waite, Gutierrez  
 Ginny Hoekstra  
 Castor (FL) Inglis  
 Waters

□ 1323

Mr. BACHUS changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

## PERSONAL EXPLANATION

Mr. GRIFFITH. Mr. Chair, on rollcall Nos. 371, 372, and 373, I was unavoidably detained. Had I been present, I would have voted "yes."

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

The amendment was agreed to.

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

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SERRANO) having assumed the chair, Mr. CUELLAR, Acting Chair of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5297) to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, and for other purposes, and, pursuant to House Resolution 1436, reported the bill back to the House with an amendment adopted in the Committee of the Whole.

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

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

The amendment was agreed to.

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

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

## MOTION TO RECOMMIT

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

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

Mr. NEUGEBAUER. In its current form, yes.

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

The Clerk read as follows:

Mr. Neugebauer moves to recommit the bill H.R. 5297 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

At the end of section 4(b), add the following new paragraph:

(4) SECRETARY CERTIFICATION TO SIGTARP.—

(A) IN GENERAL.—Each time the Secretary makes a purchase (including a commitment to purchase) or a modification of a purchase under the Program, the Secretary shall certify to the SIGTARP that the Secretary is acting solely on the basis of economic fundamentals and not because of any political considerations.

(B) SIGTARP DEFINED.—For purposes of this paragraph, the term "SIGTARP" means the Special Inspector General for the Troubled Asset Relief Program, established under section 121 of the Emergency Economic Stabilization Act of 2008.

At the end of section 8, add the following new subsection:

(c) TARP SPECIAL INSPECTOR GENERAL OVERSIGHT.—Section 121(c)(1) of the Emergency Economic Stabilization Act of 2009 (12 U.S.C. 5231(c)(1)), is amended—

(1) by striking "section 101, and" and inserting "section 101,"; and

(2) by inserting before "including" the following: "and activities under section 4, 5, or 6 of the Small Business Lending Fund Act of 2010,".

Mr. NEUGEBAUER (during the reading). Mr. Speaker, I ask unanimous consent that the reading of the motion be dispensed with.

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

There was no objection.

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

Mr. NEUGEBAUER. This motion makes two important changes to this bill. First, it puts a Special Inspector General for TARP in charge of the oversight of the new Small Business Lending Fund. Remember, this fund is TARP II or TARP, Junior, as it's referred to. Second, the motion requires the Treasury to certify that the decisions about which banks receive funds are based on merit and not political consideration.

This new lending fund follows the model of TARP, minus the stronger oversight, and puts another \$30 billion in banks. The motion to recommit would make the Special Inspector General for TARP, or SIGTARP, responsible for oversight of this new program.

In a letter to Chairman FRANK, Neil Barofsky, the Special Inspector General for TARP, said, "I believe it is absolutely critical to protect the taxpayers that the Office of SIGTARP be permitted to continue its oversight in what is essentially an extension of TARP's Capital Purchase Program. Accordingly, I write to recommend that Congress provide SIGTARP oversight for the SBLF in any resulting legislation."

Just yesterday, SIGTARP announced an indictment in a \$1.9 billion fraud case involving the failed Colonial Bank. Part of the fraud case involves efforts to obtain \$533 million in taxpayer money from TARP. Due to the efforts of SIGTARP agents working with law enforcement, the taxpayers were protected.

The underlying legislation puts a deputy of the Treasury Inspector General in charge of oversight. The Treasury Inspector General was not among the many agencies and law enforcement that worked on this \$1.9 million fraud involving TARP.

SIGTARP has considerable experience overseeing a program in which the government purchases preferred stocks in banks. If we create a new TARP program that will also purchase shares in banks, why should we not use the same oversight agency that has a proven track record and expertise? Failing to take advantage of SIGTARP's unique expertise is an extreme service to the taxpayers, exposing them to a greater likelihood of waste, fraud, and abuse.

□ 1330

Is the majority afraid to use this experienced and effective regulator sim-

ply because the word "TARP" is part of its title?

The taxpayers deserve to be protected when Treasury makes investments with their money. Unfortunately, we have some examples of TARP investments that have raised serious questions about how the investment decisions were made.

When One United bank received TARP funds in 2008, questions came up about whether the bank's political connections helped with its TARP approval. Prior to receiving funds, One United had lost capital and was under scrutiny by regulators for its lending practices.

More recently, a number of Members of Congress and others have questioned whether political pressure was involved in the decision by large banks to raise capital for the troubled Shore Bank in Chicago. Shore Bank has applied for TARP funds, in addition to the \$140 million in assistance from other banks, to head off a takeover by the FDIC. Shore Bank also has ties to the Obama administration.

We do not have all the answers on how these decisions were made for the banks, but we need to be sure that these types of questions are not raised about other banks.

The motion to recommit says Treasury must certify that each decision to provide funds is made solely on economic fundamentals and not because of any political consideration. This is the type of decision-making that taxpayers always expect and deserve. When their \$30 billion is being put on the line, we need to do all we can to protect their investment. The underlying bill falls short to do that.

The motion to recommit improves taxpayer protections by putting the experience of SIGTARP over this new TARP program and requiring that investment decisions be made on economic fundamentals, not political connections. If you're going to have TARP II, why wouldn't you use the same regulator that you had for TARP I?

I urge my colleagues to stand with the taxpayers and support this motion to recommit.

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

Mr. FRANK of Massachusetts. I rise to oppose the motion.

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

Mr. FRANK of Massachusetts. Mr. Speaker, let's be very clear. This is just a preliminary chance to vote "no."

For reasons that I don't understand, my Republican colleagues are opposed to a program in which voluntarily the Federal Government makes funds available to community banks so that, if they want to participate, they can lend it to small businesses. Maybe it is the fear that it might succeed and diminish their issues that leads them to oppose it. They have been unable to oppose it outright on its merits, so here's what they want to do. They want to say it's really the TARP program, and