desire to bring a bill to the floor that had, in effect, bipartisan opposition. So last week I raised concerns with the Dodd bill, but I also told the President and our friends across the aisle that this bill is not unfixable.

It is important for the country and taxpayer that we get this right, that we put them before politics. That is why I was disappointed to read that Senate Democrats are refusing to drop the $50 billion bailout fund—a fund that the Treasury Secretary himself opposes—unless Republicans pay a price for taking it out. This is exactly what Americans don't like about Washington: when one side tries to ''get'' something for doing what they should have done in the first place. If everyone agrees it should be dropped, then it should be dropped. And if Senate Democrats think it should stay, then they should explain why they think the Treasury Secretary was wrong when he said that this bailout fund ''would create expectations that the government would step in to protect shareholders and creditors from losses.''

Both sides have expressed a willingness to make the changes needed to ensure without any doubt that this bill won't put taxpayers on the hook for future bailouts of Wall Street banks. So why don't we just do that?

I am heartened to hear that bipartisan talks have resumed in earnest, and in my view, the progress we have seen over the past few days is proof that I was right to raise concerns about this bill when I did. As I said, the best way to get a bill with the credibility of bipartisan support is to allow bipartisan talks to continue. Let us fix the bill and have a bipartisan reform.

I yield the floor.

Mr. REID. I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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 Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FINANCIAL REGULATORY REFORM

Mr. REID. Madam President, Wall Street reform is very complex. Few of us are experts in derivative trading or credit default swaps or even the intricacies of securities. But the principle before us is a very simple one, in spite of all these very complicated issues that will be in this bill. You either believe we need to strengthen oversight of Wall Street or you don't. You either believe we need to strengthen protection of consumers or you don't. I believe in those principles and in fixing what is broken.

That is what this good reform will do. It will enforce the strongest protections ever against Wall Street greed. It will give families more control over their own finances and give consumers more clarity so they can make right financial decisions. This legislation would guarantee taxpayers that they will never again be asked to bail out a big bank.

It will also ensure no big bank can become too big to fail and shield families' life savings from Wall Street gambling. It will make the system more transparent so we can catch bankers' excesses and then hold them accountable.

Our bill contains Republicans' ideas and Democratic ideas. It is good for consumers and for everyone who favors economic security over reckless risk-taking.

As I said, some elements of this reform are complicated. There is one part that is especially hard to follow. Similar to the most complex commodity, Republican reaction to cleaning up Wall Street is hard to understand.

This bill will bring to the floor the result of months of bipartisan meetings, investigations, negotiations, and consensus building. Our Republican colleagues, in spite of the fact that they have been involved in much of the negotiation, investigations, and consensus, are pretending this is a partisan effort.

I am happy to hear my counterpart, my friend, Senator MCCONNELL, the Republican leader, talk about the need for more negotiations. We don't stand in the way of that. That is fine. This bill, when it comes to the floor, is going to be open to amendment, amendments by Democrats, amendments by Republicans. That is the way it should be. So no one should think the bill that comes to the floor is the final product. There will be amendments.

Some people strongly believe the bill from the committee is too weak, some believe it is just right, some believe it is too strong. So we need to make sure everyone understands this bill is not a final product. That is why I hope my friends on the other side of the aisle are going to let us bring this bill to the floor. Remember, there are only 59 of us, so if a single Republican is not willing to join with us, there will be no Wall Street reform. The Republicans will have killed Wall Street reform.

I am confident that is not what will happen. I read very closely the letter that was signed by 41 Republican Senators. I received a copy of it on Friday. There is not a sentence in that letter that says we are going to vote against moving to proceed, and I was happy to read that. They said they wanted more negotiations and there have been more negotiations. Senator DODD and Senator SHELBY—DODD, the chairman, and SHELBY, the ranking member—spent hours yesterday working on this bill, and that is the way it should be. The bill we will bring to the floor puts an end to taxpayer-funded bailouts. Let's all agree on that. It protects consumers. Let's all agree on that. But our Republican friends insist on pretending, in conversations I have heard on the floor, that it doesn't protect consumers and it doesn't put an end to taxpayer-funded bailouts.

We know Wall Street doesn't like the bill. That should speak volumes. It doesn't like this bill. Of course it doesn't. Look at the rules of the road on Wall Street. They get to take your money, money that is not their own, and gamble it away with little risk and large reward.

I was, for 4 years of my life, chairman of the Nevada Gaming Commission, and that is not hunting animals; it is gambling. During those times, we had some very difficult issues dealing with gambling, with gaming. But I understood a lot about poker and 21 and roulette and other such things. But it was, on its face, a gamble. What they are doing on Wall Street, we should have the Nevada Gaming Commission come to regulate a lot of it because it is nothing but a gamble. That is what we are trying to do here, bring a semblance of finality and stability to what is going on there on Wall Street.

I again say it. Look at the rules of the road on Wall Street. They get to take your money—it is not their money—and gamble it away with little risk and large reward. It would be as if I asked a Senator from Georgia to go to Las Vegas with me and I will gamble away all his money, but I get part of the money for doing nothing other than telling him we are in Las Vegas.

There are many who do not want us to touch a system that has let them take our homes, take everything we have. They don't want us to touch a system that has let them take their winnings and ask taxpayers to save them from their losses. It is a pretty good deal. They can get all the money they can—that is not their own—and if they profit, fine; if they lose something, that is too bad, even though it is not their money they are losing, even though they are losing somebody else's. Wall Street knows, if we don't act, they will not be held accountable for their mistakes, and if things don't go their way, they know they will get a mulligan; that is, they can start over. That is the way the system worked when our economy teetered on the brink of collapse and that is the way the system still works today. We have to change that. That is what we have to change. With this Wall Street accountability bill, we will. That is what this is about. It is a Wall Street accountability bill.

Let's bring this matter to the floor and offer amendments. Let's not be threatening filibusters on different parts of the bill. Let's go back to the way we used to do things. Let's bring an amendment to the floor, let's vote on it, whoever gets the most votes wins, whoever doesn't get the most votes loses, and move on to the next amendment.

It is puzzling why my Republican friends are pretending that this bill to fix Wall Street is good for those who benefit from the fact it is broken. Similar to the bankers themselves, it seems a number of Republicans care more about making short-term gains than they do about doing what is right for this economy in the long run. Some details of this debate might be complex, but the different sides are as clear today as could be. On one side are consumers and investors, families and businesses and the vast majority of Americans who want us to make sure the financial crisis they just lived through can never happen again.

That is our goal. They knew there was no regulation, minimal regulation, and those people on Wall Street took advantage of that. They were betting on things that would make famous Nevada gamblers blush.

They don't want us to just talk about it, they want us to do something about it. We have to decide who is on whose side here, because we are ready to act. On one side are those who want to make sure we never have a situation like we had before. On the other side we have Wall Street bankers. They are doing pretty well. Two major Wall Street banks reported profits between them of about $7 billion last quarter. I don't begrudge them making money. That is good. People in our great free enterprise system can make money. I am just saying we have to have rules that don't allow them to cause another problem, as we had, which is second only to the Great Depression. Some say it is worse. These Wall Street bankers are sitting very comfortably. They see nothing wrong with a system that privatizes their gains and socializes their losses. They don't want us to change a thing. Let's decide that we, Democrats and Republicans, are on the side of consumers and investors, families and businesses, and the vast majority of Americans who want us to make sure the financial crisis they just lived through can never happen again.

Those who think this legislation is bailing out Wall Street should look at it again. Let's move forward in a bipartisan manner to get this bill done as quickly as possible, go to conference with the House, have the President sign the bill. The sooner we do that, the more stable our economy will be, not only here in America but worldwide.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business for 1 hour, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling final half.

ORDER OF PROCEDURE

Mr. REID. Madam President, I ask unanimous consent that the time for morning business be 1 hour, that the fact that the Republican leader and I took extra time should not count, Republicans having the first half hour and the Democrats having the second half hour.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Georgia.

MORTGAGE LENDING

Mr. ISAKSON. Madam President, I rise at a propitious time because the majority and minority leaders addressed the pending bill that is coming out of the Banking Committee and their desire for the bill to be one that is amendable and debatable.

I am here to talk specifically about one facet of the financial crisis and one improvement that is to be made by this bill that needs to be carefully addressed to make sure we don't repeat a mistake made in the 1990s with the failure of the S&L industry.

I have a chart with me. We have heard a lot about mortgages. We all know if it weren't for FHA, if it weren't for VA insurance, if it weren't for the Fed doing Freddie and Fannie a favor, there would not be much mortgage money available right now. It has all run away from the United States because of the subprime crisis and, in fact, because people are nervous about what happened in the financial markets with subprime securities. During this crisis we have been in, beginning in 2005 and going on until now, in my State of Georgia—these numbers are specific to Georgia, but Georgia is the tenth largest State—we see here that of the mortgages in default, totally in default or in foreclosure, it got as high as 8.2 percent on what I refer to as qualified mortgages. Those are mortgages that were made to creditworthy people who had good underwriting standards. Those were good mortgages. Up to 8.2 percent or 1 in 10 of those, at its apex, were either delinquent or pending foreclosure. But 24.7 percent were what is known as subprime or nonqualified loans and were either in mortgage delinquency or in default, 3 to 1.

The reason I show this chart is it demonstrates where the problem happened, not just on Wall Street but on Main Street; that is, in chasing higher yields, in pushing toward a desire for greater home ownership, credit standards got lax, and loans became nonqualified loans that carried a higher interest rate but a much higher risk. It is acknowledged by me and by most, in terms of the housing crisis we have been in, that the largest precipitating factor was shoddy underwriting, loose credit, and subprime mortgages. The legislation coming out of the Banking Committee is going to create something known as shared risk or lender liability in terms of the making of mortgage loans. I will be the first to tell my colleagues, I am not on the Banking Committee. I haven't seen the final draft. What I will address is what I hope will happen, not what I know will happen.

What I hope the committee will understand is, in its requirement for shared risk, being that the maker of a mortgage retain 25 percent of that mortgage for its lifetime or until it is paid, is the significant amount of capital that is asked for an institution to reserve and a possible amount for a mortgage broker or a mortgage banker but not for an institutional lender. The problem is, there are no institutional lenders like savings and loans anymore. One should revisit what happened with the savings and loan crisis, the Resolution Trust Corporation, and the failure that took place in the late 1980s and late 1990s. In America in the 1970s and 1980s, most of the mortgages made were made by lenders who didn't share the risk. They had 100 percent of the risk. They were savings and loan associations that took deposits, paid a preferential rate of interest over banks by regulatory design to attract the capital, and they held the mortgage in portfolio until it was paid. That is not shared risk. That is total risk.

What were our foreclosure rates in the 1970s and 1980s up until the end of the 1990s? Very marginal, 1 to 2 percent, certainly not 8.2 percent, certainly not 24.7. What happened, though, in the savings and loan industry is, No. 1, the Federal Government took away the interest preference to pay between banks and S&Ls so capital flowed out of the S&Ls. No. 2, because S&Ls then needed to make more money on the internal portfolio, the government allowed savings and loans to create service corporations, which were subsidiaries, to deviate from their original charter and, instead of just making home loans, allowed them to make commercial loans and, in fact, become developers.

What happened? What happened is history. We got off our mission, because we got off the risk. Because we took our eye off the ball, the savings and loan industry across America failed. Congress had to create the Resolution Trust Corporation to dispose of the bad assets around the country and we went through, up until now, the most severe recession we have ever been through. But this one is worse. This one is more pervasive. This one was caused by a lot of financial irregularities and poor oversight on our part, as well as greed on the part of many lenders. My hope is, when we start fixing things with regard to mortgages, we will recognize that shared risk is not going to solve any problem, if 100 percent risk didn't solve it in the late 1980s. What is going to solve the problem is for us to have reasonable standards of required underwriting that are an insulator from institutions