jobs. After 10 weeks of controlling the House, Republicans have no plan to create jobs, no plan to spur our economic growth.

Instead of listening to the American people and making jobs their number one priority, Republicans passed a budget that will result in 700,000 new layoffs. And what's the response? So be it. Taking food out of the mouths of hungry children by cutting WIC? So be it. Dropping 218,000 kids from the Head Start Program? So be it. Declaring a war on women by eliminating family planning services and punishing the one in five women across America who visit a Planned Parenthood clinic? So be it. Denying the extension of unemployment benefits to those who've reached that 99-week limit and are struggling to make ends meet? So be it.

And now denying homeowners to stay in their homes, the help that they need, by eliminating programs to prevent foreclosures? So be it.

The Republicans No Jobs, their So Be It agenda, it's a failure on all counts.

GENERAL LEAVE

Mr. BACHUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 830 and to insert extraneous material thereon.

The SPEAKER pro tempore (Mr. STEARNS). Is there objection to the request of the gentleman from Alabama?

There was no objection.

FHA REFINANCE PROGRAM TERMINATION ACT

The SPEAKER pro tempore. Pursuant to House Resolution 150 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 830.

□ 1225

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 830) to rescind the unobligated funding for the FHA Refinance Program and to terminate the program, with Mr. BASS of New Hampshire in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Alabama (Mr. BACHUS) and the gentleman from Massachusetts (Mr. FRANK) each will control 30 minutes.

The Chair recognizes the gentleman from Alabama.

Mr. BACHUS. Mr. Chair, I yield myself such time as I may consume.

Mr. Chairman, just this week the American people received some very sobering news. The budget deficit for the month of February alone is $223 billion. That is $8 billion every day. That is money that we are having to borrow from countries around the world.

It wasn't long ago that our budget deficit for the entire year was only $220 billion. But thanks to a Washington spending binge that has occurred over the last 4 years, now our monthly budget deficit is larger than our annual deficit used to be. In fact, February's budget deficit was the largest monthly budget deficit in the history of the United States. Larger in real dollars than when we were fighting for our existence during World War II. Higher than the Civil War. And that has happened even though government receipts posted an increase this February from last February.

Our national debt in the last 4 years has doubled. Now think of that. In the first 220 years of our existence, we incurred a national debt which, in the last 4 years, we've doubled. And by the end of this administration, unless we take action today—action the American people asked us to take last November—we will have tripled the deficit.

In 7 years or a little less than 7 years, we will have tripled our deficit.

That's why we're here on the floor today, because the American people have sent us a message. They said, ''Don't spend us into a financial oblivion. We have to balance our own budgets at home. We expect the same from those that we send to Washington to represent us.''

The bill that we're debating today is an example of two things: too many government programs—spending programs—and too many ineffective government programs. It is a poster child for both.

It's also an example of a broken promise. In 2008, during our financial meltdown, which has led to a recession and record unemployment, we promised the American people that those steps that were taken, that that money that was loaned, would be paid back to the national Treasury.

□ 1230

I am happy to say that today most of the money that was lent to what some have called a Wall Street bailout, what the American people certainly call a bailout, it has been paid back with interest, but it's not found its way into the national Treasury. It's not been paid back despite promises to the American people on this very floor of this House a little less than 3 years ago.

Instead, that money has been diverted into all sorts—and that's the TARP bailout money—it's been used for other social programs, just what many warned on the floor of this House would happen. It's turned into a slush fund. And one of the programs that it has funded is a well-intentioned program in which $8 billion, that's 8,000 million dollars, has been designated for the FHA Refinance Program. Now, the FHA program today, the reserves are low. And that's a program that is not in the greatest of shape. It's like most government programs. Eight billion dollars for a program to allow homeowners who are underwater on their mortgages to get a reduction in their mortgage.

Now, not all can take advantage of this program. There are what the American people have come to know as winners and losers. With all government programs, it seems that some benefit, but 99 percent of Americans don't benefit. And that's what's happened here. The administration said we'll literally have hundreds of thousands of people that will line up for this program. But because lenders and borrowers are getting together and working out, or some homeowners are deciding that they can't afford their mortgage and they're selling their houses, 42 American families have been assisted by this program.

Now, this is a program that authorizes $8 billion. And $50 million has actually been set aside and disbursed. In fact, the budget that the President has submitted has a $50 million subtraction there for a program that's helped 42 families; $50 million, 42 families. But think about this. How many families are underwater? How many American families have a home where they owe more than the home is worth? Twelve million, somewhere above 11 million—let's say 12 million.

That means that even if this program could have helped 100,000 that it would help 1 out of every 120 American families. One out of 120. And yes, some government employee sitting behind a desk would say you are eligible, you can apply, you win. At the most, all the programs we're going to consider this week and next week, which if we act, will save the American taxpayers billions and billions and billions of dollars, all of them will benefit only an estimated 500,000 families.

As the Inspector General has said, about 50 to 60 percent of those families, even if it goes to families—as we found out yesterday in a hearing, a lot of it is going to nonprofit groups. In Los Angeles alone, more went to a nonprofit group than went to the county government. But we are only helping 1 out of 22 families. What about those other 21 families? They're making their mortgage payment, and they're not asking the government for help.

It seems that we're in a country where the majority of Americans aren't underwater; about one-fourth are. But out of all those, we're starting programs to help in this case 42 families, in another case 200,000 families. And we're asking every American family, and we're asking their government, to start programs when we don't have enough money to finance the programs we have.

But more than that, I put a photograph up. And this is the bottom line on this program. Fifty million dollars has been put into a fund, and $8 billion has been authorized for this program. And it's money we don't have. And it's money we won't pay back. It's those children in that photograph. It's our constituents' children and grandchildren that will have to pay that back.

Our national debt is $12 trillion—$14 trillion. You memorize a number, and in a few months it's irrelevant. It's no longer the real number. Robert Gates on January 6, in outlining the Pentagon's budget, said, ''This country's dire fiscal situation and the threat it poses to American influence and credibility around the world will only get worse unless the U.S. Government gets its finances in order.'' Well, who will get it in order? It has to be the President and this Congress. That's his quote January 6.

The Joint Chiefs of Staff say that our national debt is a national security problem. But the message just doesn't seem to get to this floor, because today people will come to this floor and say, oh, if we get rid of this program everybody that can't pay their mortgage needs to call their Congressman and say you need to pay my mortgage, or there needs to be a government program to pay my mortgage. Well, let's not kid ourselves. Those children, that's who we are obligating. Last year we could stand on the floor and say that they each come into this world owing $35,000. Today it's $45,000.

Today we're going to have to make some hard choices for them, for our children and our grandchildren. And oh, yeah, these programs do some good. Although for most homeowners who can't pay their mortgages and they're given a reduction, it doesn't work. The default rate in most of these programs is over 50 percent. One of the programs we will consider tomorrow, out of every dollar of taxpayer money lent, 98 percent is never repaid. Never repaid. How can a country continue to function like that? What kind of future do these children have?

I reserve the balance of my time.

Mr. FRANK of Massachusetts. I yield myself such time as I may consume.

First, for people trying to follow this, the gentleman from Alabama has confused several programs in this conversation, most of which aren't up today. We are dealing with one at a time. He talked about money that went to Los Angeles and went to a group instead of the county. That has zero to do with today's program. Zero. And in fact, it doesn't have to do with individual homeowners. It's a program that gives aid to municipalities, which we will be debating later, probably next week, which gives aid to municipalities to deal with property that they have been stuck with. So it has nothing to do with today.

But the gentleman does make a good point about the deficit. Unfortunately, he does not put his votes where his rhetoric is. The CBO says that this program is going to cost not $8 billion, but if it's fully operational over a 2-year period, which is its life span, will cost $175 million.

□ 1240

Now, that's money. But do you know what it is? It's much less—and the gentleman from Alabama voted during that same period to send money to the cotton farmers of Brazil. We do have a debate about the deficit here, but it's not about whether to reduce it. It's how.

The gentleman from Alabama, along with the majority of Republicans voting, defeated an amendment—with some Democrats, although the majority of us voted for the amendment—to stop sending American tax dollars to subsidize the cotton farmers of Brazil. In the 2-year period during which we will be dealing with this program: Brazilian cotton farmers—$300 million. Americans facing foreclosure—$175 million. The gentleman from Alabama has a very odd way of saving money on the deficit.

Then he says we have winners and losers. Well, among the big winners under the Republican budget and with the majority of their votes are the farmers who receive more than $250,000 per year in subsidy. Whatever happened to free enterprise? Whatever happened to standing on your own? An amendment was offered to limit to a measly $250,000 the subsidy any one entity could get. The gentleman from Alabama voted ''no.'' That was too harsh. The gentleman from Alabama is for unlimited amounts of subsidy to go to a handful of farmers—but no—we can't spare much less than that over the time period because, in the time period of this bill, that would have cost $200 million, or $100 million a year.

Then the gentleman quoted the Secretary of Defense, that we should pay more attention to the Secretary of Defense because he, along with many Republicans, voted to force money on the Secretary of Defense that he didn't want. He voted to fund the programs the Secretary of Defense didn't want. He's trying to get some reprogramming now, but the Republican Appropriations Committee won't allow it. By the way, I don't agree with the Secretary of Defense fully on this either.

I disagree with the gentleman from Alabama and the Secretary of Defense because they don't want to spend $175 million in 2 years trying to deal with foreclosures in American cities. Instead, they want to send more than twice that amount to Afghanistan for its infrastructure. You talk about inefficiency. Does anyone think that President Karzai and his administration are going to spend the $400 million my friend from Alabama has voted to send toward Afghan infrastructure projects better than we would spend it here?

How about $1.2 billion for the Iraqi security forces at a time when American municipalities are having to lay off police officers and firefighters and other essential employees? The gentleman from Alabama voted to send $1.2 billion to the Iraqi security forces. Does anyone here have a great deal of confidence in how efficiently they'll spend it?

Now let me address a couple of mistakes the gentleman made specifically about this program:

The $50 million is not being spent on 40 people; $50 million hasn't, in fact, been spent at all. Not a penny has been spent. The $50 million was reserved out of TARP money to cover losses if they were to occur. The CBO does say, yes, if this program is fully funded and if it gets the participation they expect, the total amount of losses will be $175 million, not $8 billion. The $8 billion was a resurrection on the TARP for technical reasons. The CBO says, full scale, this will cost $175 million—again, less than the gentleman of Alabama wants to send during that period to Brazilian cotton farmers.

Now, as to the people who vote consistently, as some do, to cut money for Afghan infrastructure or for Iraqi security forces or for Brazilian cotton farmers or for American cotton farmers or for other recipients of subsidy who then are opposed to this program, I honor their integrity. I disagree with them in some ways, but I honor it. Yet I cannot accept the lecture on fiscal responsibility from someone who votes to lavish money in wasteful ways on Afghan cities but begrudges it in American cities; who would send it for Iraqi police officers but not for American police officers; who would send it to cotton farmers and to other farmers in America but not to struggling homeowners.

This program has started slowly. By the way, there's a great contradiction between saying it has only helped 40 people and that it's going to cost $8 billion. If the pay starts to increase, it won't cost the full $175 million, but here's what we hope:

There are negotiations going on now to allow people the benefit of a refinancing. The gentleman says it's not going to take care of everybody. Of course not. There is not one program that is fit for everybody. There are a series of programs for people in different circumstances, and this is one for people who could benefit from a lower interest rate and a refinancing but who are under water and can't do it. It induces the financial institutions to do it. It's voluntary. If financial institutions find this is unreasonable, they won't do it.

There is an effort going on now to achieve a negotiated settlement involving the services of financial institutions, many of which are quite culpable and have misbehaved in this process, so these are not innocent victims being shaken down. The Attorneys General of every State, Republican and Democrat, and the regulators are trying to come up with a solution.

This is the other point that gets lost in the rhetoric when the gentleman who was so eager to send money to Brazilian cotton farmers begrudges a small amount going to Americans facing foreclosure, which is that the foreclosure crisis is not just a crisis of individual families. It's a national economic problem. It's a macroeconomic problem. To the extent that we do not do something to retard the rate of foreclosure, then we make it harder to get out of the economic bind in which we have found ourselves, which, as the gentleman correctly said, started from the meltdown of 2008, and we have been getting out of that at too slow a pace. Dealing with foreclosures is a part of it.

This program has not yet become fully operational—and it may never be—but it is here to be used as a tool, especially if we are ever to get the agreement among the Attorneys General from both parties, the regulators and the financial institutions. It is a responsible way to deal with this. It will cost less than many of the unnecessary agricultural subsidy programs.

I've got to say, Mr. Chairman, that I've got to go reread. Maybe I missed a footnote. I know there are these great free market economic texts by Ludwig von Mises and Friedrich Hayek and others. They talk about free enterprise, about keeping the government out of business, and about letting the free market work. Apparently, there is a footnote that says, oh, except agriculture. Overwhelmingly, my Republican colleagues preach this to working people, to people in urban areas and to people in other jobs, but it doesn't apply to cotton farmers or to wheat farmers or to corn farmers or to grain farmers. Billions of dollars go to them.

As a matter of fact, as the gentleman from Alabama said with his vote: How dare you limit some farmer to a mere $250,000 in entitlement subsidies? Because agriculture is an entitlement, but they don't talk about that. They want to talk about Social Security for the elderly, but they don't want to talk about entitlements for agriculture.

I do believe we need to cut the deficit. I think we can cut back substantially in what we're doing in Afghanistan and Iraq. We can cut back substantially in agriculture. We can put limits elsewhere, which I would like to do. I would throw in that I did not think it was a good idea to reduce the estate tax that the heirs of William Gates and Warren Buffett are going to have to pay. Although, to the credit of Mr. Gates and Mr. Buffett, they didn't think so either. They weren't for substantially reducing the estate tax on people who were going to be inheriting—not earning—tens of hundreds of millions of dollars.

My colleagues over there, and some here, have supported all of that, and then have said we cannot put a program out there that will help Americans facing foreclosure—and not simply to help them but to help the cities and to help the whole economy. There is a great consensus among economists that dealing responsibly with foreclosures is the way to deal with this.

So, no, please don't believe in $8 billion. It's not that. The CBO says it's $175 million. And $175 million is considerable, but I will repeat that it's less than my friends want to send to Brazil. It's less than they want to send to build infrastructure in Kabul and Kandahar. It's less than they want to spend to police Fallujah. You know, if I thought that latter set of funds were going to be well used, I might feel better about it, but we know how corrupt it is.

There is a double standard, let me say finally. Expenditures within the United States are held to a very, very strict accountability, but as to expenditures in Iraq and in Afghanistan and elsewhere in the world, we know how much more wastefully and corruptly spent they are, and that doesn't seem to bother other people.

I reserve the balance of my time.

Mr. BACHUS. I yield myself such time as I may consume.

Mr. Chair, if I were Ranking Member FRANK, I would do exactly what he's doing. I wouldn't talk about the fact that there are only 42 people who have been served by this program. I wouldn't talk about the fact that only $50 million has been set aside. I wouldn't talk about the $8 billion that has been authorized. I wouldn't talk about the fact that the American people were told this money would be repaid into the National Treasury. No. I would talk about the cotton subsidy, the deal with Brazil. That deal sounds pretty bad. It really does. The ranking member agrees.

□ 1250

He kept talking about this the last month, about don't shut down this ineffective program to help balance the budget because some of us voted for the cotton deal with Brazil. Well, in fact, the majority of this Congress, the overwhelming majority did.

But, let's talk about that deal. Who made that deal? Did the gentleman from Alabama make that deal? Did the gentleman from Texas that's going to speak on our side, did he make the deal? Did the gentleman from Nevada make that deal? Did the gentleman from Illinois (Mr. DOLD) make that deal? No. The Obama administration made that deal.

The U.S. Trade Representative, Mr. Kirk, made that deal in an agreement with the Brazilian Government, not your Republican colleagues. Here's what he told us. He said that $60 billion worth of trade depended on our ability to export into Brazil without the tariffs they were going to impose on us. That's 420,000 U.S. jobs that were threatened, and he told us that if we didn't do that, they would impose billion $820 worth of countertariffs on such products as pharmaceuticals, autos, electronics, textiles, wheat, fruit, nuts, cotton, medical equipment. So he made a deal with them to make them certain payments, to compensate for that.

Now, I don't know if he misrepresented. I don't think that President Obama and his administration and his U.S. Trade Representative would have misrepresented this. But if that was a bad deal, then the ranking member ought to go over there and to complain to the President, whom he defends, because both of them, apparently, want to spend money at every turn and every chance they get.

U.S., BRAZIL AGREE ON FRAMEWORK REGARDING WTO COTTON DISPUTE

WASHINGTON, D.C.—Today Brazil's Ministers reached a decision in support of a Framework regarding the Cotton dispute, which would avert the imposition of countermeasures of more than $800 million this year. This includes more than $560 million in countermeasures against U.S. exports which were scheduled to go into effect on Monday, June 21, 2010, as well as possible countermeasures on intellectual property rights that could have taken effect later. We are pleased with this decision, and look forward to signing the Framework soon.

The findings in the Cotton dispute concern U.S. cotton support under the marketing loan and countercyclical payment programs, and the GSM–102 Export Credit Guarantee Program. In line with these findings, the Framework has two major elements.

First, it would provide, as a basis for a discussion toward reaching a mutually agreed solution to the dispute, a limit on trade-distorting cotton subsidies. Second, the Framework would provide benchmarks for changes to certain elements of the current GSM–102 program. In the Framework, the United States and Brazil would agree to meet quarterly to discuss the successor legislation to the 2008 Farm Bill as it relates to trade-distorting cotton subsidies and the operation of GSM–102. The Framework would not serve as a permanent solution to the Cotton dispute. However, it would provide specific interim steps and a process for continued discussions on the programs at issue with a view to reaching a solution to the dispute.

''I am pleased that we have been able to negotiate a Framework regarding the WTO Cotton dispute that would avoid the imposition of countermeasures against U.S. trade, including goods and intellectual property,'' said Ambassador Kirk. ''While respecting the role of the United States Congress in developing the next Farm Bill, this Framework would now allow us to continue to work toward a final resolution of the Cotton dispute. I believe this Framework will go a long way in alleviating the uncertainty in our business communities and enhance the ability of the United States and Brazil to build upon our dynamic trading relationship.''

''This framework agreement provides a way forward as we work with Congress toward a new farm bill in 2012,'' said Secretary of Agriculture Tom Vilsack. ''Although it is not a permanent solution, I am pleased that it allows us to maintain our programs while considering adjustments and avoiding the immediate imposition of countermeasures against U.S. exports as a result of the WTO cotton decision.''

BACKGROUND

The Cotton dispute is a long-running dispute brought by Brazil against the United States. In 2005 and again in 2008, the World Trade Organization (WTO) found that certain U.S. agricultural support payments and guarantees are inconsistent with WTO commitments: (1) payments to cotton producers under the marketing loan and countercyclical programs; and (2) export credit guarantees under the GSM–102 program, a USDA program used to provide guarantees for credit extended by U.S. banks or exporters to approved foreign banks for purchases of U.S. agricultural exports.

On August 31, 2009, WTO arbitrators issued arbitration awards in this dispute. These awards provided the level of countermeasures that Brazil could impose against U.S. trade. The annual amount of countermeasures has two parts: (1) a fixed amount of $147.3 million for the cotton payments and (2) an amount for the GSM–102 program that varies based upon program usage. Using the data that we have given Brazil (in accordance with the arbitrators' award), the current total of authorized countermeasures is more than $800 million.

The arbitrators also provided that Brazil could impose cross-sectoral countermeasures (i.e. countermeasures in sectors outside of trade in goods, specifically intellectual property and services). It may impose cross-sectoral countermeasures to the extent that it applies total countermeasures in excess of a threshold. The threshold varies annually, but is currently approximately $560 million. Therefore, of the approximately $820 million in countermeasures Brazil could impose now, about $260 million of that could be cross-sectoral.

On March 8, 2010 Brazil announced a final list of products that would face higher tariffs beginning on April 7, 2010. Goods on the list include autos, pharmaceuticals, medical equipment, electronics, textiles, wheat, fruit and nuts, and cotton. Brazil had not made a final decision on which U.S. intellectual property rights might be affected by cross-sectoral countermeasures, but it had begun the process to make this determination.

On April 1, Deputy USTR Miriam Sapiro and USDA Undersecretary for Farm and Foreign Agricultural Services Jim Miller met with Ambassador Antonio Patriota, Secretary General of Brazil's Ministry of External Relations to discuss possible resolution of the dispute. As a result of that dialogue, the Government of Brazil agreed not to impose any countermeasures on U.S. trade at that time. In exchange, the United States agreed to work with Brazil to establish a fund of approximately $147.3 million per year on a pro rata basis to provide technical assistance and capacity building to the cotton sector in Brazil, and for international cooperation related to the same sector in certain other countries. Under the Memorandum of Understanding that the United States and Brazil signed on April 20, 2010, the fund would continue until passage of the next Farm Bill or a mutually agreed solution to the Cotton dispute is reached, whichever is sooner. The fund is subject to transparency and auditing requirements.

The United States also agreed to make certain near term modifications to the operation of the GSM–102 Export Credit Guarantee Program, and to engage with the Government of Brazil in technical discussions regarding further operation of the program. In addition, the United States published a proposed rule on April 16, 2010, to recognize the State of Santa Catarina as free of foot-and-mouth disease, rinderpest, classical swine fever, African swine fever, and swine vesicular disease, based on World Organization for Animal Health Guidelines, and to complete a risk evaluation and identify appropriate risk mitigation measures to determine whether fresh beef can be imported from Brazil while preventing the introduction of foot-and-mouth disease in the United States.

The parties further agreed on April 1 that they would work to develop a Framework regarding the Cotton dispute by June 21, which would provide a path forward for a negotiated solution to the Cotton dispute and allow both countries to avoid the impact of countermeasures. Negotiators from Brazil and the United States have been engaged intensively over the past several months, and successfully concluded this Framework.

Brazil is the United States' 10th largest trading partner with a total two-way goods trade of approximately $60 billion in 2009.

I yield such time as he may consume to the gentleman from Texas (Mr. CANSECO).

Mr. CANSECO. I thank the gentleman from Alabama.

Mr. Chairman, I am here to support the bill to terminate the FHA Refinance Program. This bill is not about programs that work. It's not about programs that have continually helped to create jobs and to help our faltering economy and our laggard job growth.

This bill is about a failed government program, because the FHA refinance program that went into effect in September of 2010 has failed to work properly. By the end of December of last year, of 2010, a mere 22 mortgages had been refinanced through the program at a cost of $50 million. That's an average of $2.3 million per mortgage. The conclusion is very, very clear. The program does not work and it's wasteful.

We are in an economic crisis. According to the Congressional Budget Office, the Federal Government is set to run a deficit for fiscal year 2011 of $1.5 trillion. If serious steps are not taken right now, we are set and ready to see in 2012 another trillion dollars added to our deficit.

This river of red ink is not sustainable. Americans are coming to grips with the fact that, if nothing is done, we will be the first generation in American history to leave for our children a legacy of insurmountable debt and economic stagnation.

And while there are a number of difficult decisions that we must make in the months and years ahead, common sense dictates that we can begin to get our spending under control by cutting programs that simply don't work, no matter how large or how small they are or no matter how beneficent they may sound. They just don't work. This one does not work.

Many of my colleagues on the other side of the aisle often think that we are just one government program away from solving our problems. But when you think that way, you end up piling one government program on top of another, wasting the taxpayers' money without even helping our fellow citizens who are struggling in this day and age.

The last 2 years have proven that government programs and government spending do very little in the way of stimulating jobs that we need most and economic growth. We in the Congress of the United States have a duty to be the stewards of the people's money, the people's tax dollars. The least we can do is tell our constituents that we are doing our job by cutting the stuff that does not work. This does not work.

Mr. FRANK of Massachusetts. I yield myself such time as I may consume.

Two points: First, you have just heard a fantasy that $50 million has been spent for 42 loans. That is not even remotely close to being true. Fifty million has been set aside in a reserve for defaults if and when they come. Not a penny of it has been given to anybody. It is simply sitting in that account, in case, and the 42 loans have nothing to do with that.

Yes, the gentleman from Alabama said I didn't talk about it. I did talk about it. I corrected the misuse of the 50 million from last week. He didn't misuse it today. And I mentioned that it started slow and it may not get beyond where it is now. I mentioned that it is in reserve to use it more. So, yes, we have only got 42. I talked about that.

The 8 billion is a fantasy. The CBO says at it's best, this is going to cost $175 million. The 8 billion is a purely bookkeeping account.

But I want to get back to the fascinating explanation by the gentleman from Alabama as to why he and the majority of Republicans voted to send $150 million per year last year, this year, and for the next couple of years to Brazil: Obama made him do it. Listen carefully. The explanation for this expenditure to go to Brazil, that the poor gentleman from Alabama voted for, is Barack Obama made him do it.

The President is a very convenient place for them to hide. In fact, if he is asking me if I am critical of the President in that, yes, I am critical of the President many times. I agree with him overall. But I did not agree with him that we should send 1.2 billion for Iraq security forces. The gentleman from Alabama did. I didn't agree we should send $400 million for Afghan infrastructure.

The gentleman seems to think it's some major debating point because the President takes the position that I disagree? Perhaps his view is you always agree with the President of your party. It's not mine. It's not a responsible way to legislate.

Secondly, there was an alternative to sending $150 million to Brazil. We could have sent $150 million less to Americans. The finding was that we were putting Brazilian cotton farmers at a $150 million disadvantage per year because of the subsidy we gave to Americans. We could have come in with legislation that would have reduced the Americans'.

So, in fact, I underestimated the waste of money that the gentleman from Alabama is indulging because Barack Obama made him do it and he was powerless to resist, apparently, because it's $300 million a year.

We had two options: We could keep the level of subsidy for American cotton farmers and match that to the Brazilians, or we could reduce it by $150 million in America and reduce it to Brazil over a 4-year period when this will be in effect. That's over a billion dollars, a considerable amount of money.

So, yes, it is true, the President sometimes makes unwise recommendations, in my judgment. But the argument for the gentleman from Alabama that he is to be absolved from responsibility for his vote, and the majority of Republicans—the majority of us on our side repudiated the President's position in this case. But the gentleman from Alabama has claimed, Don't blame me; Obama made me do it is no more credible than his invocation of some fantasy figures.

I reserve the balance of my time.

Mr. BACHUS. May I inquire of the Chair how much time each side has remaining?

The CHAIR. The gentleman from Alabama has 11 minutes remaining, and the gentleman from Massachusetts has 17½ minutes remaining.

Mr. BACHUS. I continue to reserve the balance of my time.

□ 1300

Mr. FRANK of Massachusetts. I yield 5 minutes to the gentleman from Massachusetts (Mr. LYNCH).

Mr. LYNCH. I thank the ranking member.

I rise in opposition to H.R. 830, the FHA Refinance Program Termination Act and also the other bills that will be coming to the floor on the same subject.

I want to emphasize one thing that the ranking member has raised, and that is that these are voluntary programs. These are all voluntary programs that are trying to keep American families in their homes. These programs require the banks to agree that this is a good deal and it's deserving of these homeowners. These programs require that the homeowner also agree, obviously, and also that in many cases that the servicer agree.

Now, because you're requiring a voluntary agreement and an agreement that has been crafted in such a way that all parties are balanced in their interests, it's been difficult to generate the number of families to be helped so far.

I do want to also emphasize that this program started in November. This program started in November. We've had about 4 months to get families on board to be helped by these programs. For much of that 4 months, we have had abject resistance from the servicers. They have been the obstruction in making these programs work. But I am happy to say that in the last 10 days, we have had three major servicers, Allied, GMAC and Wells Fargo, that have finally come forward and said, we're going to work within this program, and we're going to try to help families stay in their homes not out of charity, but because they realize that we need to put a floor under this housing market in order to help sustain the weak economic recovery that we have going forward.

What exacerbates the situation is also the way the banks have handled this up until now. In my district, and it's happened all across the country, we've had situations where banks and servicers have employed robosigners to the point where many of these foreclosure documents have been signed without full knowledge by the individuals charged with that responsibility. We've seen many courts in this country look at the foreclosure process used by these banks and have ruled them to be illegal and that, in fact, the banks did not own the homes that they were trying to foreclose on. And this has happened thousands of times across the country. It has not been a smooth process.

We've also had a very, very difficult situation for our men and women in uniform. Despite the fact that there's been a law in this country since World War I that we will not foreclose on servicemembers' homes while they are in combat, while they are in Afghanistan or Iraq, we've had banks do hundreds and hundreds of foreclosures on our men and women in uniform. There are needs for these programs, and yet we are conveniently forgetting those facts.

Lastly, this bill, with all due respect, has been poorly drafted in a meaningful way. This bill, if adopted, would prohibit all voluntary agreements between parties to stop these foreclosures. And I understand what the targets of my Republican colleagues are, but the bill is drafted so broadly it would prevent the banks, the FHA, the homeowner and the servicer to come to a voluntary agreement.

Private enterprise has been something that my colleagues used to encourage, and here we have voluntary agreements that will be prohibited by this bill. And I do not think that is the intent of the gentleman, however, that is the actual impact of his legislation. And I have an amendment more specifically to deal with that at a later time. But we have to slow down the foreclosure process to put a floor under this economy. We have to help the families that can be helped. And this FHA Refinance Program Termination Act would prevent that from happening.

Mr. BACHUS. Mr. Chair, I yield 4 minutes to the gentleman from Illinois (Mr. DOLD).

Mr. DOLD. Thank you, Mr. Chairman, for yielding.

Mr. Chairman, H.R. 830 is commonsense legislation that stops inefficient and ineffective government spending. At the outset of this $8 billion program, its failure was inevitable. That inevitable failure is now undeniable. It doesn't work for the homeowner, it doesn't work for the taxpaying American families, and it certainly doesn't work for future generations who are trying to claw their way out of the debt that we are burdening them with each and every day.

So let's go back and let's talk about the homeowners. We've got 12 million mortgages in America that are currently underwater. And yet this program, this program which was actually rolled out in March, it started about 6 months ago, has 245 applications—245. How many have actually made it over the hurdles and have gotten actually some help and refinanced? Forty-four. Forty-four refinances. We've got $8.12 billion that has been obligated. We have $50 million that has been disbursed.

Now, a quick back-of-the-envelope calculation, that's $1.1 million per mortgage refinanced thus far. If we look at it even further, were these million-dollar mortgages? Actually, the average mortgage was about $300,000. So we spent, the American taxpayers, in terms of their dollars, we spent $1.1 million in order to refinance a $300,000 loan. The administration said that we're going to have 1.5 million homeowners get into this program, and yet we've taken almost a year and we have 44 that have actually gone through.

If you were to get through this program, if you were one of the lucky ones, one of the 44, clearly, it's not going to help you insofar as you're going to destroy your credit for the next several years. The average credit score of the 44 that are in the program was 711. That credit score is going to go down. Is their monthly payment going to go down? In many instances, no, because they're going to have to come up with closing costs. They're going to have to pay private mortgage insurance if they haven't been paying it already. And so there are other requirements that are simply a burden on the actual homeowners.

It's time that we tell the American public the truth. It's time that we in this body recognize when a government program is not working. We need to get rid of this program—$8.12 billion obligated, $50 million disbursed for 245 applicants and 44 mortgages actually redone.

The program certainly doesn't work for the American taxpayer. We're looking at debts and deficits in Washington. And many of us were sent here to Washington to try to get the out-of-control government spending back in line. And I would say that certainly $1.1 million per mortgage is not a good use of the taxpayer dollars.

When we look at future generations and we look at the amount of money that we're spending right now, $1.48 trillion in deficit spending works out to be over $3 million a minute. The President's budget comes out to talking about 1.6 for the next year. We cannot continue to spend money that we don't have. Our debt is at $14 trillion. When we actually took a look at the Treasury report that came out just a couple of days ago talking about TARP, because this program is basically on TARP funds, they recognize that the mortgage modification programs were never intended to be recovered. This, to me, I think is an enormous problem.

This is a program that doesn't work for the homeowner, it doesn't work for the American public, and it certainly is not going to work for future generations.

Mr. FRANK of Massachusetts. I yield myself 30 seconds simply to say the gentleman has simply repeated an absolute fantasy. This is not a $50 million expenditure for 40 loans. The $50 million has not been given to anybody, not a penny of it. It has been put in a reserve account. Fifty million has been set aside in a reserve account. It was disbursed from the TARP to a reserve account. The CBO, as I've submitted if this goes forward, it will be about $12,000 per loan.

Last week, the gentleman from Illinois was claiming that if you participate in this program, you would have a tax liability. He learned that that was totally wrong. He is perpetuating error.

I now yield 2 minutes to the gentleman from California (Mr. MCNERNEY)

Mr. MCNERNEY. Thank you, Mr. Ranking Member.

I'm proud to represent much of San Joaquin County, which is the jewel of California's Central Valley. Our valley is a great place to live and work; but, unfortunately, we've been hit very hard by the economic downturn. The valley has been ground zero for the foreclosure crisis. Over the past few years, thousands of families in San Joaquin County and throughout the valley have lost their homes.

□ 1310

I hosted foreclosure workshops, and I met with hardworking people who were misled by lenders who were struggling to stay on top of their mortgages. I have seen grown men cry because they couldn't keep a roof over their children's heads. I have talked to veterans who served their country, only to return home to notices of default. And I have met seniors on the brink of homelessness.

The administration's foreclosure prevention initiatives have fallen short in the valley. Simply put, the administration's programs haven't effectively served the people who are underwater on their mortgage, and the administration hasn't been tough enough on the big banks. I call on President Obama and his Cabinet to develop more effective efforts to stem the tide of foreclosures.

But despite these shortcomings, the bill the House Republicans are offering today is absolutely the wrong approach. It is throwing the baby out with the bath water. Instead of canceling foreclosure relief programs at their beginning stages, we should be strengthening them so they are more effective. Mortgage counselors from my district advise and plead to improve our efforts to get tough on big banks and provide meaningful relief to families.

Stabilizing the housing market is critical to economic recovery and creating jobs. For these reasons, I oppose H.R. 830.

Mr. BACHUS. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois (Mr. DOLD).

Mr. DOLD. Mr. Chairman, running a business, I have to tell you, obligated funds are one thing, disbursed funds are quite another. If I can, from the monthly 105(a) report delivered to the Congress from TARP and from the Department of the Treasury, and I will submit it for the RECORD, under ''Obligated'' all of the way down here when it is talking about the FHA refinance, it is $8.12 billion. And in an entirely different column under ''Disbursed,'' it is $50 million. From the paper here from the Department of the Treasury, obligated and disbursed are different things. We have $50 million that has been disbursed.

FIGURE 1—DAILY TARP PROGRESS REPORT AS OF FEBRUARY 3, 2011

[$ billions]

(*Dollars in billions*)	Obligated	Principal/Investment					Income/revenue					Total cash back
		Disbursed	Repayments	Write-offs	Realized loss	Outstanding	Dividends	Interest	Gain/other income	Warrants sold	Total income	
Bank Support Programs												
Capital Purchase Program (CPP)												
Preferred & Other Securities	179.89	179.89	146.08	2.58	0.00	30.88	9.45			6.93	16.38	162.46
Citigroup Common	25.00	25.00	25.00			0.00	0.93		6.85	0.05	7.84	32.84
Targeted Investment Program (TIP)												
Bank Of America	20.00	20.00	20.00				1.44			1.24	2.67	22.67
Citigroup	20.00	20.00	20.00				1.57			0.19	1.76	21.76
Asset Guarantee Program (AGP)												
Bank Of America									0.28		0.28	0.28
Citigroup	5.00						0.44		2.25	0.07	2.76	2.76
Community Development Capital Initiative (CDCI)	0.57	0.57				0.57	0.00				0.00	0.00
Bank Program Totals	250.46	245.46	211.08	2.58	0.00	31.45	13.83		9.37	8.48	31.68	242.76
Credit Market Programs												
Public-Private Investment Program (PPIP)												
Equity	7.51	5.37	0.16			5.21	0.40		0.00		0.40	0.56
Debt	14.90	10.52	0.46			10.06		0.10			0.10	0.56
Term Asset Backed Securities Lending Facility	4.30	0.10				0.10						
Purchase SBA 7(a) Securities (SBA)	0.37	0.37	0.01			0.36		0.00	0.00		0.00	0.01
Credit Market Program Totals	27.07	16.36	0.63			15.73	0.40	0.10	0.00		0.50	1.13
Other Programs												
American international Group (AIG)												
Common	47.54	47.54				47.54			0.06		0.06	0.06
Preferred	22.29	20.29				20.29						
AIG Totals	69.84	67.84				67.84			0.06		0.06	0.06
Automotive Industry Financing Program (AIFP)												
GM	51.03	51.03	23.07		4.44	23.53		0.77	0.10		0.86	23.93
Chrysler	14.43	12.37	3.85	1.60		6.92		0.58	0.06		0.64	4.49
Ally (GMAC)	16.29	16.29				16.29	2.00				2.00	2.00
AIFP Totals	81.76	79.69	26.92	1.60	4.44	46.74	2.00	1.35	0.16		3.51	30.43
Other Programs Totals	151.59	147.53	26.92	1.60	4.44	114.57	2.00	1.35	0.21		3.56	30.48
Treasury Housing Programs Under TARP												
Making Homes Affordable	29.91	0.94										
HFA Hardest-Hit Fund	7.60	0.10										
FHA Refinance	8.12	0.05										
Housing Totals	45.62	1.10										
Grand Totals	474.76	410.45	238.63	4.18	4.44	161.75	16.23	1.45	9.59	8.48	35.74	274.38

Mr. FRANK of Massachusetts. I yield myself 15 seconds to further elucidate matters to the gentleman from Illinois. It has been disbursed in a letter of credit, none of which has been drawn down. It sits there as a reserve in case of losses.

I now yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY. I thank the ranking member for yielding.

I rise in opposition to H.R. 830. This bill is one of four separate anti-foreclosure programs aimed at helping troubled homeowners stay in their homes that the new House Republican majority is planning to end. What is very troubling is that they don't have any idea of what to put in its place. We know that we have 12 million mortgages that are underwater, that need help. They are in all of our States, but they are not coming forward with any ideas of how to help the economy or how to help the people.

Now, this particular program is just getting started. It is the FHA Short Refinance Program, and it is one of the foreclosure prevention programs that would not only help the individual homeowners, but also help to stabilize the overall U.S. housing market, which is 25 percent of our economy. So it not only helps an individual. It helps a locality, it helps our country, it helps our economic strength.

The result of ending this program would be hundreds of thousands of additional foreclosures and steeper price declines in our housing. It is outrageous. It is shortsighted. It is mean, and it is wrong.

Now, in this program it would allow the borrowers to reduce the principal owed on their homes up to 10 percent so that their payments are lower, so that they can save money that they can't afford. And in return, the banks would get an FHA-insured loan that is subject to all of FHA's strict standards. So to get this loan, you will have to jump through hoops to be able to qualify.

And it is voluntary. Just last week, several major banks in America voluntarily walked forward to help out—Citibank, Wells Fargo, and Bank of America, to name a few. So the program is just getting started and the $50 million line of credit is like a line of credit you draw down on. Hopefully, we won't even have to tap into it. Hopefully, our economy improves and people are able to pay their mortgages.

The standards are very strict. The owners must be current on their payments. It must be their primary residence. They have to have full documentation to qualify. So it is a strict program.

I want to come back to an issue that is very important to me and, that is, this affects lives. This affects people.

In Congressman FRANK's home State, there are over 222,000 residents whose mortgages are underwater that could qualify possibly if they could meet the criteria. It is part of a total package to help our economy move forward, and the opposition, the Republican majority, has no ideas of their own. It is just to come in and cut a good program that is just getting started.

They mentioned the 44 people that have been helped. They say that is not important. I would say it is very important to the 44 people who have been helped, and there could be 12 million who could be helped under this program.

Mr. BACHUS. I reserve the balance of my time.

Mr. FRANK of Massachusetts. I yield 4 minutes to the gentleman from North Carolina (Mr. MILLER), one of the leading House experts on this matter.

Mr. MILLER of North Carolina. Mr. Chairman, I want to reassure Americans that it is not true that no problem ever gets fixed in Washington. Ten years ago, the debate here in Congress was what to do with the surplus. In fact, we paid off $400 billion of the debt; and Alan Greenspan, who was then the chairman of the Federal Reserve Board, worried that we would pay off the national debt too quickly and it might be unsettling to the economy. Mr. Chairman, if there is one problem that got solved in the past decade, it is that problem: the problem of paying off the national debt too quickly.

My party can claim none of the credit for that. It was a Republican President and a Republican Congress. I must admit that I don't like what they did to solve that problem of paying off the national debt too quickly. They gave tax cuts to America's top one-tenth of 1 percent, Americans making more than $2,340,000, and we saw just a couple of months ago that that was one thing that was absolutely nonnegotiable for them. They would give up everything before they would let those Americans have to pay any more in taxes.

When there was a proposal to expand Medicare to take care of prescription drugs, something I supported generally, Republicans in Congress passed a bill that was not paid for, as other programs like that had been paid for, and was a giveaway to the insurance industry and to the prescription drug industry. So when they are giving tax cuts to the very, very richest Americans, the richest of the rich, when they are giving away taxpayer money to the insurance companies and to the prescription drug industry, the drug industry, they don't worry about deficits at all. It is only when Democrats take the Presidency, and particularly in the last 2 years when we have been dealing with the worst recession since the Great Depression and have been trying to pull the country out of a nosedive, that they have suddenly become worried about the deficits and criticized everything that we have done to try to save the country from the disaster that we inherited.

It is only the programs that help working and middle class families that seem to give them a problem, like this one. Now, we have been on the case of subprime lending and its effects for a long time. I introduced legislation in 2004 to rein in subprime lending, not a bit of help from Republicans. Mr. WATT and I introduced that bill. It was Miller-Watt. Two years later, it became Miller-Watt-Frank. We have been on this case.

The gentleman from Alabama said in committee the other day, Show me a way to deal with this problem that doesn't cost taxpayer money. I did that in 2007. I introduced a bill that bankruptcy lawyers and judges have said was one way to deal with the problem, let bankruptcy judges modify mortgages in bankruptcy the same way they modify all other kinds of secured debt; no support from Republicans at all, and the opposition Republicans killed that.

I urged the Federal agencies that set rules for the banks to require they treat people better than they have been treating them when they manage their mortgages, no help from Republicans at all. Just yesterday, the Federal agencies in charge of the banks' conduct and the States' attorneys general have been pushing them, the banks, to impose fines for violating the law in how they handle foreclosures.

□ 1320

Several Republicans sent a letter yesterday to the Secretary of the Treasury protesting that Federal agencies were being too mean to the banks.

I thought most politicians learned during the Keating Five that your office does not give you the right to give your political buddies, your contributors, a get-out-of-jail-free card, but that appears to be what they're willing to do when it's the banking industry that is complaining about it. It is not true that this problem of foreclosures is just affecting a handful of Americans.

The CHAIR. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. I yield the gentleman 1 additional minute.

Mr. MILLER of North Carolina. We are in a cycle of foreclosures leading to the reduced value of homes, more Americans underwater, and when people are underwater, they've seen their life savings disappear. More Americans underwater, more foreclosures, and on and on.

We have got to put a bottom on the housing market. We know this can work. This program is very similar to a program in the New Deal that did work, the Homeowners Loan Corporation. It turned a profit—a slight profit, but a profit—saved the middle class, and saved the housing industry. We need to do something. Republicans have offered nothing.

Mr. BACHUS. Mr. Chair, I yield 1¼ minutes to the gentleman from Nevada (Mr. HECK).

Mr. HECK. I thank the gentleman from Alabama for the time.

Mr. Chairman, I rise today to oppose H.R. 830, the FHA Refinance Program Termination Act. I represent the district that is truly ground zero for America's housing crisis; 390,192 mortgages in Nevada are underwater. Let me say that again: 390,192 families in Nevada are underwater.

I agree that people need a paycheck, not a government check, but we must help individuals who are trying to do the right thing. This program gives some of those Nevadans who are current on their mortgage but underwater the ability to refinance their loan.

Some will say this program is a failure because too few mortgages have been refinanced through it. They'll say not enough money has been distributed. I say, a failed PR job should not be the reason a good program dies. And the FHA Refinance Program can be a good program, but it needs more attention, and perhaps reform, so homeowners know it's an option.

Vote ''no'' on H.R. 830 and give homeowners a chance to take advantage of this program.

Mr. BACHUS. Mr. Chair, I yield 1 minute to the gentleman from Kansas (Mr. YODER).

Mr. YODER. Thank you, Mr. Chairman.

I rise today in strong support of H.R. 830. The bill would repeal a well-intentioned but bankrupt policy.

Mr. Chairman, the American people are tired of bailout after bailout and big spending bill after big spending bill. With $14 trillion in debt and borrowing $5 billion a day, yet unemployment is at 9 percent, the American people are sending us an unmistakable message: The idea of borrowing, bailing out and spending isn't working.

We're borrowing more money in Washington with this program that we don't have to help Americans borrow more money at home that they can't afford for housing they can't afford. Mr. Chairman, this is madness. When will this stop and when will the politicians in Washington understand that we're not going to be able to borrow and spend our way to prosperity? The American people are tired of this. They want Washington leaders to step up, reduce spending, and eliminate programs that aren't working.

Mr. Chairman, I ask today that we pass this legislation and restore fiscal sanity to Washington.

Mr. FRANK of Massachusetts. How much time is remaining on both sides, Mr. Chairman?

The CHAIR. The gentleman from Massachusetts has 2½ minutes remaining. The gentleman from Alabama has 4¼ minutes remaining.

Mr. FRANK of Massachusetts. I have only one remaining speaker. I will defer until the gentleman has his last speaker.

Mr. BACHUS. Mr. Chair, I yield 2½ minutes to the gentlelady from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. I thank the gentleman for yielding.

Mr. Chairman, President Ronald Reagan famously said—with tongue in cheek, no doubt—that the closest thing to eternal life on this Earth is a Federal Government program.

I rise today in support of H.R. 830, legislation offered by my friend from Illinois (Mr. DOLD). At the risk of disproving the late President's axiom, let me just say that H.R. 830 will demonstrate that Congress does have the good sense, the fortitude, and the wherewithal to bring an end to a Federal program, especially one that is not working.

The program in question is the FHA Refinancing Program, which was authorized under the broadest of provisions in the TARP legislation back in 2008. In 2010, the program was conceived in haste, enacted with no vote in Congress, and was designed to augment another failed program, the Making Homes Affordable Program, or HAMP, which has done more harm than good.

Under the FHA Refinancing Program, the FHA is directed to use TARP funds to refinance mortgages that are current but underwater. Its record has been abysmal, with the FHA Commissioner stating during our hearing last month: "As of February 11, 44 loans have been endorsed." Where else but in Washington would it be a good idea to obligate $8 billion in taxpayer funds and disburse $50 million of those dollars? Now, whether it's to help 44 homeowners or not, we don't know how many will be in default or what it will cost. But that money has been disbursed from the U.S. Treasury.

Mr. Chairman, this bill ends another failed government program. Taxpayers shouldn't foot the bill for failure. I would urge my colleagues to support the bill.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself the balance of my time.

A week ago when we debated this in committee, the author of the bill, the gentleman from Illinois (Mr. DOLD), was telling people that if they joined this program they would have a tax liability. He was wrong. It wasn't his fault. He was told that that was the case. He dutifully read what he was told. You haven't heard that again because he found out that was wrong.

He was also told that it was going to be $50 million disbursed. They don't seem to be clear on what that means. No, $50 million has not been spent on any individual. Fifty million has been set aside in a letter of credit if necessary in the future to pay for defaults. So this million dollars per loan is, of course, a fantasy.

Now, it is true, the program has not yet had a major impact. And if it does not prove itself out, it never will. It cannot be both wildly expensive and nonexistent. It is there. If we get an agreement involving all the attorneys general of both parties, involving the regulators and the financial institutions, this will be one of the tools that will accommodate people. CBO does think there could be a loss. Their prediction is, their best guess—and they're the best objective element we have—you could get an amount of $12,000 or so per loan lost here. Not a million dollars; 12,000. It is part of a panoply of projects to try and reduce foreclosures and help the economy deal with this crisis.

And for people who, and I repeat it—they don't like it—they'll send money to Brazil, they'll send money to Afghan cities, they'll send money to Iraqi security, they'll subsidize farmers at more than $250,000 a year, but $12,000 per homeowner at most is too much for them. And it isn't just for the homeowners; it is a necessary part of getting out of our economic crisis.

So I hope that this is defeated. I appreciated what the gentleman from Nevada said. Yes, it can be improved. The fact that only 44 people have been involved so far means they are proceeding, appropriately, cautiously. This is a program with great promise. It may not turn out, but if a promise doesn't turn out, then it doesn't cost anything. And if it does turn out to be a workable part of an overall solution, it will be money much better spent than many of the billions my colleagues on the other side are prepared to subsidize some of their favored sacred cows as opposed to doing something that will help the whole economy.

I yield back the balance of my time.

Mr. BACHUS. I yield myself the balance of my time.

Mr. Chair, Members of this body, what are we talking about when we're talking about cutting government spending? We're talking about these children.

□ 1330

These children cannot afford a future where its Federal Government spends $8 billion more every day than it takes in.

Now, the ranking member has criticized our military spending. I could have a picture of my grandchildren up, and I could have a picture of one of my little granddaughters whose dad served in the U.S. Marines. Their unit served in Afghanistan and in Iraq. So I make no apology for supporting our troops. Now if the President decides to call them home, my son would support that.

Now, Ranking Member FRANK said this sits in a fund. This program that has helped 44 families whose average mortgage was $330,000—that's more than the cost of a home in my district. But here is President Obama's report to us that $50 million has been disbursed, but the alarming figure is $8.12 billion that's obligated.

The gentlelady from New York said that the banks—Citibank, Bank of America—they're all lining up to use this program. I would be too. This transfers obligations from lenders to the taxpayer. As long as these mortgages were making money, the banks profited. But all of a sudden when they're underwater and a borrower maybe can't make the payment, hey, if I was a bank, I would say, yeah, let the government, let the taxpayers reduce this mortgage. That ought to be between the bank and the homeowners.

Forty-two families? You say all these four programs we're going to debate this week and next week—which cost billions of dollars—they're going to help half a million families? There are 12 million families that are underwater.

Let's talk about something very important. If we don't get our financial house in order, I'll quote the words of Admiral Mike Mullen on August 25 before CNN, and I will close with this, "The most significant threat to our national security is our debt." And that threat comes from this body and the administration. It's time to cut spending. Think about them. Think about their future.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chair, I rise in opposition to H.R. 830, the FHA Refinance Program Termination Act.

This legislation would end the FHA's short-term refinance program authorized under the Troubled Asset Relief Program.

A program designed to help homeowners refinance their existing mortgage for lower interest rates.

With declining home values, borrowers are caught in mortgages that they can no longer afford.

This is because their rates have reset or because their interest-only payments have not allowed them to grow any equity in their homes.

They are making their payments—but just barely.

Mr. Chair, we should continue to help hard working Americans who are paying their bills on time every month stay in their homes.

Ending this vital recovery program with no alternative plan is just wrong.

The Republicans reckless spending proposals will move our country backwards not only domestically but globally.

Eliminating this program will cost us more in the long-term.

While I believe cuts are necessary to address the Nation's long-term fiscal problems, it must be done responsibly and with the American public's interest in mind.

I encourage my colleagues to oppose this bill.

Mr. DINGELL. Mr. Chair, I rise in opposition to H.R. 830, a hasty political ploy that will terminate a promising program. I refuse to let my Republican colleagues, determined to appear fiscally austere at any cost, cut budding initiatives that are in the best interest of the country.

The FHA Refinance Program is tailored to benefit responsible homeowners—homeowners who, through principal write-downs, will be able to stay in their homes. It is also structured to protect lenders from possible foreclosure losses and save communities from increased blight. Ten states, including my home state of Michigan, posted foreclosure discounts of more than 35 percent in 2010. We must use all our tools at hand to stem this massive foreclosure epidemic.

I hear daily from struggling homeowners who are trying to keep afloat. Negative equity mortgages are plaguing our country from coast to coast. At the end of last year, 11.1 million, or 23.1 percent, of all residential mortgages were in negative equity. In Michigan, over 36 percent of mortgages were in negative equity. Home prices are expected to fall another five to ten percent in 2011. Millions of borrowers are being held captive in their homes, unable to move or sell their properties. Keeping programs like the FHA Refinance Program alive is crucial to spurring economic recovery and giving the mortgage industry the jump-start it so desperately needs.

My Republican colleagues like to point to the fact that since the program has only spent $50 million, it must be ineffective. I find it interesting that a Republican argument against a program is that it hasn't cost the government enough. So much for fiscal austerity. In fact, the FHA Refinance Program was specifically designed to be cost-effective for the government. Its allocated funds only cover incremental credit and incentive costs, and will not be spent unless a borrower defaults under the program. Since no borrowers have defaulted, no money has been spent on loans.

Let us not forget how hasty this bill is—the FHA Refinance Program has only been available since September. It is no surprise that it takes time for such complex programs to work effectively and prudently. Lenders must set up an operational infrastructure to utilize this option, and a great deal of coordination is required throughout the mortgage chain. As of February 11th, 23 FHA-approved lenders are participating in the program, including Wells Fargo and GMAC/Ally, which intend to deliver several thousand loans. FHA also indicates that numerous other lenders are in the process of developing the capability to utilize the program by midyear.

Not only does the Republican Leadership seek to terminate the FHA Refinance Program, but it also seeks to terminate the Home Affordable Modification Program, the Neighborhood Stabilization Program, and the Emergency Homeowners Loan Program. It is clear that more needs to be done to help struggling homeowners stay in their homes. However, terminating the very programs that were established to do so is not the solution. I encourage my colleagues on the other side of the aisle to come to the table and present real solutions to this epidemic. If a Member feels this program has not benefited enough homeowners, he or she should suggest a way to do so and we can go from there. Instead, Republicans are placing politics before people. Our Nation needs solutions, not denunciations.

Mr. Chair, I strongly urge my colleagues to vote against this bill.

Mr. VAN HOLLEN. Mr. Chair, the FHA Refinance Program proposed for termination in today's legislation is designed to provide distressed homeowners mortgage relief by using FHA loan guarantee authority to incentivize holders of existing single family loans to reduce the outstanding principal balance of their loans by at least 10% in conjunction with an FHA refinance when the principal balance of a borrower's loan is greater than the property's current value. Importantly, participating homeowners must be current on their existing loan, and all other FHA safety and soundness underwriting standards continue to apply. Any losses under the program are covered by funds already set aside by the TARP, adding no additional exposure to the FHA's capital reserves.

Mr. Chair, while I am aware of—and frankly, to some extent sympathetic to—the criticism and frustration around the pace and scope of this program to date, I would also point out that it has only been operational since October of last year. Furthermore, as a purely voluntary program, its success clearly hinges on the active participation of our major loan servicers, two of whom—Wells Fargo and Ally Financial—have just recently announced their intention to let qualified borrowers take advantage of the program. Finally, with an estimated one in five homeowners currently underwater on their mortgages, it is clear to me that the housing crisis is not yet behind us.

By providing struggling but credit-worthy homeowners with a reduced monthly payment and a mortgage that is more aligned with actual property values, the FHA Refinance Program can help prevent foreclosures and stabilize the housing market, which is in every American's long term interest.

The CHAIR. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule.

No amendment to the committee amendment in the nature of a substitute is in order except those received for printing in the portion of the Congressional RECORD designated for that purpose in a daily issue dated March 9, 2011, or earlier and except pro forma amendments for the purpose of debate. Each amendment so received may be offered only by the Member who causes it to be printed or a designee and shall be considered read if printed.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''FHA Refinance Program Termination Act''.

AMENDMENT NO. 9 OFFERED BY MRS. MALONEY

Mrs. MALONEY. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

After section 1, insert the following new section:

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) there are 35,610 underwater mortgages in Alabama;

(2) 7,801 underwater mortgages in Alaska;

(3) 648,387 underwater mortgages in Arizona;

(4) 27,580 underwater mortgages in Arkansas;

(5) 2,172,700 mortgages in California;

(6) 221,097 underwater mortgages in Colorado;

(7) 97,244 underwater mortgages in Connecticut;

(8) 23,906 underwater mortgages in Delaware;

(9) 2,029,128 underwater mortgages in Florida;

(10) 449,971 underwater mortgages in Georgia;

(11) 24,664 underwater mortgages in Hawaii;

(12) 61,566 underwater mortgages in Idaho;

(13) 431,050 underwater mortgages in Illinois;

(14) 68,196 underwater mortgages in Indiana;

(15) 28,976 underwater mortgages in Iowa;

(16) 32,787 underwater mortgages in Kansas;

(17) 24,880 underwater mortgages in Kentucky;

(18) 298,554 underwater mortgages in Maryland;

(19) 222,599 underwater mortgages in Massachusetts;

(20) 519,716 underwater mortgages in Michigan;

(21) 90,090 underwater mortgages in Minnesota;

(22) 122,543 underwater mortgages in Missouri;

(23) 8,650 underwater mortgages in Montana;

(24) 21,388 underwater mortgages in Nebraska;

(25) 390,192 underwater mortgages in Nevada;

(26) 37,488 underwater mortgages in New Hampshire;

(27) 286,293 underwater mortgages in New Jersey;

(28) 29,375 underwater mortgages in New Mexico;

(29) 129,633 underwater mortgages in New York;

(30) 160,007 underwater mortgages in North Carolina;

(31) 3,582 underwater mortgages in North Dakota;

(32) 441,379 underwater mortgages in Ohio;

(33) 24,411 underwater mortgages in Oklahoma;

(34) 108,335 underwater mortgages in Oregon;

(35) 132,805 underwater mortgages in Pennsylvania;

(36) 45,511 underwater mortgages in Rhode Island;

(37) 85,226 underwater mortgages in South Carolina;

(38) 133,956 underwater mortgages in Tennessee;

(39) 367,954 underwater mortgages in Texas;

(40) 98,093 underwater mortgages in Utah;

(41) 276,910 underwater mortgages in Virginia;

(42) 209,577 underwater mortgages in Washington;

(43) 15,240 underwater mortgages in Washington D.C.;

(44) and 81,267 underwater mortgages in Wisconsin.

(45) the aggregate number of mortgages estimated to be underwater in such States is 10,780,236; and

(46) by voting to terminate the FHA Refinance Program under this Act without a suggested replacement, the Congress is voting to terminate a program that may have helped these underwater borrowers.

Mr. BACHUS. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIR. A point of order is reserved.

The gentlewoman from New York is recognized for 5 minutes in support of her amendment.

Mrs. MALONEY. Mr. Chairman, my amendment has the purpose of making very clear what we're doing today to the American people. This amendment makes clear that we are ending a program that has the potential to help hundreds of thousands of underwater borrowers.

H.R. 830, the FHA Refinance Program Termination Act, ignores the underwater borrowers of this country and does nothing to help families save their homes.

Very simply, the bill ends a program that has the potential to help hundreds of thousands of people whose mortgages now exceed the value of their home, and also help the communities and help the overall economy.

The majority crafted a so-called ''open rule'' in such a way that it's nearly impossible to offer any substantive amendments—a number were voted down on a party line in the committee debates—in response to this reality.

In an effort to highlight the true nature of this harmful bill, my amendment identifies the numbers in each State of the hundreds of thousands of underwater borrowers across the country and makes clear that the Republican majority has no solution to the problem, nor do they have any desire to find one.

Americans must be made aware of the intention of this majority. This program allows borrowers to write down at least 10 percent to reduce the debt burden. They are all paying. They are in financial difficulty. Banks then can get an insured FHA guarantee and move forward and people can keep living in their homes and can keep participating in the economy.

Because of this vote today, if the majority wins, homeowners across the country may not have the opportunity to take advantage of the program that has just begun, and which should be made, in my opinion, available to them.

Now what this does, it goes down all of the impacts across the country. It shows that in my home State of New York there are over 129,000 mortgages underwater that would not be able to apply for this program to allow people to stay in their homes. In Chairman BACHUS' State, there are over 35,000 mortgages underwater. In Florida, there are more than 2 million mortgages underwater, and they have no alternative of any way to help these people. And these numbers are from an independent company's study.

If you go to California, our largest State, over 2 million homes are underwater. Nevada, 390,000 individuals are facing the loss of their homes. In Arizona, there are over 648,000 families that are underwater. Their home is not worth what they're paying for it, what the mortgage is.

So this program is one that I think is thoughtful, one that has only $50 million as sort of a line of credit that will be pulled down if there are defaults. But the banks participating have very strict standards, as does the FHA. It has to be their primary residence. They have to provide full documentation. No more of these ''no doc'' loans. They must be current on the mortgage. They must have a job. They have to have many, many levels that they have to meet before they get the loan. But at least it's a lifeline to these 12 million families whose homes are underwater.

With declining home values, borrowers are caught in mortgages they no longer can afford because their rates have reset or because their interest-only payments have not allowed them to grow any equity in their homes. They are making their payments, but just barely. And so this one is there to help them. And it simply adds findings to the bill with the number of underwater mortgages in each State that we've secured the data for so that it becomes very clear to the American people how many homeowners in each State we are not helping if we do what the majority wants, to terminate this program.

And I might say this program is one of four that the Obama administration has put forward to help homeowners stay in their homes and to help stabilize our economy, which is still fragile and is still recovering. Housing is 25 percent of our economy, according to many economists. So the strength of housing is important to the overall health of our Nation's economic future.

So I urge my colleagues to support the amendment, to make it clear by the vote on this bill how many Americans across this country will not be helped if the majority gets their passage of their bill that would terminate a program that has the potential of helping literally millions in America.

I urge a ''yes'' vote on my amendment.

□ 1340

POINT OF ORDER

Mr. BACHUS. Mr. Chairman, I make a point of order against the amendment because in my opinion it violates clause 7 of rule XVI which requires that an amendment be germane to the matter it's amending.

It's not germane to the bill because it's outside the scope of the bill and fails to draw the nexus to the bill.

The CHAIR. Does any other Member wish to be heard on the point of order?

The Chair recognizes the gentlewoman from New York.

Mrs. MALONEY. The amendment is germane, Mr. Chairman.

This program has the potential to help underwater mortgages across our great country, which is germane to the bill we're debating today, because the bill terminates the potential of this help. You have no findings in this bill that you're rushing to the floor.

It is germane to talk about the hundreds of thousands of homeowners that are out there that possibly could lose their home because this program is being terminated. This is germane, in my opinion, to the underlying bill.

The CHAIR. Does any other Member wish to be heard on the point of order?

The Chair recognizes the gentleman from Alabama.

Mr. BACHUS. Mr. Chair, she lists the number of mortgages that are underwater and says that this program may help them. Obviously, there are many of those, the buyers are behind on their payments and they wouldn't qualify for help. Just the number 44 ought to tell you that when you list 12 million homeowners and then say that the termination of this program would have helped is quite a stretch. There are certain other qualifications under this legislation that are not met by simply being underwater.

The CHAIR. Does the gentlewoman from New York wish to be heard on the point of order?

Mrs. MALONEY. Yes, I do.

As a point of information, there are very strict criteria from the FHA and from the individual banks that are voluntarily participating, and one of those criteria is that you must be current on your payments. You must be current. What the gentleman said was inaccurate, that they could be behind on their payments or not making their payments. They're having difficulty making it because their home value is not equal to what the mortgage is. And so it's difficult. But they must all be current on their payments.

The CHAIR. The gentlewoman needs to confine her remarks to the point of order.

Ms. JACKSON LEE of Texas. Mr. Chairman, I would like to be heard on the point of order.

The CHAIR. The Chair recognizes the gentlewoman from Texas.

Ms. JACKSON LEE of Texas. First of all, the gentleman from Alabama was arguing the merits of the legislation. These are findings that pertain to the results that would occur from the language in the bill.

The bill is eliminating the existing funds or leftover funds for FHA refinance. The amendment clearly lays out the impacted persons connected to the elimination. Therefore, this is germane because it relates to the language of the amendment and the intent of the amendment.

Twelve million people left behind, thousands of homeowners in different States, and the fact that there is no other solution to these homeowners except FHA refinance, it is a germane amendment. The findings are simply laying out the impact. We do that in all of our bills to put findings on what the impact of legislation would be.

I ask the Chairman to consider the gentlelady's amendment being germane. The findings are germane, and it is doing simply that of listing the elements of the impact of this legislation.

I ask for a waiver of the point of order.

The CHAIR. The Chair is prepared to rule on the point of order.

The gentleman from Alabama makes a point of order that the amendment offered by the gentlewoman from New York is not germane.

The bill addresses repeal of a Federal Housing Administration program that provides for refinancing of a specified set of mortgages.

One of the fundamental principles of germaneness is that the amendment must relate to the subject matter of the underlying bill. The bill is confined to a specific type of refinancing program. The amendment seeks, in part, to address mortgages on broader bases, beyond the ambit of the bill.

The amendment is therefore not germane. The point of order is sustained.

Mrs. MALONEY. I move to strike the last word.

The CHAIR. The gentlewoman from New York is recognized for 5 minutes.

Mrs. MALONEY. I'm distressed with this ruling because I think it is germane that people will lose their homes, that they are eliminating a program that is just starting that is thoughtful, that would give FHA financing and guarantees to help people stay in their homes, and that people in Nevada, over 390,000, could be affected by this; California, over 2 million people's homes are underwater; in Florida, over 2 million homes are underwater; Arizona, 648.

And in my own State, over 129,000 people will not have the access to this program that allows them to adjust their mortgages so that they reflect the true value of their homes, make their payments on that value so that they can move forward and be part of the community, keep these homes from becoming blight and emptied in an area.

We all have stories in our districts and across the Nation where people cannot make their mortgage payments because they have lost values in their home. They are deserting them. They are leaving them. In some States, they are literally bulldozing the homes underground because no one can afford to live in them. This is an answer to some of the challenges.

And my colleagues on the other side of the aisle talk about the cost. Well, I would say that the cost—not only to the individual homeowner, but to the overall economy—will be greater by terminating the four efforts, the four antiforeclosure efforts from the Obama administration to help with the housing crisis.

And we know that the subprime crisis was a scandal. Many people were not—got into homes they couldn't afford under misinformation.

We have helped other areas of our economy. We certainly should help the homeowners, the working Americans to help them through this economic crisis, too.

And we have to remember that although we are digging our way out of this Great Recession, the recovery has been slow. We are still in a fragile recovery. The economists testified before the Financial Services Committee that housing was 25 percent of our economy.

So, helping people stay in their homes, I would say that our overall economy has a stake in it.

Now, some people said, well, the banks will run in and do this. Banks are not going to do this unless they think that the loan is going to be paid and they're not going to be hurt with it. And the standards from FHA are very high. You have to be current. You have to have a job. You have to live in your home. You have to have a proven track record. You have to have good credit before you can be approved. So that is why only 50 million is the line of credit that will be drawn down if there are foreclosures.

Hopefully the economy improves, people keep their jobs. Hopefully the banks do a good job and do not hand out loans unless people can actually repay them. And this will be a tool to move forward not only to help people, but to help the overall economy.

Now, what I find very troubling about this is that my friends on the other side of the aisle want to terminate four antiforeclosure programs, but they have no alternative. It's sort of like their approach to jobs. They have not come forward with any program to help create jobs. They have not come forward with any program to help people stay in their homes. It's part of the "so be it" attitude. You're on your own. We're not going to help you.

But this is a program that helps people help themselves adjust to the reality of what their homes are actually worth. And I think that it's important that this information of how many people, the 12 million people and where they live in America, is important information that should be part of this bill.

And that's why I am now respectfully requesting unanimous consent to place into the RECORD the listing of where these 12 million people live so people will know these are the people we are saying "no," "so be it," "we're not going to be there to help you."

And let me tell you, my follow colleagues. I would be cautious about voting for this, because you're voting against your economy. You're voting against your State. You are voting against your own colleagues, your own residents and neighbors who may need this. We know the trouble that's in this economy. Practically every family in America has some relative who's lost a job or is unemployed. So this is some way to help with this economic recovery. It is thoughtful. It is a good program.

And I urge my colleagues to vote against the "so be it" bill the Republicans have before us today and to really work with, in a bipartisan way, the Obama administration to help working Americans, struggling Americans stay in their home.

□ 1350

It's the least that we can do as a caring Nation, absolutely the least we can do as a caring Nation. So I urge my colleagues, and I would be very cautious in your vote, because I believe your constituents are going to remember this vote if this program is terminated and their lifeline, their ability to stay in their homes, is terminated because of your vote today.

TABLE 1: NEGATIVE EQUITY BY STATE*

	Properties With a Mortgage Outstanding					$ Outstanding			
State	Mortgages	Negative Equity Mortgages	Near** Negative Equity Mortgages	Negative Equity Share	Near** Negative Equity Share	Total Property Value	Mortgage Debt Outstanding	Net Homeowner Equity	Loan-to-Value Ratio
Alabama	340,665	35,610	19,188	10.5%	5.6%	65,482,055,550	43,970,078,384	21,511,977,166	67%
Alaska	87,286	7,801	5,160	8.9	5.9	23,773,756,773	15,920,518,570	7,853,238,203	67
Arizona	1,333,398	648,387	63,304	48.6	4.7	263,693,025,194	243,760,655,061	19,932,370,133	92
Arkansas	238,011	27,580	14,360	11.6	6.0	37,303,484,103	27,450,225,612	9,853,258,491	74
California	6,870,914	2,172,700	299,067	31.6	4.4	2,864,273,476,858	2,008,766,937,342	855,506,539,516	70
Colorado	1,125,434	221,097	91,187	19.6	8.1	301,289,945,528	217,120,459,818	84,169,485,710	72

TABLE 1: NEGATIVE EQUITY BY STATE*—Continued

State	Properties With a Mortgage Outstanding: Mortgages	Negative Equity Mortgages	Near** Negative Equity Mortgages	Negative Equity Share	Near** Negative Equity Share	$ Outstanding: Total Property Value	Mortgage Debt Outstanding	Net Homeowner Equity	Loan-to-Value Ratio
Connecticut	816,560	97,244	29,957	11.9	3.7	294,814,146,661	171,517,175,208	123,296,971,453	58
Delaware	179,322	23,906	8,937	13.3	5.0	47,059,588,802	31,949,546,484	15,110,042,318	68
Florida	4,459,951	2,029,128	182,323	45.5	4.1	853,646,775,841	757,212,788,734	96,433,987,107	89
Georgia	1,605,825	449,971	120,854	28.0	7.5	319,934,838,691	255,319,644,351	64,615,194,340	80
Hawaii	229,600	24,664	8,280	10.7	3.6	117,791,198,842	65,339,432,694	52,451,766,148	55
Idaho	243,589	61,566	12,927	25.3	5.3	48,204,517,879	35,737,930,659	12,466,587,220	74
Illinois	2,227,602	431,050	108,239	19.4	4.9	534,999,520,161	377,625,407,977	157,374,112,184	71
Indiana	603,484	68,196	28,936	11.3	4.8	91,672,823,585	64,195,877,062	27,476,946,523	70
Iowa	334,689	28,976	14,366	8.7	4.3	51,019,867,858	34,150,823,254	16,869,044,604	67
Kansas	295,839	32,787	16,284	11.1	5.5	53,431,665,604	37,737,206,158	15,694,459,446	71
Kentucky	279,187	24,880	14,092	8.9	5.0	47,549,597,328	32,335,774,221	15,213,823,107	68
Louisiana	NA	NA	NA	NA	NA	NA	NA	NA	NA
Maine	NA	NA	NA	NA	NA	NA	NA	NA	NA
Maryland	1,358,672	298,554	67,580	22.0	5.0	433,409,001,574	298,109,259,531	135,299,742,043	69
Massachusetts	1,494,099	222,599	51,704	14.9	3.5	546,053,917,907	329,062,834,394	216,991,083,513	60
Michigan	1,381,232	519,716	76,403	37.6	5.5	198,169,103,537	169,373,043,369	28,796,060,168	85
Minnesota	554,535	90,090	27,608	16.2	5.0	124,901,317,584	81,787,965,185	43,113,352,399	65
Mississippi	NA	NA	NA	NA	NA	NA	NA	NA	NA
Missouri	779,328	122,543	44,131	15.7	5.7	137,735,363,892	98,445,466,785	39,289,897,107	71
Montana	112,444	8,650	3,939	7.7	3.5	28,244,797,730	16,968,913,610	11,275,884,120	60
Nebraska	221,686	21,388	13,072	9.6	5.9	35,462,342,354	25,920,022,837	9,542,319,517	73
Nevada	586,515	390,192	23,037	66.5	3.9	103,720,996,430	123,072,698,809	−19,351,702,379	119
New Hampshire	211,489	37,488	11,351	17.7	5.4	51,974,243,397	35,837,313,271	16,136,930,126	69
New Jersey	1,882,603	286,293	78,230	15.2	4.2	678,172,085,088	415,710,918,011	262,461,167,077	61
New Mexico	234,004	29,375	10,847	12.6	4.6	55,009,963,072	36,551,762,344	18,458,200,728	66
New York	1,838,917	129,633	40,013	7.0	2.2	835,125,621,032	415,765,632,474	419,359,988,558	50
North Carolina	1,521,406	160,007	101,945	10.5	6.7	317,535,658,347	223,145,876,102	94,389,782,245	70
North Dakota	48,415	3,582	1,478	7.4	3.1	8,291,290,055	4,967,349,459	3,323,940,596	60
Ohio	2,204,754	441,379	137,601	20.0	6.2	324,006,229,515	242,010,058,915	81,996,170,600	75
Oklahoma	408,155	24,411	14,962	6.0	3.7	60,039,397,170	42,451,471,333	17,587,925,837	71
Oregon	693,304	108,335	38,849	15.6	5.6	179,130,635,748	122,988,902,147	56,141,733,601	69
Pennsylvania	1,794,563	132,805	58,312	7.4	3.2	401,020,775,572	248,939,681,403	152,081,094,169	62
Rhode Island	227,897	45,511	8,120	20.0	3.6	64,414,910,589	39,693,719,643	24,721,190,946	62
South Carolina	598,223	85,226	37,091	14.2	6.2	131,254,482,178	92,349,858,129	38,904,624,049	70
South Dakota	NA	NA	NA	NA	NA	NA	NA	NA	NA
Tennessee	962,894	133,956	67,386	13.9	7.0	166,572,683,790	118,119,771,078	48,452,912,712	71
Texas	3,286,505	367,954	194,944	11.2	5.9	602,239,776,419	418,772,404,728	183,467,371,691	70
Utah	472,867	98,093	30,339	20.7	6.4	114,775,697,922	84,499,611,037	30,276,086,885	74
Vermont	NA	NA	NA	NA	NA	NA	NA	NA	NA
Virginia	1,252,705	276,910	73,763	22.1	5.9	419,006,811,369	295,429,338,477	123,577,472,892	71
Washington	1,407,416	209,577	75,920	14.9	5.4	441,789,933,181	292,406,352,738	149,383,580,443	66
Washington, DC	100,340	15,240	4,513	15.2	4.5	49,085,895,573	28,782,522,751	20,303,372,822	59
West Virginia	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wisconsin	619,792	81,267	30,026	13.1	4.8	120,246,415,775	80,769,544,053	39,476,871,722	67
Wyoming	NA	NA	NA	NA	NA	NA	NA	NA	NA
Nation	47,871,838	10,780,236	2,376,159	22.5	5.0	12,711,358,863,378	8,850,515,659,256	3,860,843,204,122	70

*This data only includes properties with a mortgage. Non-mortgaged properties are by definition not included.

**Defined as properties within 5% of being in a negative equity position.

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Ms. JACKSON LEE of Texas. Mr. Chairman, I move to strike the last word.

The CHAIR. The gentlewoman from Texas is recognized for 5 minutes.

Ms. JACKSON LEE of Texas. I am very sorry that Congresswoman MALONEY's amendment was subject to a point of order. I would like to simply add that you need to put faces on what this legislation is doing. It is a simple act. It guts and eliminates all remaining funding. It does say that if you are in the midst of the program you might continue.

But everyone knows how solid FHA is. Whenever you hear FHA, you know that there is a framework that really provides for protection for the Federal Government and a fiscally responsible program that provides the Federal Government with protection for those who are able to utilize it.

But even traveling through airports, Mr. Chairman, I had a man with a family who indicated that in the midst of the holiday season, even though he had been told by the banking institution that his mortgage was intact, they would allow him to continue to pay, he was keeping up but having difficulty looking for modification, a few days into the new year, January 6, he was foreclosed on, and a few days later, or at least on that day foreclosed with a sign or a notice on his door, ''Vacate in 3 days.'' These are the faces of individuals who probably would have fared better under FHA.

At the same time, a law enforcement, a police officer came to me and said the very same thing, naming an institution that I had never heard of, had no national standing, some fly-by-night. Here is a law enforcement officer, a local police officer putting his life on the line every day, and he needed to sell his home. He had managed to find a buyer. He had communicated that to the bank. But lo and behold, the lowlife thing to do was what this financial institution did. And I would call it not a bank, but probably a mortgage entity. They took the house right from underneath a man that goes out every day and projects himself into the community and could lay his life on the line.

I am against H.R. 830 and H.R. 836. It doesn't make sense when we've got hundreds of thousands of individuals who are in need of this program. I will venture to say that if a program needs fixing, have we ever heard of fix it, don't end it? Mend it, don't end it? Of course it is always important to do due diligence and have oversight over these programs. But I would think that the Financial Services Committee, under our past chairman and now the ranking member, working with the chairman now, could come up with the genius to make FHA work better if that is the case.

But the nonsensical plan of eliminating it, not helping the underwater mortgagees, the individuals who have these mortgages, with homes that are distressed, with mortgages that are worth more than the homes—we know there are many communities like this, and my colleague mentioned some, but let me cite three States again because it's so enormous, and we have heard so much from them: Florida, 2 million; California, 2 million; Nevada, 390,000. They are still in distress.

Everyone knows that the housing market has a lot to do with this economy. And even without the help of my good friends on the other side of the aisle, we still saw the unemployment go down and 192,000 jobs created. But I can tell you that this does nothing to create jobs. It simply puts Americans out on the street. It devastates families. And who knows, with the lack of sales of homes and remodification or modification of these, it puts people out of work, not in work.

So I argue vigorously, a little too late on the gentlelady's amendment, but I want to thank her for her astuteness, carefully defining what impact this bill would have. And it's unfortunate that the good work of FHA that requires documentation, a current job, a decent salary, all that is needed is now thrown to the wolves with no other plan. So we go home, and constituents will ask us about modification or the viability of FHA, which has been in place for a long period of time. All we have to do is give them our empty hands and our blank face, saying obviously greater minds than you, who knew this was a good program, decided to eliminate it with no substitute in place.

So Mr. Chairman, let me conclude by simply saying to the hundreds of thousands of borrowers, have faith, because this is only the first step. We know this is wrongheaded, the wrong direction. Thank goodness for the Founding Fathers that gave us the House and the Senate and a President. I can be assured that this legislation, I hope, is destined for a route of no return.

ANNOUNCEMENT BY THE CHAIR

The CHAIR. The Chair would remind the gentlewoman to direct her comments to the Chair, and not the viewing public.

The Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. RESCISSION OF FUNDING FOR FHA REFINANCE PROGRAM.

Effective on the date of the enactment of this Act, there are rescinded and permanently canceled all unexpended balances remaining available as of such date of enactment of the amounts made available under title I of the Emergency Economic Stabilization Act (Public Law 110–343; 12 U.S.C. 5211 et seq.) that have been allocated for use under the FHA Refinance Program (pursuant to Mortgagee Letter 2010–23 of the Secretary of Housing and Urban Development) of the Making Home Affordable initiative of the Secretary of the Treasury.

AMENDMENT NO. 11 OFFERED BY MR. FITZPATRICK

Mr. FITZPATRICK. Mr. Chairman, I have an amendment at the desk made in order under the rule.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 5, line 12, after the period insert the following: ''All such unexpended balances so rescinded and permanently canceled shall be retained in the General Fund of the Treasury for reducing the debt of the Federal Government.''.

The CHAIR. The gentleman from Pennsylvania is recognized for 5 minutes in support of his amendment.

Mr. FITZPATRICK. Mr. Chairman, I want to thank my colleague from Illinois (Mr. DOLD) for introducing this legislation to end a failed Federal program, the FHA Refinance Program. This amendment ensures that the savings realized from ending this program go directly to debt reduction.

Last month, Mr. Chairman, this Chamber began a process of examining the Federal budget line by line, asking tough questions and making tough decisions on Federal spending. While our work was substantial, it is also continuing. In order to encourage economic growth and job creation, the Federal debt is and must remain public enemy number one. Over the past 2 years, Federal discretionary spending has increased by 24 percent. The rate of growth is simply unsustainable.

Despite the record pace of new spending over the last 2 years, that spending continues today. Just this week, Mr. Chairman, we learned that the Federal deficit for the month of February 2011 was the highest ever, and exceeded the deficit for the entire fiscal year 2007, $233 billion, Mr. Chairman, the biggest monthly deficit in the history of our country.

Over the past decade, we have seen the excesses and unsustainable growth in sectors of our economy that can have disastrous effects across the entire economy. Unless we take dramatic action now, the tax burden placed on small businesses and families in my own Bucks County and across the Nation will outpace our ability to pay, killing jobs and straining family budgets.

Just as troubling is the fact that the money our government is using to feed today's spending is being borrowed from future generations, much of it borrowed from foreign Nations. The sheer amount of cash owed to foreign powers led the chairman of the Joint Chiefs of Staff, Admiral Michael Mullen, last year to declare the deficit as the number one security threat facing our Nation. Reduce the debt.

I ask my colleagues to support the amendment, support the underlying bill.

I yield back the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

The CHAIR. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. FRANK of Massachusetts. First, I would repeat that I am glad to hear the support for Admiral Mullen—earlier we heard of Secretary Gates—in their warning about the deficit. I just wish that all of those who were accepting their warning on the deficit would refrain from forcing money on them that they don't want. We have people citing the military leadership and then voting for weapons systems, swelling an already swollen military budget, that they don't want.

As to this amendment, I am tempted to come to the defense of the drafters of the bill, because if you read the bill, the bill purports to do what the amendment purports to do. Apparently the author of the amendment didn't think the bill did a good enough job, or somebody thought the author of the amendment, being a nice fellow, ought to get in on the credit. So this is an amendment that is either editorial refinement or political redundancy. In either case, it does not have much effect; so I urge the Members to adopt it.

Mrs. MALONEY. Madam Chairman, I move to strike the last word.

The Acting CHAIR (Mrs. MILLER of Michigan). The gentlewoman from New York is recognized for 5 minutes.

Mrs. MALONEY. I would just like to point out to Congressman FITZPATRICK from the great State of Pennsylvania that there are over 132,000 homes that are underwater now that could benefit from this program, and urge my colleagues to support the program.

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

The amendment was agreed to.

□ 1400

The Acting CHAIR. The Clerk will designate section 3.

The text of section 3 is as follows:

SEC. 3. TERMINATION OF FHA REFINANCE PROGRAM.

(a) TERMINATION OF MORTGAGEE LETTER.—The Mortgagee Letter referred to in section 2 shall be void and have no effect and the Secretary of Housing and Urban Development may not issue any regulation, order, notice, or mortgagee letter based on or substantially similar to such Mortgagee Letter.

(b) TREATMENT OF REMAINING FUNDS.—Notwithstanding subsection (a) of this section, any amounts made available for use under the Program referred to in section 2 of this Act and expended before the date of the enactment of this Act shall continue to be governed by the Mortgagee Letter specified in subsection (a) of this section, and any other provisions of law, regulations, orders, and notices, applicable to such amounts, as in effect immediately before such date of enactment.

(c) TERMINATION.—After the enactment of this Act, the Secretary of Housing and Urban Development may not newly insure any mortgage under the FHA Refinance Program referred to in section 2 of this Act except pursuant to a commitment to insure made before such enactment, and upon the completion of all activities with respect to such commitments under the provisions of law, regulations, orders, notices, and mortgagee letters referred to in subsection (b) of this section, the Secretary of Housing and Urban Development shall terminate the FHA Refinance Program referred to in section 2.

(d) STUDY OF USE OF PROGRAM BY MEMBERS OF THE ARMED FORCES, VETERANS, AND GOLD STAR RECIPIENTS.—

(1) STUDY.—The Secretary of Housing and Urban Development shall conduct a study to determine the extent of usage of the FHA Refinance Program referred to in section 2 by, and the impact of such program on, covered homeowners.

(2) REPORT.—Not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, the Secretary shall submit to the Congress a report setting forth the results of the study under paragraph (1) and identifying best practices, with respect to covered homeowners, that could be applied to the FHA Refinance Program.

(3) COVERED HOMEOWNER.—For purposes of this subsection, the term ''covered homeowner'' means a homeowner who is—

(A) a member of the Armed Forces of the United States on active duty or the spouse or parent of such a member;

(B) a veteran, as such term is defined in section 101 of title 38, United States Code; or

(C) eligible to receive a Gold Star lapel pin under section 1126 of title 10, United States Code, as a widow, parent, or next of kin of a member of the Armed Forces person who died in a manner described in subsection (a) of such section.

AMENDMENT NO. 3 OFFERED BY MR. LYNCH

Mr. LYNCH. Madam Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 5, strike lines 14 through 19.
Page 5, line 20, strike ''(b)'' and insert ''(a)''.
Page 5, lines 20 and 21, strike ''Notwithstanding subsection (a) of this section, any'' and insert ''Any''.
Page 5, line 25, strike ''specified in subsection (a) of this section'' and insert ''specified in section 2''.
Page 6, line 3, strike ''(c)'' and insert ''(b)''.
Page 6, lines 10 and 11, strike ''subsection (b)'' and insert ''subsection (a)''.
Page 6, line 14, strike ''(d)'' and insert ''(c)''.

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

Mr. LYNCH. Thank you, Madam Chair.

I want to, first of all, clarify what this bill is intending to do. The goal of the bill by my colleagues is to end the FHA Refinance Program. While I do support voluntary workouts—and I think that's the best way to approach the problem—I want to point out that the bill as it is written does not allow that to be accomplished by the FHA. Not only does the bill eliminate the targeted programs that have been identified, but it also, in its breadth, eliminates the possibility of any voluntary agreements outside this program. That's what my amendment would seek to address.

I do know that the CQ House Action Report indicated that I was amending section 2. However, I want to make sure that they understand that the language my amendment addresses is section 3: Termination of FHA Refinance Program.

Basically, to understand it, what this amendment would do is: The FHA facilitates mortgage workouts and other actions under its purview through mortgagee letters. These are written guidances to mortgagees, lenders, HUD-approved counselors and appraisers—essentially, anyone who is actively providing services on behalf of or with the permission of HUD. Similar guidance is done for other HUD programs.

Administrative law dictates that the agencies can issue administrative guidance that interprets statutes and regulations that we adopt, and it requires public notice and comment, and must be based on an authorizing statute. The FHA's guidance for lenders comes in the form of handbooks and these mortgagee letters, which essentially provide periodic advice and clarification while we are trying to do these voluntary agreements. Last year, the FHA issued 43 separate versions of this mortgagee letter. So far this year, it has issued about 14.

My amendment would strike the text that I believe and that the FHA believes would interfere with the rest of the work that the FHA is doing in its operation. These are not areas targeted by the bill by the gentlewoman from Illinois. The bill provides that anything substantially similar to what they have prohibited in section 2, which is a mortgagee letter titled 2010–23, would also be prohibited.

That creates a problem. That stops the FHA from doing a lot of the other work that both sides agree needs to be done. We are talking about voluntary agreements where the bank and the servicer and the homeowner agree. Basically, that would be stopped by this legislation. So I'm not trying to undo the targeted work that you're trying to do. I'm just trying to let the FHA do its job in general.

I also want to remind the gentlewoman from Illinois that the FHA, by itself, cannot recreate the finance program through a mortgagee letter. It can only do so if it is legislation that is clearly underlying its action. All the mortgagee letters must go through departmental clearance and must be viewed by OMB before they become official guidance. So I am asking that this amendment be accepted to clarify the action of the bill, itself.

I yield back the balance of my time.

Mrs. BIGGERT. Madam Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentlewoman from Illinois is recognized for 5 minutes.

Mrs. BIGGERT. This amendment came up in committee and failed during our committee markup by a vote of 33–22. The amendment removes all references to the mortgagee letter issued by HUD concerning the FHA Refinance Program, and I think that this announcement was the defining document for the program and provided guidance to lenders on the FHA Refinance Program.

I think our concern is that the amendment leaves the door open for the Treasury and for HUD to at a later date create another substantially similar program to the FHA Refinance Program, again, without the express consent of Congress.

As the sponsor of the bill mentioned, this program was never authorized by Congress. The funding came from the TARP moneys that were set aside for the HAMP program, and the mortgagee letter was effectively the authorizing document for the program. If this were to be in, there would be no nullification of the program; it wouldn't be terminated. This mortgagee letter speaks directly to this program, and I don't think that it affects the other parts of the FHA. It really just voids the letter, in doing so, to end the program.

We don't need to further burden the FHA with this program. An FHA program right now is currently operating below its congressionally mandated 2 percent capital reserve ratio, and this program has the potential to further expose taxpayers to FHA losses. Even the administration has expressed concerns over the new program loan performance. During testimony delivered to the Financial Services Committee, the FHA Commissioner testified ''these loans may perform worse than refinanced loans that were not previously under water.''

This is another example of the administration's using TARP dollars in questionable ways. I think that the program is similar in scope to the failed HOPE for Homeowners program established under FHA in 2008, and even that program has helped fewer than 200 borrowers since its inception.

So we are concerned that the method of funding for this program exposes taxpayers to higher levels of TARP money. I don't think that it affects FHA other than that this program is terminated. This program, along with its companion programs and the failed HAMP program, should be terminated, and all unobligated funds associated with the program should instead be used to pay down the Nation's unsustainable debt. I would oppose the amendment.

I yield back the balance of my time.

Mr. FRANK of Massachusetts. Madam Chair, I move to strike the last word.

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

Mr. FRANK of Massachusetts. Madam Chair, I regret the fact that my colleague from Massachusetts, who is a good lawyer and a careful student of what we do, has drafted a very specific amendment aimed at a particular point. He has been answered with a lot of general rhetoric, and I don't think his point was understood. The gentlewoman simply repeated general rhetoric about the bill.

He is not trying by the back door to reestablish this program. He has talked to thoughtful people, and is worried about an overreach. I think the only thing we're seeing now is pride of authorship by whoever drafted this bill for them. The gentlewoman from Illinois is, as I said, using a lot of general rhetoric, which is totally unresponsive to the very specific point my friend from Massachusetts made.

With that, in the hope that if he says it again he might get them to pay attention to the specifics, I yield to my friend, the gentleman from Massachusetts (Mr. LYNCH).

Mr. LYNCH. Madam Chair, look, I will concede that the gentlelady from Illinois has raised a lot of good points. Unfortunately, none of them are relevant to my amendment. If you look at section 2, which is what you just talked about, that remains intact. That remains intact.

□ 1410

Basically, what you have done on the bill is it says: effective on the date of the act there are rescinded and permanently canceled all unexpended balances remaining available as of such date of enactment of the amounts made available under title I of the Emergency Economic Stabilization Act. So you have cut out the top and you say it can't be used for mortgages, and I left that language alone.

But then in that section you identify, specifically, mortgage letter 2010–23. And you say, nothing can be used for that. I am not trying to turn over that apple cart.