

In 2007, the Democratic-controlled Congress passed the College Cost Reduction Act, which was a terrific measure that cut the interest rates for the Stafford Student Loan program, the federally subsidized student loan program which provided some stability and affordability for middle class families, from 6.8 percent down to 3.4 percent. In addition, we unfroze the Pell Grant program, which is the workhorse of paying for college education, all of it paid for by eliminating wasteful subsidies to banks. That measure has a sunset this July. The interest rate reduction of the College Cost Reduction Act will in fact expire on July 1 unless Congress acts.

President Obama in his State of the Union Address a few nights ago raised this issue before all of us in the House and Senate when he said: "When kids do graduate, the most daunting challenge can be the cost of college. At a time when Americans owe more in tuition debt than credit card debt, this Congress needs to stop the interest rates on student loans from doubling in July."

Mr. Speaker, shortly after his address, myself and Congressman PETERS from Michigan introduced H.R. 3826, which is a measure that would extend the 3.4 percent, the lower interest rates on the Stafford Student Loan program, and in just a few days we have accumulated 55 cosponsors to this measure.

Again, the math is crystal clear: If we do not act, if we do not maintain those interest rates at 3.4 percent, if Congress does nothing, the U.S. Public Interest Research Group has calculated that for those students who take out the maximum \$23,000 in subsidized student loans, their interest payments will increase by \$5,200 over a 10-year repayment period and \$11,300 over a 20-year repayment period.

Now, if you told middle class families that if Congress doesn't act on a measure like this, your out-of-pocket costs are going to go up \$5,200 for taxes, there would be a huge hue and cry about the fact that Congress must not let that happen. Well, that's exactly the same situation we face today with the Stafford Student Loan program. Again, we know from the passage of the College Cost Reduction Act that this is something that this body is capable of doing.

This past weekend I was with a family whose son is now in his junior year, and as an undergraduate has almost a perfect 4.0 grade average, very motivated to go into the health care field, and he has already accumulated \$100,000 in student loan debt. We as a Nation must address this problem.

The National College Board, which tracks graduation rates internationally, reminds us that back in the 1980s, the U.S. was number one in the world in terms of graduation rates. We have fallen to number 12 according to the National College Board, and the biggest reason that students are not finishing college is because of afford-

ability and cost. Again, the President laid out the challenge to the Congress in his State of the Union Address. We must not allow Stafford Student Loan interest rates to double on July 1.

□ 1010

We should pass H.R. 3826. We should get that to the President so that colleges and universities can help families plan their tuition payments for the upcoming year and not allow this country to go backwards in terms of making sure that we have the finest workforce in the world.

#### THE SENATE MUST PASS A BUDGET

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. NUGENT) for 5 minutes.

Mr. NUGENT. Mr. Speaker, I rise today to call upon the Senate majority leader, Democrat HARRY REID. He set no budget this year. The American people, I guess, don't deserve a budget. When the Senate, on the 24th of January, surpassed the 1,000th day that they've yet to put a budget forward, HARRY REID said, Guess what, American public? You really don't need one.

Even though this organization, this government, is running at a 40 percent deficit, the Senate majority leader, HARRY REID, says, Don't worry about it. We don't need a plan, and we don't need a budget, even though small businesses have a budget, county and State officials have a budget, and you and I at home have a budget that we have to depend upon to guide us as we move forward throughout our year.

We just can't wing it any longer, Mr. REID. The American people demand more of us. The American people actually believe that the Senate should take action on bills that we, in the House, have passed. Now, American job creators, it's about what we are supposed to be doing here, not partisan politics.

Mr. REID, this body—this body—has had more bipartisan support on bills that we've sent over to the Senate only to see them die, to see no action at all, bills that could create jobs in America—not hypothetical jobs, but real jobs by people that actually create jobs, those in our small businesses that create 70 percent of our new jobs in America. Mr. REID, the American public demands more of us as an institution to reach across and do the right thing.

Mr. Speaker, all I can ask is that this body continue to put pressure upon the Senate, and particularly the Senate majority leader, Mr. REID, to do the right thing. It doesn't matter if you pass the bills that we send over to you, Mr. REID. It's about bringing them up on the Senate floor, debate them, and let the American people see where you stand on the issue. And at the end of the day, whether you vote for it or against it, at least the American people have seen you in action.

The other thing the Senate can do is they can always amend any measure that we send over there and send it back to us. It's not to say that we always have the best idea, but I believe that the Senate, our brothers and sisters in the Senate, could have some good ideas. Attach them back, amend our bill, and send it back to us for us to consider and even go to conference if necessary.

All we're asking is the United States Senate to take action on things that we, in the House, have passed, many in a very bipartisan way. If you remember back on January 24, on the 1,000th day, this body here—this body—voted 410-1 to vote on a resolution calling upon the Senate to pass a budget, that it's of national importance that we actually have a budget and that the Senate be a participant in the discussions, not just sitting on the sidelines expecting us to carry the water.

Mr. Speaker, we stand here today exploring our Members to do the right thing. Let's keep the pressure on the Senate to do the right thing.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind the Members that remarks in debate must be addressed to the Chair and not to others in the second person.

#### HOUSING CRISIS

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Ohio (Ms. KAPTUR) for 5 minutes.

Ms. KAPTUR. Mr. Speaker, it's over time for Wall Street megabanks, their CEOs, speculators, and sharpies to come and scrub the floors of homeless shelters across this country that are crammed with people who have lost their homes. Let's make those Wall Street bankers sign up to work with Habitat for Humanity to restore housing in neighborhoods across our Nation. Wouldn't that be sweet justice? Once they've paid back the billions that they owe the American people, whose homes they've raided of equity, let's put them to work.

Wouldn't it be great to see the CEO of Goldman Sachs, I think his name is Lloyd Blankfein, out there with buckets and scrub brushes? Come to Toledo; come to Cleveland; come to America, the part you've hurt so deeply. Wouldn't it be great? Let him be joined by Josh Bolten, who was there when the Bush administration handed the toxic mortgage paper to the people of the United States.

Well, come on down, Angelo Mozilo, from Countrywide. I think a little hard work would help you a whole lot. How about Bank of America? How about the CEO there? How about JPMorgan Chase? How about Jamie Dimon? I wonder when was the last time he scrubbed a floor. How about Jim Johnson, who headed up Fannie Mae, or Hank Paulson? Oh, I'd love to see this.

As I speak, coming to light are important developments in the much anticipated settlement between the individual State governments and the big Wall Street banks over the widespread use of fraudulent schemes and missing paperwork that fueled the foreclosure crisis. As the press has reported, we are seeing the possible imposition of \$25 billion in penalties against Wells Fargo, Bank of America, JPMorgan Chase, Ally Financial and Citigroup. Given the extent of the damage they caused, it's a small start. Just in Ohio, the financing gap was \$20 billion. That's what it would take to stabilize the housing market in just our State.

Most importantly, The New York Times is reporting that the deals will "preserve the right to investigate past misdeeds by the bank." Not one, not even the titans of Wall Street, should be able to buy legal immunity for their criminal acts as millions of families lose their homes.

It is important that we do not forget how systemic mortgage fraud has become. In an interview given by a former executive vice president of Countrywide Financial, a giant player in the U.S. mortgage business, this executive who was in charge of fraud investigations at the company related how "Countrywide loan officers were forging and manipulating borrowers' income and asset statements to help them get loans they weren't qualified for and couldn't afford." She went on to say that, whenever we looked through all of the recycle bins, they were full of signatures that they had cut off of one document and put on another and then photocopied or faxed. According to her, the fraud was systemic, taking place in Boston, Chicago, Miami, Detroit, Las Vegas, Phoenix and, I can tell you, Cleveland, Parma, Lorain, Elyria, Toledo, and Sandusky.

What we cannot forget is that these stories are not isolated. The FBI testified before Congress as early as 2004 that they were seeing an epidemic in white collar financial crimes, and they did not have anywhere near enough agents to go after the wrongdoers. Wasn't that convenient? While the number of agents has increased due to congressional pressure, the FBI needs to have more special agents and forensic experts to properly investigate the level of accounting corruption that is believed to exist.

This is the most basic, bipartisan concept I can think of, that criminals cannot be allowed to get away with their crimes because our law enforcement agencies lack the manpower to stop them.

I have a bill I hope my colleagues can support. It is H.R. 3050, the Financial Crisis Criminal Investigation Act, that would authorize an additional 1,000 FBI agents to take on the kinds of fraud that have destroyed the economic futures of countless American families and so gravely harmed our Republic. A good first step was the inclusion of more than 200 additional agents in the

last appropriations cycle. This administration should use it to go after these Wall Street perpetrators.

The President announced during his State of the Union address a new working group to look into mortgage fraud. It will coordinate efforts between the FBI, the Justice Department, and various States to go after those on Wall Street who have perpetuated fraud in the markets, using mortgage-backed securities, collateralized debt obligations, and lots of other sophisticated financial tricks.

Given the seriousness of the fraud, the number of American families that have lost their homes and savings, and the drag that that foreclosure crisis continues to have on the economy means we need more vigilance and let's confront Wall Street, and put the perpetrators in jail. And let's have them scrub floors in this new year.

[From the New York Times, Feb. 5, 2012]

#### DEAL IS CLOSER FOR A U.S. PLAN ON MORTGAGE RELIEF

(By Shaila DeWan and Nelson D. Schwartz)

With a deadline looming on Monday for state officials to sign onto a landmark multibillion-dollar settlement to address foreclosure abuses, the Obama administration is close to winning support from a crucial state that would significantly expand the breadth of the deal.

The biggest remaining holdout, California, has returned to the negotiating table after a four-month absence, a change of heart that could increase the pot for mortgage relief nationwide to \$25 billion from \$19 billion.

Another important potential backer, Attorney General Eric T. Schneiderman of New York, has also signaled that he sees progress on provisions that prevented him from supporting it in the past.

The potential support from California and New York comes in exchange for tightening provisions of the settlement to preserve the right to investigate past misdeeds by banks, and stepping up oversight to ensure that the financial institutions live up to the deal and distribute the money to the hardest-hit homeowners.

The settlement would require banks to provide billions of dollars in aid to homeowners who have lost their homes to foreclosure or who are still at risk, after years of failed attempts by the White House and other government officials to alter the behavior of the biggest banks.

The banks—led by the five biggest mortgage servicers, Bank of America, JPMorgan Chase, Wells Fargo, Citigroup and Ally Financial—want to settle an investigation into abuses set off in 2010 by evidence that they foreclosed on borrowers with only a cursory examination of the relevant documents, a practice known as robo-signing. Four million families have lost their homes to foreclosure since the beginning of 2007.

As recently as two weeks ago, with federal officials hoping to complete a deal that President Obama could cite in his State of the Union address, California's attorney general, Kamala Harris, made it clear she was not on board, terming the plan inadequate. But in the last few days, differences have narrowed in negotiations that one participant described as round the clock, with California officials in direct communication with bank representatives for the first time in months.

"For the past 13 months we have been working for a resolution that brings real relief to the hardest-hit homeowners, is trans-

parent about who benefits, and will ensure accountability," Ms. Harris said in a statement. "We are closer now than we've been before but we're not there yet."

The settlement has been hamstrung by one delay after another over the last year. Winning California's support now would represent a major win for the White House in this election year.

"I am encouraged by the conversations we've had with many states in the last few days," said Shaun Donovan, the secretary of housing and urban development. "This will be one of the most significant steps in the recovery of homeowners, neighborhoods and the broader housing market from the worst collapse since the Depression."

"My fundamental point is that it's a first step," he added, citing measures like Mr. Obama's proposal last week to lower interest rates for homeowners who are still current on their mortgages.

Officials involved in the negotiations cautioned that broader state support could still be days away. And although the timing of any announcement is subject to last-minute maneuvering, as it stands now the deal would set aside up to \$17 billion specifically to pay for principal reductions and other relief for up to one million borrowers who are behind on their payments but owe more than their houses are currently worth. The deal would also provide checks for about \$2,000 to roughly 750,000 who lost homes to foreclosure.

Those figures are contingent upon the number who respond to the offer, which is likely to go to people who lost their homes between Jan. 1, 2008, and Dec. 31, 2011. In addition, said Patrick Madigan, the Iowa assistant attorney general, homeowners who participate in the settlement will still have the right to sue the banks for improper behavior in the foreclosure process.

California has been focused on measures that would benefit individual homeowners, while New York has been most interested in preserving its ability to investigate the root causes of the financial collapse.

Another critical issue for California is narrowing the amnesty given to banks because under the state's False Claims Act, state officials and huge pension funds like Calpers would be able to collect sizable monetary damages from the banks if they could prove mortgages were improperly packaged into securities that later soured. What is more, California's participation would result in having more money available for many other states, including an estimated \$500 million in additional money for Florida.

But the agreement's terms do not guarantee minimum allocations of mortgage relief by state.

Mr. Donovan added that there had been numerous discussions with individual states that had specific concerns.

California officials and other veterans of the foreclosure crisis are haunted by the failure of past attempts to alter the behavior of the big banks, including a 2008 deal with Countrywide Financial, the subprime giant now owned by Bank of America, and a more recent agreement last April between federal regulators and the biggest mortgage servicers.

The backers of the latest deal insist their plan has more teeth, with a powerful outside monitor to oversee enforcement and heavy monetary penalties if banks fail to live up to commitments. While the past agreement with Countrywide gave banks credit even if their offers to modify the interest rate of the mortgage or write down principal were not accepted by borrowers, this deal counts only what banks actually do for homeowners.

If banks fall short of the multibillion-dollar benchmarks set out for principal reduction and other benefits for homeowners, they

will have to pay the difference plus a penalty of up to 40 percent directly to the federal government, according to Mr. Madigan.

The depressed housing market continues to pose a drag on the halting economic recovery. RealtyTrac, which analyzes housing data, predicts two million more foreclosures over the next two years. Some 11 million families owe more on their houses than they are worth.

The settlement, if all states participate, will also include \$3 billion to lower the rates of mortgage holders who are current. Banks will get more credit for reducing principal owed and helping families keep their homes, and less for short sales or taking losses on loans that were likely to go bad, like those that were severely delinquent.

□ 1020

#### STREETCAR SUMMIT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, this week, people from dozens of cities around America are gathering for the annual Streetcar Summit.

For the last 25 years, I've been working to reintroduce the modern streetcar to American communities. We started with a project in Portland, Oregon, over 20 years ago. It was a great pleasure for me to see this open in 2001 and watch how this streetcar investment anchored revitalization in the downtown, led to over \$3 billion of private and public investment along the right-of-way, encouraged over 22 million people to ride the streetcar, and developed into a signature project for our community.

More recently, when the new administration was sworn into office, I worked with the White House to implement legislation that I had in the last reauthorization that we called "Small Starts," which somehow had stalled. Within 4 months, the new administration was able to help us figure out how to move it forward. In October of 2009, we were able to sign an agreement with the Obama administration and start the project.

I'm pleased to report that this project—which has provided over 1,800 jobs, that is extending a 3½-mile line—will be open. In fact, we've invited President Obama to ride on the first official trip. He can ride this year on a project that started in the first year of his administration, now a completed project. As an added bonus, he would be able to ride the first American-built streetcar in 58 years.

While it's manufactured in Portland, Oregon—I say with some modest pride—it makes a difference for people around the country because it's going to be provided to other communities like Tucson, Arizona, in the project I worked on with our former colleague, Gabby Giffords. And subcontracting is occurring throughout the upper Midwest, where smaller manufacturers are helping construct this product made in America.

As a result of the administration's investment of \$419 million since October of 2009, we're watching projects take place in 10 cities across America—in Detroit, Cincinnati, St. Louis, Salt Lake—that are moving forward with this vision. Indeed, the people in the conference that will be here this week represent operating systems that are now in Seattle, San Francisco, Galveston, Little Rock, Memphis, New Orleans, Lowell, Massachusetts, Kenosha, Wisconsin. There are communities all across America that have seized this vision and are moving forward. They are coming together to deal with how communities, large and small, can seize on this proven technology that was, after all, the cornerstone of urban development long about 1900. This was the technology that was driving American community development. Well, it still can drive community development, provide tens of thousands of jobs, be able to help focus the revitalization of, what in some areas, are troubled neighborhoods. It's an opportunity to bring people together on the streetscape, to be able to give a different environment for shopping, recreating, and, frankly, preventing pollution, congestion—in many cases a trip not taken.

I strongly urge my colleagues, when the opportunity arises this week, to meet some of the people in the vanguard of America's new streetcar renaissance. A simple, commonsense, proven technology that's cost-effective, that provides an anchor for development, giving people an opportunity to give another choice to the residents—empowering them, making their neighborhoods more livable, their families safer, healthier, and more economically secured.

This is what this Congress should be working on, coming together to take projects like this, a constructive Federal partnership, stretching dollars and making a success that we can all be proud of.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 10 o'clock and 24 minutes a.m.), the House stood in recess.

□ 1200

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. WOMACK) at noon.

#### PRAYER

Rabbi Jeffrey Astrachan, Temple Beth Israel, York, Pennsylvania, offered the following prayer:

Almighty source of strength, peace and compassion, I stand humbly before

You to ask Your blessing upon those who serve our great Nation, to all who dedicate themselves to its prosperity and security.

Grant to each Member of this House the wisdom and vision to look steadfastly toward our future, to labor earnestly for the welfare of all, and to consider wholeheartedly the passion and sacrifice of those who came before us, who helped to preserve and foster the noblest ideals for which our Nation stands.

Today, especially, we consider the valor of those four Army chaplains whose selfless acts of heroism 69 years ago not only saved the lives of others, but inspire us to serve in our own day to continue our partnership in Your ever-unfolding acts of creation on Earth.

May the memories of the four chaplains and the ideals for which they lived ever remain a blessing.

Amen.

#### THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

#### PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from New York (Mr. TURNER) come forward and lead the House in the Pledge of Allegiance.

Mr. TURNER of New York led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

#### WELCOMING RABBI JEFFREY ASTRACHAN

The SPEAKER pro tempore. Without objection, the gentleman from Pennsylvania (Mr. PLATTS) is recognized for 1 minute.

There was no objection.

IN MEMORY OF THE "FOUR CHAPLAINS"

Mr. PLATTS. Mr. Speaker, I am honored to host our guest chaplain, Rabbi Jeffrey Astrachan, to give today's opening prayer. Rabbi Astrachan is here today to help honor the sacrifice of the four chaplains who gave their lives during the sinking of the troop ship *Dorchester* during World War II. This is especially significant because one of the four chaplains, Lieutenant Alexander D. Goode, was once a rabbi with the same congregation in York, Pennsylvania, my hometown that Rabbi Astrachan now serves.

Along with the rabbi, I am pleased to take this opportunity to recognize the courageous sacrifice made 69 years ago by the four chaplains. The *Dorchester* was torpedoed off the coast of Greenland. Only 230 of the over-900 men on