

3. Scale Back of FHA Market Share: In June 2012, FHA began administratively pricing mortgage insurance premiums for large loans (loans above \$625,500) at a level 25 basis points higher than those with lower loan limits (150 bps compared to 125 bps). FHA, as mandated by Congress, is currently the only federal entity able to insure loans between \$625,500 and \$729,000. FHA is committed to taking steps to redirect this business to the private market where it has typically been served. With the premium increase we announced in November, these large loans will now be priced at the current statutory maximum for annual mortgage insurance premiums (155 bps). Further, FHA will implement a policy change that lowers the maximum loan-to-value ratio on loans above \$625,500 to 95% from 96.5%, or in other words, raising the down payment from 3.5% to 5% for these loans. The combination of a higher down payment and higher mortgage insurance premiums for these loans will continue our efforts to drive this business to the private market.

4. Access to FHA Loans After a Foreclosure: Borrowers are able to access FHA-insured financing three years after they have experienced a foreclosure only if they have reestablished good credit and qualify for an FHA loan in accordance with the fully documented underwriting requirements for any FHA-insured mortgage origination. FHA is concerned that a few lenders are inappropriately advertising and soliciting borrowers with the false pretense that they can somehow “automatically” qualify after three years. First and foremost, FHA will step up its enforcement for FHA-approved lenders with regard to such advertising and remind them of their duty to fully underwrite loan applications in accordance with FHA guidelines. In addition, the credit score/DTI policy outlined above will be applicable to borrowers seeking to obtain FHA-insured financing following a foreclosure. Furthermore, FHA is committed to performing additional data analysis to determine if the original cause of a borrower's foreclosure was due to a one-time economic event, such as the loss of employment that has since been regained, and whether that results in any different or better performance than other reasons for foreclosure. This effort may inform future policies in this area. Finally, as discussed in our Annual Report to Congress, FHA is also committed to structuring a new housing counseling initiative that would apply to a number of borrower classifications, including borrowers with previous foreclosures.

Senator, I deeply appreciate the advocacy, focus, and concern you bring to ensuring that the Mutual Mortgage Insurance Fund is restored to financial health as rapidly as possible. I share your sense of urgency about these matters, and I commit to you that I will move on these additional actions by January 31, 2013, and I have confirmed that the Administration will support these new policies. You have my word on this and I expect to be held accountable to perform.

Sincerely,

CAROL J. GALANTE,  
*Acting Assistant Secretary for Housing—  
Federal Housing Commissioner.*

Mr. CORKER. Again, I wish to thank the Senator from Alabama for his comments regarding FHA. I agree; a lot has to change. I just think we are much better having a Director there to try to make those changes happen than not.

With that, I yield the floor and see the Senator from Ohio in the Chamber.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

Mr. BROWN of Ohio. Mr. President, I thank the Senator from Tennessee, who is a valued member of the Banking Committee. I thank him for his comments in support of Ms. Galante's nomination, and I appreciate some of the criticisms Senator SHELBY offered. I wish to answer a couple of those but then move directly to Ms. Galante and concur in the support for Ms. Galante from Senator CORKER.

Two years ago, Senator BEGICH and I introduced an FHA reform bill which, unfortunately, because of people on the other side, has been blocked, for whatever reasons.

Two weeks ago, we tried to pass the FHA Emergency Fiscal Solvency Act—a commonsense reform measure that came out of the House of Representatives, sponsored by a Republican from Illinois, Congressman BIGGERT. She is the chair of the relevant House Financial Services Subcommittee. It passed the House on a suspension, 402 to 7—an unusual demonstration of bipartisanship in the House of Representatives.

Passing that bill would not have prevented action next Congress. Yet some of my colleagues again stand in the way of these taxpayer protections.

Let me turn to Ms. Galante and the reasons I am supporting her nomination.

As an Ohioan, I am inclined to support an Ohio Wesleyan graduate who is married to an Akron native. Obviously, more important than that, she has shown deep interest in the challenges facing the housing market in northeast Ohio, a place that has been devastated by a hollowing out of our manufacturing base and preyed upon by unscrupulous subprime lenders—for a period of more than a decade, I might add.

She has met with the Cuyahoga County Land Bank, the Cleveland Housing Network, city officials to hear about all the great work people are doing in northeast Ohio to rebuild the city's housing market. Some of the most innovative ideas in the country have come out of Cleveland and the land bank and the housing network.

After I sat down with her and shared stories of big banks that were allowing FHA properties in Cincinnati to fall into decay, FHA updated its servicing rules to hold these banks accountable.

FHA has selected Cleveland, Akron, and Canton for its next round of note sales. This program allows for the sale of distressed and delinquent FHA mortgages to parties that will rehabilitate the loans in order to help stabilize these neighborhoods.

Because of her many years of experience in housing and real estate and her commitment to addressing the crucial issues facing today's hardest hit cities—big cities and smaller cities alike—and what has happened to these housing markets, I urge a “yes” vote on the Galante nomination.

I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSON of South Dakota. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. JOHNSON of South Dakota. Mr. President, I rise in support of the nomination of Ms. Carol J. Galante to be HUD Assistant Secretary for Housing and Federal Housing Commissioner.

Carol Galante currently serves in the position for which she has been nominated. Prior to her designation as the Acting FHA Commissioner, Ms. Galante served as the Deputy Assistant Secretary for Multifamily Housing Programs, overseeing HUD's FHA multifamily portfolio as well as 1.6 million units of assisted housing.

The FHA is playing an important countercyclical role in the housing market, providing credit as private sources of capital have withdrawn. Much has been done by the administration and Congress to strengthen FHA's underwriting and fiscal position in recent years. However, as we have seen in a recent report on the financial status of the FHA, the legacy of loans insured in prior years still pose a threat to the fund that must be managed. It is important that the FHA have a confirmed management team in place to continue oversight of these legacy loans. Ms. Galante is a highly qualified nominee, and I urge my colleagues to confirm her without delay.

I yield the floor and suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FRANKEN.) Without objection, it is so ordered.

#### THE FISCAL CLIFF

Mr. MCCONNELL. Mr. President, my office submitted our latest offer to the majority leader last night at 7:10 p.m. and offered to work through the night to find common ground. The majority leader's staff informed us they would be getting back to us this morning at 10 a.m., despite the obvious time crunch we all have. It is now 2 p.m. We have yet to receive a response to our good-faith offer. I am concerned about the lack of urgency here. I think we all know we are running out of time. There is far too much at stake for political gamesmanship. We need to protect the American families and businesses from this looming tax hike.

Everyone agrees action is necessary. In order to get things moving, I have just spoken with the majority leader. I also placed a call to the Vice President to see if he could help jump-start the negotiations on his side. The Vice President and I have worked together on solutions before and I believe we can again.

I want my colleagues to know that we will keep everyone updated. The consequences of this are too high for the American people to be engaged in a political messaging campaign. I am interested in getting a result. I was here all day yesterday. As I indicated, we submitted our latest proposal at 7 p.m. last night. I am willing to work with whoever can help.

There is no single issue that remains an impossible sticking point. The sticking point appears to be a willingness, an interest, or, frankly, the courage to close the deal. I want everyone to know I am willing to get this done, but I need a dance partner.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, we have been negotiating now for 36 hours or thereabouts. We did have conversations last night that ended late in the evening between the staffs. This morning we have been trying to come up with some counteroffer to my friend's proposal. We have been unable to do that.

I have had a number of conversations with the President. At this stage, we are not able to make a counteroffer. The Republican leader has told me that—he just said here that he is working with the Vice President. I wish them well. In the meantime, I will continue to try to come up with something, but at this stage, I do not have a counteroffer to make. Perhaps as the day wears on, I will be able to.

I will say that I think the Republican leader has shown absolute good faith. It is just that we are apart on some pretty big issues.

Mr. GRASSLEY. Mr. President, today, the Senate turns to the nomination of William Joseph Baer, of Maryland, to be an Assistant Attorney General. If confirmed he will head the Antitrust Division of the Department of Justice. In considering the confirmation of the President's nominees, I give the President great deference. I believe he should have great latitude in selecting his advisors and officers. But that does not mean that I will not make an independent determination of the nominee's qualifications and fitness for the job. I am not here to merely rubberstamp the President's desires. Factors that I consider relevant include respect for the Constitution, fidelity to the law, intellectual ability, personal integrity, and professional competence. In reviewing Mr. Baer's entire record, I was disappointed to find he does not meet this test. Therefore I will vote no on his confirmation.

Mrs. FEINSTEIN. Mr. President, I come to the floor to express my support for Carol Galante, who is from my home State of California, in her nomination for Commissioner of the Federal Housing Administration and Assistant Secretary for Housing.

The FHA Commissioner is directly responsible for oversight of the FHA insurance portfolio, which includes single family, multifamily housing and in-

sured health care facilities. Carol Galante has been serving in an acting capacity since last year, but it is critical that she be confirmed by the Senate today.

While Acting FHA Commissioner, Carol Galante has made improvements to the long term health and position of the FHA. It is important that we confirm her to this position because continuing in an acting capacity adds to overall uncertainty in the market regarding the role of the FHA.

In the wake of the collapse of the housing bubble, the FHA has played a vital role in providing access to credit for worthy homebuyers looking to purchase a home. As the private mortgage insurance market pulled back, the FHA has stepped in to make sure that credit-worthy borrowers have the ability to get a mortgage.

Carol Galante has taken steps as the Acting Commissioner to help FHA better manage risk, bolster the Mutual Mortgage Insurance Fund and streamline programs to better enable FHA to fulfill its mission of contributing to the creation and growth of stable, sustainable, inclusive communities.

This includes placing a moratorium on the troubled full drawdown reverse mortgage program, increasing underwriting standards for riskier borrowers, and increasing down payment requirements and insurance premiums for higher balance mortgages.

I believe that these steps will help enhance the future solvency of the FHA while allowing the agency to fulfill its mission of providing low-income and first time homebuyers with access to affordable mortgage credit.

Carol Galante had decades of work experience in affordable housing development before she went to HUD to manage FHA's multifamily programs; this gives her a unique perspective on the issues facing our Nation's housing and mortgage markets.

In addition to her early work in the private sector in real estate development, ownership, and management, she worked for a number of California cities as a city planner and in community economic development.

These roles led to her eventual position for 25 years as president and chief executive of BRIDGE Housing Corporation, the largest nonprofit developer of affordable, mixed-income and mixed-use developments in California. While at BRIDGE, she helped create partnerships between government, private industry and nonprofits.

This blend of public and private experience has been extremely valuable for the Federal Housing Administration as it deal with both the private loan and mortgage industry.

Given her demonstrated and unique experience in the housing market, I strongly urge the confirmation of Carol J. Galante as Federal Housing Administration Commissioner and Assistant Secretary for Housing.

VOTE ON THE NOMINATION OF WILLIAM BAER

The PRESIDING OFFICER. Under the previous order, there is now 2 min-

utes of debate prior to a vote on the Baer nomination.

Who yields time?

Mr. REID. We yield back all time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of William Joseph Baer, of Maryland, to be an Assistant Attorney General?

Mr. REID. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr. KERRY), the Senator from New Jersey (Mr. LAUTENBERG), and the Senator from Vermont (Mr. LEAHY) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Tennessee (Mr. ALEXANDER), the Senator from Georgia (Mr. CHAMBLISS), the Senator from South Carolina (Mr. DEMINT), the Senator from Nebraska (Mr. JOHANNIS), the Senator from Illinois (Mr. KIRK), the Senator from Ohio (Mr. PORTMAN), and the Senator from Florida (Mr. RUBIO).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 26, as follows:

[Rollcall Vote No. 249 Ex.]

#### YEAS—64

Akaka	Graham	Nelson (FL)
Ayotte	Hagan	Paul
Baucus	Harkin	Pryor
Begich	Heller	Reed
Bennet	Johnson (SD)	Reid
Bingaman	Johnson (WI)	Rockefeller
Blumenthal	Klobuchar	Sanders
Boxer	Kohl	Schatz
Brown (MA)	Landrieu	Schumer
Brown (OH)	Lee	Shaheen
Cantwell	Levin	Snowe
Cardin	Lieberman	Stabenow
Carper	Lugar	Tester
Casey	Manchin	Toomey
Collins	McCaskill	Udall (CO)
Conrad	Menendez	Udall (NM)
Coons	Merkley	Warner
Corker	Mikulski	Webb
Durbin	Moran	Whitehouse
Feinstein	Murkowski	Wyden
Franken	Murray	
Gillibrand	Nelson (NE)	

#### NAYS—26

Barrasso	Enzi	McConnell
Blunt	Grassley	Risch
Boozman	Hatch	Roberts
Burr	Hoeben	Sessions
Coats	Hutchison	Shelby
Coburn	Inhofe	Thune
Cochran	Isakson	Vitter
Cornyn	Kyl	Wicker
Crapo	McCain	

#### NOT VOTING—10

Alexander	Kerry	Portman
Chambliss	Kirk	Rubio
DeMint	Lautenberg	
Johannis	Leahy	

The nomination was confirmed.

Mr. LEAHY. Mr. President, I am glad that the Senate voted to confirm the nomination of Bill Baer to serve as Assistant Attorney General in the Antitrust Division of the Department of Justice. His nomination has been pending for 10 months, and more than three