to, especially on unnecessary payments. But, unfortunately, between 250,000 to 400,000 families nationwide are now doing exactly that. They are paying up to $100 each month and thousands of dollars over the life of their mortgages for unnecessary private mortgage insurance.

There is nothing inherently wrong with private mortgage insurance, or PMI. It can be a valuable and essential tool used by many families who want to buy a home but are unable to finance a full 20 percent down payment. Fully 54 percent of mortgages offered last year did require PMI.

That means the lender requires the borrowers to buy and pay for insurance to protect the lender in case of a borrower's default. As a result, lenders have then been able to issue mortgages to families with smaller down payments, who otherwise could not afford homes. that is of benefit to the consumer. So far, so good.

The problem with PMI arises once you have established approximately 20 percent equity in your home. This is the figure generally accepted by the mortgage industry as a benchmark of the risk they take in financing your home. At that point, PMI should no longer be necessary, since there is minimal risk to the lender. After all, the lender holds title to the home if you should default, and can always sell the property.

But many homeowners are never even notified that they can discontinue their private mortgage insurance, and just keep on paying and paying and paying. It adds up to thousands of dollars. Continuing to pay insurance to protect the lender after a borrower no longer represents a serious risk is an unjustified windfall to insurance companies, and an unfair burden on homeowners. That practice must stop, and our action today will insure that it does stop.

Mr. Speaker, I give special credit to the gentleman from Utah (Mr. HANSEN) for bringing this issue to the attention of our Committee on Banking and Financial Services and for bringing it to the attention of the full House of Representatives.

The bill Congressman HANSEN introduced initially would have required disclosure to homebuyers, both at the mortgage signing and in annual statements, of the precise conditions that might enable them to cancel payments of private mortgage insurance. But after Committee Members had time to reflect upon it, we believed that that would be helpful but not helpful enough. Some argued we should move beyond disclosure and also create a right to terminate, at least after certain conditions were met.

Many thought that even that was insufficient and we should go further still. This was my position. Simple disclosure and creation of a right to cancel is not enough. Unnecessary insurance payments should be terminated as a matter of law. Certainly, no sensible borrower would choose to pay for insurance to protect a lender against the borrower's own default unless forced to do so.

Therefore, rather than create a right to reject and cancel insurance, which any reasonable person would always exercise, we argued we should legislate instead the actual termination of the insurance once certain conditions were met. That is an essential element of the bill we have before us today.

The bill protects the consumer's right to initiate cancellation of the private mortgage insurance once 20 percent of the mortgage is satisfied, and requires servicers to cancel a consumer's mortgage insurance once 22 percent of the mortgage is satisfied.

Nonetheless, I am convinced we could have and should have gone even further. For instance, the bill does not afford the same automatic cancellation rights to so-called high-risk consumers, whose PMI will be canceled at the half-life of the mortgage. The bill does direct the housing enterprises, FNMA and Freddie Mac, to establish industry guidelines defining what constitutes a risky borrower.

I assume and hope, and will watch to see, that the GSEs use their authority prudently. But I want to be clear that this provision was not included to enable lenders or investors to circumvent the intent of this legislation or to discriminate against certain types of borrowers. We will be watching implementation of this provision very closely.

With that in mind, I have asked that the bill require the GAO to evaluate how the high-risk exception is being applied, and report the findings to the Congress after enactment.

With regard to state preemption, again, I much preferred the House version. At least in this case, the bill we have before us does protect state PMI cancellation and consumer laws in effect prior to January 2, 1998, and provides those states, eight of them, two years to revise and amend their laws: California, Minnesota, New York, Colorado, Connecticut, Maryland, Massachusetts and Missouri.

I would have strongly preferred that the bill simply respect the rights of all states to enact stronger cancellation and disclosure laws, or had allowed the eight states with laws on the books to amend their laws without limitation. But the Senate would not agree to this approach. Nonetheless, I am pleased that we are now protecting stronger state consumer laws in states like New York, where they already do exist.

All in all, this is a strong consumer bill. It could have been stronger in some regards, and we might make it even stronger in future years. But it represents real and significant progress for consumers. I urge my colleagues now to join me in supporting S. 318.

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

The SPEAKER pro tempore (Mr. HAYWORTH). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the Senate bill, S. 318, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 318, the Senate bill just passed.

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

There was no objection.

ENFORCEMENT OF CHILD CUSTODY AND VISITATION ORDERS

Mr. COBLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4164) to amend title 28, United States Code, with respect to the enforcement of child custody and visitation orders.

The Clerk read as follows:

H.R. 4164

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

SECTION 1. CHILD CUSTODY AND VISITATION DETERMINATIONS.

Section 1738A of title 28, United States Code is amended as follows:

(1) Subsection (a) is amended by striking ''subsection (f) of this section, any child custody determination'' and inserting ''subsections (f) and (g) of this section, any custody determination or visitation determination''.

(2) Subsection (b)(2) is amended by striking ''a parent'' and inserting '', but not limited to, a parent or grandparent or, in cases involving a contested adoption, a person acting as a parent''.

(3) Subsection (b)(3) is amended—

(A) by striking ''or visitation'';

(B) by striking ''and'' before ''initial orders''; and

(C) by inserting before the semicolon at the end the following: '', and includes decrees, judgments, orders of adoption, and orders dismissing or denying petitions for adoption''.

(4) Subsection (b)(4) is amended to read as follows:

''(4)(A) except as provided in subparagraph (B), 'home State' means—

''(i) the State in which, immediately preceding the time involved, the child lived with his or her parents, a parent, or a person acting as a parent, with whom the child has been living for at least six consecutive months, a prospective adoptive parent, or an agency with legal custody during a proceeding for adoption, and

''(ii) in the case of a child less than six months old, the State in which the child lived from birth, or from soon after birth,

and periods of temporary absence of any such persons are counted as part of such 6-month or other period; and

''(B) in cases involving a proceeding for adoption, 'home State' means the State in which—

''(i) immediately preceding commencement of the proceeding, not including periods of temporary absence, the child is in the custody of the prospective adoptive parent or parents;

''(ii) the child and the prospective adoptive parent or parents are physically present and the prospective adoptive parent or parents have lived for at least six months; and

''(iii) there is substantial evidence available concerning the child's present or future care;''.

(5) Subsection (b)(5) is amended by inserting ''or visitation determination'' after ''custody determination'' each place it appears.

(6) Subsection (b) is amended by striking ''and'' at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting ''; and'', and by adding after paragraph (8) the following:

''(9) 'visitation determination' means a judgment, decree, or other order of a court providing for the visitation of a child and includes permanent and temporary orders and initial orders and modifications.''.

(7) Subsection (c) is amended by striking ''child custody determination'' in the matter