host city and of the thousands of athletes who participated in the games. In particular, I would like to congratulate the people who work at the Utah Transit Authority and Utah Department of Transportation for their role in making these Games the most mobility-friendly in history.

Transit provided a safe, effective and efficient transportation alternative for tens of thousands of visitors from around the world, while also serving local residents who rode transit and helped reduce congestion. The efforts of Utah's transportation professionals helped to ensure that the transportation system worked seamlessly during the Olympics.

Salt Lake City developed TRAX, its light rail system, in anticipation of the 2002 Olympics to reduce growing congestion levels in the region. Since service began on the TRAX system in 1999, which opened a year ahead of schedule and under budget, residents in Utah have flocked to use it. Ridership has greatly exceeded projections, and remains high on the system even following the Olympic Games.

In addition to the amazing effort of Utah's transit employees, transit systems from around the nation helped support the Olympic games. Buses and light rail cars borrowed from across the country, in addition to 1,100 transit operators from other cities who came to Salt Lake City to assist the UTA, made the difference in the quality of transit service provided to the approximately 1.7 million spectators, athletes, trainers, officials, journalists, sponsors and staff attending the 2002 Olympics. The Amalgamated Transit Union also played a key role in encouraging drivers and maintenance personnel to participate in the Olympics by helping the Salt Lake Organizing Committee. The willingness of transit agencies from throughout the United States to support Salt Lake City during the 2002 Olympics demonstrates yet another winning team for our country.

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

The SPEAKER pro tempore (Mr. WALDEN of Oregon). The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the resolution, H. Res. 363, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SMITH of New Jersey. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

BUSINESS CHECKING FREEDOM ACT OF 2002

Mr. TOOMEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1009) to repeal the prohibition on the payment of interest on demand deposits, as amended.

The Clerk read as follows:

H.R. 1009

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 ''Business Checking Freedom Act of 2002''.

SEC. 2. INTEREST-BEARING TRANSACTION ACCOUNTS AUTHORIZED.

(a) REPEAL OF PROHIBITION ON PAYMENT OF INTEREST ON DEMAND DEPOSITS.—

(1) FEDERAL RESERVE ACT.—Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended to read as follows:

''(i) [Repealed]''.

(2) HOME OWNERS' LOAN ACT.—The first sentence of section 5(b)(1)(B) of the Home Owners' Loan Act (12 U.S.C. 1464(b)(1)(B)) is amended by striking ''savings association may not—'' and all that follows through ''(ii) permit any'' and inserting ''savings association may not permit any''.

(3) FEDERAL DEPOSIT INSURANCE ACT.—Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended to read as follows:

''(g) [Repealed]''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect at the end of the 2-year period beginning on the date of the enactment of this Act.

SEC. 3. INTEREST-BEARING TRANSACTION ACCOUNTS AUTHORIZED FOR ALL BUSINESSES.

Section 2 of Public Law 93–100 (12 U.S.C. 1832) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following:

''(b) Notwithstanding any other provision of law, any depository institution may permit the owner of any deposit or account which is a deposit or account on which interest or dividends are paid and is not a deposit or account described in subsection (a)(2) to make up to 24 transfers per month (or such greater number as the Board of Governors of the Federal Reserve System may determine by rule or order), for any purpose, to another account of the owner in the same institution. An account offered pursuant to this subsection shall be considered a transaction account for purposes of section 19 of the Federal Reserve Act unless the Board of Governors of the Federal Reserve System determines otherwise.''.

SEC. 4. PAYMENT OF INTEREST ON RESERVES AT FEDERAL RESERVE BANKS.

(a) IN GENERAL.—Section 19(b) of the Federal Reserve Act (12 U.S.C. 461(b)) is amended by adding at the end the following new paragraph:

''(12) EARNINGS ON RESERVES.—

''(A) IN GENERAL.—Balances maintained at a Federal reserve bank by or on behalf of a depository institution may receive earnings to be paid by the Federal reserve bank at least once each calendar quarter at a rate or rates not to exceed the general level of short-term interest rates.

''(B) REGULATIONS RELATING TO PAYMENTS AND DISTRIBUTION.—The Board may prescribe regulations concerning—

''(i) the payment of earnings in accordance with this paragraph;

''(ii) the distribution of such earnings to the depository institutions which maintain balances at such banks or on whose behalf such balances are maintained; and

''(iii) the responsibilities of depository institutions, Federal home loan banks, and the National Credit Union Administration Central Liquidity Facility with respect to the crediting and distribution of earnings attributable to balances maintained, in accordance with subsection (c)(1)(A), in a Federal reserve bank by any such entity on behalf of depository institutions.

''(C) DEPOSITORY INSTITUTIONS DEFINED.—For purposes of this paragraph, the term 'depository institution', in addition to the institutions described in paragraph (1)(A), includes any trust company, corporation organized under section 25A or having an agreement with the Board under section 25, or any branch or agency of a foreign bank (as defined in section 1(b) of the International Banking Act of 1978).''.

(b) AUTHORIZATION FOR PASS THROUGH RESERVES FOR MEMBER BANKS.—Section 19(c)(1)(B) of the Federal Reserve Act (12 U.S.C. 461(c)(1)(B)) is amended by striking ''which is not a member bank''.

(c) CONSUMER BANKING COSTS ASSESSMENT.—

(1) IN GENERAL.—Section 1002 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note) is amended to read as follows:

''SEC. 1002. SURVEY OF BANK FEES AND SERVICES.

''(a) ANNUAL SURVEY REQUIRED.—The Board of Governors of the Federal Reserve System shall obtain annually a sample, which is representative by type and size of the institution (including small institutions) and geographic location, of the following retail banking services and products provided by insured depository institutions and insured credit unions (along with related fees and minimum balances):

''(1) Checking and other transaction accounts.

''(2) Negotiable order of withdrawal and savings accounts.

''(3) Automated teller machine transactions.

''(4) Other electronic transactions.

''(b) MINIMUM SURVEY REQUIREMENT.—The annual survey described in subsection (a) shall meet the following minimum requirements:

''(1) CHECKING AND OTHER TRANSACTION ACCOUNTS.—Data on checking and transaction accounts shall include, at a minimum, the following:

''(A) Monthly and annual fees and minimum balances to avoid such fees.

''(B) Minimum opening balances.

''(C) Check processing fees.

''(D) Check printing fees.

''(E) Balance inquiry fees.

''(F) Fees imposed for using a teller or other institution employee.

''(G) Stop payment order fees.

''(H) Nonsufficient fund fees.

''(I) Overdraft fees.

''(J) Deposit items returned fees.

''(K) Availability of no-cost or low-cost accounts for consumers who maintain low balances.

''(2) NEGOTIABLE ORDER OF WITHDRAWAL ACCOUNTS AND SAVINGS ACCOUNTS.—Data on negotiable order of withdrawal accounts and savings accounts shall include, at a minimum, the following:

''(A) Monthly and annual fees and minimum balances to avoid such fees.

''(B) Minimum opening balances.

''(C) Rate at which interest is paid to consumers.

''(D) Check processing fees for negotiable order of withdrawal accounts.

''(E) Fees imposed for using a teller or other institution employee.

''(F) Availability of no-cost or low-cost accounts for consumers who maintain low balances.

''(3) AUTOMATED TELLER TRANSACTIONS.—Data on automated teller machine transactions shall include, at a minimum, the following:

''(A) Monthly and annual fees.

''(B) Card fees.

''(C) Fees charged to customers for withdrawals, deposits, and balance inquiries through institution-owned machines.

''(D) Fees charged to customers for withdrawals, deposits, and balance inquiries through machines owned by others.

''(E) Fees charged to noncustomers for withdrawals, deposits, and balance inquiries through institution-owned machines.

''(F) Point-of-sale transaction fees.

''(4) OTHER ELECTRONIC TRANSACTIONS.—Data on other electronic transactions shall include, at a minimum, the following:

''(A) Wire transfer fees.

''(B) Fees related to payments made over the Internet or through other electronic means.

''(5) OTHER FEES AND CHARGES.—Data on any other fees and charges that the Board of Governors of the Federal Reserve System determines to be appropriate to meet the purposes of this section.

''(6) FEDERAL RESERVE BOARD AUTHORITY.—The Board of Governors of the Federal Reserve System may cease the collection of information with regard to any particular fee or charge specified in this subsection if the Board makes a determination that, on the basis of changing practices in the financial services industry, the collection of such information is no longer necessary to accomplish the purposes of this section.

''(c) ANNUAL REPORT TO CONGRESS REQUIRED.—

''(1) PREPARATION.—The Board of Governors of the Federal Reserve System shall prepare a report of the results of each survey conducted pursuant to subsections (a) and (b) of this section and section 136(b)(1) of the Consumer Credit Protection Act.

''(2) CONTENTS OF THE REPORT.—In addition to the data required to be collected pursuant to subsections (a) and (b), each report prepared pursuant to paragraph (1) shall include a description of any discernible trend, in the Nation as a whole, in a representative sample of the 50 States (selected with due regard for regional differences), and in each consolidated metropolitan statistical area (as defined by the Director of the Office of Management and Budget), in the cost and availability of the retail banking services, including those described in subsections (a) and (b) (including related fees and minimum balances), that delineates differences between institutions on the basis of the type of institution and the size of the institution, between large and small institutions of the same type, and any engagement of the institution in multistate activity.

''(3) SUBMISSION TO CONGRESS.—The Board of Governors of the Federal Reserve System shall submit an annual report to the Congress not later than June 1, 2004, and not later than June 1 of each subsequent year.

''(4) TRANSITION PROVISION.—Notwithstanding section 4(c)(3) of the Business Checking Freedom Act of 2002, the Board of Governors of the Federal Reserve System shall, on an interim basis, continue to comply with the requirements for the bank fee survey under the amendment made to this section by section 108 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 for reports submitted to the Congress under this section not later than June 1, 2003, except that the Board shall incorporate within any such report, to the extent possible, any additional information on any credit card fee or charge that is available to the Board even though such information is not required by such amendment.

''(d) DEFINITIONS.—For purposes of this section, the term ''insured depository institution'' has the meaning given such term in section 3 of the Federal Deposit Insurance Act, and the term ''insured credit union'' has the meaning given such term in section 101 of the Federal Credit Union Act.''.

(2) AMENDMENT TO THE TRUTH IN LENDING ACT.—

(A) IN GENERAL.—Paragraph (1) of section 136(b) of the Truth in Lending Act (15 U.S.C. 1646(b)(1)) is amended to read as follows:

''(1) COLLECTION REQUIRED.—The Board shall collect, on a semiannual basis, from a broad sample of financial institutions which offer credit card services, credit card price and availability information including—

''(A) the information required to be disclosed under section 127(c) of this chapter;

''(B) the average total amount of finance charges paid by consumers; and

''(C) the following credit card rates and fees:

''(i) Application fees.

''(ii) Annual percentage rates for cash advances and balance transfers.

''(iii) Maximum annual percentage rate that may be charged when an account is in default.

''(iv) Fees for the use of convenience checks.

''(v) Fees for balance transfers.

''(vi) Fees for foreign currency conversions.''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect on January 1, 2003.

(3) REPEAL OF SUNSET PROVISION.—Section 108 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 is hereby repealed.

(4) NONAPPLICABILITY OF OTHER PROVISION OF LAW.—Section 3003(a)(1) of the Federal Reports Elimination and Sunset Act of 1995 (31 U.S.C. 1113 note) shall not apply to any report required to be submitted under section 1002(b) of Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(d) TECHNICAL AND CONFORMING AMENDMENTS.—Section 19 of the Federal Reserve Act (12 U.S.C. 461) is amended—

(1) in subsection (b)(4) (12 U.S.C. 461(b)(4)), by striking subparagraph (C) and redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively; and

(2) in subsection (c)(1)(A) (12 U.S.C. 461(c)(1)(A)), by striking ''subsection (b)(4)(C)'' and inserting ''subsection (b)''.

SEC. 5. INCREASED FEDERAL RESERVE BOARD FLEXIBILITY IN SETTING RESERVE REQUIREMENTS.

Section 19(b)(2)(A) of the Federal Reserve Act (12 U.S.C. 461(b)(2)(A)) is amended—

(1) in clause (i), by striking ''the ratio of 3 per centum'' and inserting ''a ratio not greater than 3 percent (and which may be zero)''; and

(2) in clause (ii), by striking ''and not less than 8 per centum,'' and inserting ''(and which may be zero),''.

SEC. 6. TRANSFER OF FEDERAL RESERVE SURPLUSES.

(a) IN GENERAL.—Section 7(b) of the Federal Reserve Act (12 U.S.C. 289(b)) is amended by adding at the end the following new paragraph:

''(4) ADDITIONAL TRANSFERS TO COVER INTEREST PAYMENTS FOR FISCAL YEARS 2002 THROUGH 2006.—

''(A) IN GENERAL.—In addition to the amounts required to be transferred from the surplus funds of the Federal reserve banks pursuant to subsection (a)(3), the Federal reserve banks shall transfer from such surplus funds to the Board of Governors of the Federal Reserve System for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury, such sums as are necessary to equal the net cost of section 19(b)(12) in each of the fiscal years 2002 through 2006.

''(B) ALLOCATION BY FEDERAL RESERVE BOARD.—Of the total amount required to be paid by the Federal reserve banks under subparagraph (A) for fiscal years 2002 through 2006, the Board of Governors of the Federal Reserve System shall determine the amount each such bank shall pay in such fiscal year.

''(C) REPLENISHMENT OF SURPLUS FUND PROHIBITED.—During fiscal years 2002 through 2006, no Federal reserve bank may replenish such bank's surplus fund by the amount of any transfer by such bank under subparagraph (A).''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 7(a) of the Federal Reserve Act (12 U.S.C. 289(a)) is amended by adding at the end the following new paragraph:

''(3) PAYMENT TO TREASURY.—During fiscal years 2002 through 2006, any amount in the surplus fund of any Federal reserve bank in excess of the amount equal to 3 percent of the paid-in capital and surplus of the member banks of such bank shall be transferred to the Secretary of the Treasury for deposit in the general fund of the Treasury.''.

SEC. 7. RULE OF CONSTRUCTION.

In the case of an escrow account maintained at a depository institution in connection with a real estate transaction—

(1) the absorption, by the depository institution, of expenses incidental to providing a normal banking service with respect to such escrow account;

(2) the forbearance, by the depository institution, from charging a fee for providing any such banking function; and

(3) any benefit which may accrue to the holder or the beneficiary of such escrow account as a result of an action of the depository institution described in subparagraph (1) or (2) or similar in nature to such action, shall not be treated as the payment or receipt of interest for purposes of this Act and any provision of Public Law 93-100, the Federal Reserve Act, the Home Owners' Loan Act, or the Federal Deposit Insurance Act relating to the payment of interest on accounts or deposits at depository institutions.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. TOOMEY) and the gentleman from Texas (Mr. GONZALEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. TOOMEY).

GENERAL LEAVE

Mr. TOOMEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous materials on the bill.

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

There was no objection.

Mr. TOOMEY. Mr. Speaker, I yield myself 5 minutes as I rise today in support of H.R. 1009, the Business Checking Freedom Act of 2002.

Let me begin by saying that as a former small business owner, I have seen firsthand just how challenging it can be to run and operate a small business and the endless headaches that come with playing so many roles: making a payroll every Friday, complying

with an almost endless amount of regulation, paperwork, and taxes.

It is an unfortunate fact that regulation itself, applied equally to large and small entities, is more burdensome to the smaller businesses, because they just have fewer resources with which to meet the needs of the regulatory environment and to cover the overhead costs. Despite these obstacles, many small businesses are thriving.

What I think we can do here in Congress is ask ourselves, Are there ways that we can help these businesses to thrive, help them expand their bottom line, help them to hire more workers, become more productive, and contribute more to our economy? I think we can do that by fostering an environment where the free enterprise market system can thrive. Part of that means eliminating unnecessary regulation. That is something we can do today.

It may be hard to believe for many folks, but we actually have a law on the books today that prohibits banks from even having the option of offering to pay interest on the checking accounts held by businesses with those banks. It is actually illegal for a bank in America to pay interest to a business that keeps a balance in its checking account.

Now, this has implications. The inability of depository institutions to pay interest on these business checking accounts really hurts all sectors of our economy, but the harm is especially pronounced on small businesses. Specifically, it means that the small florist shop in Pennsburg, Pennsylvania, cannot earn any interest on the hard-earned balance that they have to keep in their checking account to pay the bills. Over the course of a year or two, that could mean several hundred dollars. In time it could mean the difference between making a payroll and not making a payroll.

It means the auto mechanics shop on Northampton Street in Easton, Pennsylvania, cannot earn the interest on their hard-earned checking account balance, and that could make the difference in investing in the latest technology for diagnostic equipment for car repairs.

Now more than ever, a change in this law would be very helpful to businesses as they struggle through this economic slowdown and try to get this economy moving again.

Today, what Congress can do to help is we can pass H.R. 1009, the Business Checking Freedom Act of 2002. The bill contains several commonsense reforms; but most importantly, it eliminates the ban on the payment of interest on business checking accounts that is currently imposed on banks after a 2-year transition period. The ban has been in effect since the Great Depression. Frankly, it was probably never a very good idea, but it is certainly long overdue for appeal now; and today is our chance to abolish this ban.

Support for this bill is nearly universal. The U.S. Chamber of Commerce, the NFIB, the America's Community Bankers, the National Association of Federal Credit Unions, the Association for Financial Professionals, and the Independent Insurance Agents of America are just a handful of the independent organizations that support this bill.

In addition, on March 19 of this year, President Bush announced that repealing the prohibition on business interest checking would be included as part of his small business legislative plan.

In addition to the President, the Federal regulators support this legislative change as well. In their 1996 joint report, ''Streamlining of Regulatory Requirements,'' the Board of Governors of the Federal Reserve System, the FDIC, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision stated that they believe that the 1933 statutory prohibition against payment of interest on business checking accounts ''no longer serves a public purpose.''

There is another important feature that I would like to touch on briefly in this bill, and that is that in addition to providing small business with much-needed relief, H.R. 1009 would authorize a payment of interest on certain reserves that banks are required to maintain at the Federal Reserve, the so-called ''sterile reserves.'' Just as it makes no sense to prohibit banks from paying interest on business checking, it also makes no sense to continue to prohibit the Federal Reserve from paying interest to banks on their sterile reserves.

Federal Reserve Chairman Alan Greenspan has testified before our committee, the Committee on Financial Services, that repealing the prohibition against paying interest on sterile reserves would have the additional benefit of facilitating the Federal Reserve's management of U.S. monetary policy. In part because the Fed pays no interest on these Reserves, balances at Federal Reserve banks have declined dramatically in recent years. The Federal Reserve believes that paying interest on these reserves would have the effect of stemming that decline and thereby enhancing their ability to conduct monetary policy.

I would like to thank the gentleman from Ohio (Mr. OXLEY), the chairman of this committee, and the gentleman from New York (Mr. LAFALCE), the ranking member, for their strong support of this bill and for bringing it to the House floor today. I would also like to thank the gentlewoman from New York (Mrs. KELLY) and the gentleman from Pennsylvania (Mr. KANJORSKI) for their contributions, their support, and their leadership on this legislation. I believe this legislation is long overdue. I am hopeful that the other Chamber will soon bring it up as well. I urge my colleagues to pass this pro-small business, pro-small bank, pro-free market legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. GONZALEZ. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of H.R. 1009. This legislation repeals an outdated prohibition against banks paying interest to their business customers on their checking accounts, and we support it wholeheartedly.

The repeal of the ban on interest-bearing checking accounts represents another important step in the modernization of our financial services industry. This ban was adopted in the Great Depression out of fear that banks seeking business accounts would bid against each other with higher interest rates and, thus, contribute to bank insolvencies. Federal banking agencies have all concluded that the ban no longer serves a useful public purpose and that it is outdated in this modern financial services environment.

Mr. Speaker, H.R. 1009 promotes healthy competition within the financial services community for commercial checking accounts, which can only benefit the business community, particularly the small business community, with more efficient, cost-effective financial services.

Current law and market conditions prevent many small businesses from obtaining easy access to interest-bearing checking accounts, while many larger businesses and their banks have found a way around the interest prohibition through complicated sweep accounts and other devices. This legislation would end this discrepancy between small and large businesses and, ultimately, increase the efficiency of the Nation's economy.

□ 1530

I do share the concerns of many of my colleagues on the Committee on Financial Services that the Federal Reserve sterile reserve interest payment provisions of this bill may contribute to the budget deficit. But I believe that H.R. 1009, on balance, makes an important and necessary contribution to the long-term health of our Nation's economy.

I would also like to note that this bill includes a Democratic-sponsored provision that will provide an annual assessment by the Federal Reserve of the fees charged retail bank accounts. With fees representing an ever-growing share of bank earnings, an annual survey of retail bank fees is, in my view, increasingly important.

Mr. Speaker, I believe H.R. 1009 makes an important contribution to improving the financing opportunities for many small businesses across the country.

Mr. Speaker, I urge my colleagues to vote for the bill, and I reserve the balance of my time.

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank the gentleman from Texas (Mr. GONZALEZ) for his leadership and support of this legislation.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Speaker, I want to thank the gentleman from Pennsylvania for yielding this time to me, and for agreeing to engage in a colloquy on section 7 of the Business Checking Freedom Act of 2002.

I also want to thank him for including in this bill section 7, rule of construction. This provision addresses the treatment of certain services and benefits provided by banks in connection with escrow accounts for real estate closing transactions. It makes certain that the current legal definition of interest and the existing legal treatment of real estate closing escrow transactions remain the same.

Under current Federal law and regulations, particularly the Federal Reserve's regulation Q, banks may provide depositors with services and benefits, instead of interest. I originally asked that a similar provision be included in H.R. 974 in committee.

My interest in the issue stems from my experiences handling real estate closings early in my legal career and seeing firsthand the importance of regulation Q. I am grateful that adjustments are being made in the current version, and that the bill is moving forward.

Section 7 is especially important to title insurance companies, agents, and attorneys, who, like other businesses, often receive free or lower-cost bank services instead of interest on their real estate escrow accounts.

By not treating such services and benefits as constituting the payment of interest, the Federal Reserve ensures a real estate closing system that benefits both those who are delivering real estate services and those borrowers who receive the ultimate benefits of more efficient, lower-cost services.

In my legal practice, I became very familiar with these types of arrangements, and can attest to the fact that they facilitated and made more efficient the real estate closing process.

I strongly support this provision of the bill, and would ask the gentleman from Pennsylvania (Mr. TOOMEY) if he is of the same view regarding the intent of this provision.

Mr. TOOMEY. Mr. Speaker, will the gentlewoman yield?

Mrs. BIGGERT. I yield to the gentleman from Pennsylvania.

Mr. TOOMEY. Mr. Speaker, I would tell the gentlewoman, having supported this provision since we first considered this bill last year, I assure the gentlewoman that I agree with her. This provision rightfully preserves the current status of real estate escrow accounts held in connection with real estate closing transactions, and specifically in services and benefits that banks may provide instead of interest on such accounts.

Mrs. BIGGERT. I thank the gentleman for this clarification, Mr. Speaker.

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

Mr. TOOMEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. BACHUS), chairman of the Subcommittee on Financial Institutions and Consumer Credit.

Mr. BACHUS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in strong support of H.R. 1009. I first want to commend the gentleman from Pennsylvania (Mr. TOOMEY) for bringing this legislation to the floor. This is important legislation.

Members will recall that the House passed legislation very similar to this, which the gentleman from Pennsylvania (Mr. TOOMEY) sponsored back in April of last year. Then, at the end of last year, we passed the terrorist insurance legislation. We passed several other important pieces of legislation designed to get the economy going, designed to eliminate unnecessary regulations, to stimulate growth, to create jobs, and to end the recession in our regulations.

This legislation, like the terrorist insurance legislation that President Bush strongly urged the other body to get to work in passing, has not been passed by the other body. It is time that we sent this legislation out with a strong vote and a strong message to the other body to get to work passing this legislation and other important legislation.

This legislation had strong bipartisan support. I want to commend the gentleman from Texas (Mr. GONZALEZ) and the gentleman from Pennsylvania (Mr. TOOMEY). In speaking on this legislation, they basically have already outlined to this House amply why we need this legislation.

Mr. Speaker, this is critically important to small businesses. Large corporations use sweep accounts. They use sophisticated computer programs and complex programs to earn interest on their commercial deposits. Small business owners do not get those same benefits.

Money center banks can attract deposits from large corporate customers. They promise them, through sweep accounts, that they will be compensated for the use of their money. Our small community banks do not do this, or it would cost them a great expense to do this.

This legislation would simply enable the small businesses, whether it is a florist, a body shop, an auto body shop, a law firm, a doctor's office, a beauty shop, it will allow them to get the same benefits that large corporations are getting today.

It will also allow the small community banks to attract deposits. We all know that that is key for the small banks or community banks in attracting deposits, keeping those deposits and keeping those monies in the local communities.

Again, I want to commend the gentleman from Pennsylvania (Mr. TOOMEY) and the other party, the minority party, the gentleman from Pennsylvania (Mr. KANJORSKI) and the gentleman from Texas (Mr. GONZALEZ).

Also, finally, I want to commend the gentlewoman from New York (Mrs. KELLY) for her work on this bill, and the chairman of the full committee, the gentleman from Ohio (Mr. OXLEY).

Mr. TOOMEY. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, I thank the gentleman for giving me this time, and I rise in strong support of the bill offered by the gentleman from Pennsylvania (Mr. TOOMEY), which is titled H.R. 1009, the Business Checking Freedom Act.

Mr. Speaker, this bill really follows in the footsteps of groundbreaking legislation that we already passed in the House of Representatives when we repealed outdated Depression era constraints on the financial services industry and moved to move that industry into the 21st century.

Giving banks the ability to pay interest on business checking accounts has been endorsed by the President as part of his small business agenda. The Federal Reserve Board also has long supported efforts to allow banks to offer interest on demand accounts, and the measure enjoys a broad base of industry support, including support from the National Federation of Independent Businesses, from the U.S. Chamber of Commerce, from America's Community Bankers, from the National Association of Federal Credit Unions, from the Association of Financial Professionals, and from the Independent Insurance Agents of America.

The inability of depository institutions to pay interest on business accounts hurts all sectors of the economy and decreases the overall competitiveness of the American markets. This legislation gives small businesses the jumpstart they need to create new jobs and improve the economy while removing burdensome regulations from small banks and allowing the market to work. I think that is the point that the author, the gentleman from Pennsylvania (Mr. TOOMEY), makes so well.

Mr. Speaker, I strongly encourage all of my colleagues to support this legislation and to strike a victory for the American economy. I recognize that many businesses, by the way, maintain what are called ''now accounts.'' Those that do will not receive this benefit. I hope that in the future, as this legislation moves, the restriction on interest on corporate now accounts is also repealed.

Lastly, I just want to thank the gentleman from Pennsylvania (Mr. TOOMEY) for the opportunity to speak in support of his important bill.

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the case has been made very clearly that it is long past time to repeal this really archaic Depression era law that no longer serves any useful purpose, if it ever did.

I urge my colleagues to support this bill.

Mr. OXLEY. Mr. Speaker, the legislation the House considers today represents the Financial Services Committee's continuing efforts to modernize America's laws so that they promote economic growth and the free market. Today's legislation is but one of many needed reforms to ensure that outdated thinking doesn't stifle the competitive forces of markets, and the changes made by H.R. 1009 are long overdue.

Under current law, small businesses are the only entities which must leave their capital lying idle in non-interest bearing accounts. The Business Checking Freedom Act of 2002 corrects this problem. This change is simply common sense, which is why a similar measure sponsored by Representative KELLY was passed by this body over a year ago. Unfortunately, as has been the case with so many important reforms passed by the House this Congress, the other body has refused to take up Representative KELLY's bill for consideration. While the other body waits, millions of small businesses across America are denied the opportunity to earn interest, which they could put towards hiring more workers and improving their operations.

H.R. 1009 is an important reform that will have tangible effects on our economy. That's why the President included these reforms in his plan for revitalizing small business and entrepreneurship. It is also why Federal Reserve Chairman Alan Greenspan supports this bill. By passing this legislation today the House will continue to demonstrate its leadership in improving our laws to reflect the realities of the 21st century.

Mr. Speaker, it is time for the other body to follow our lead. I thank Representative TOOMEY for his outstanding leadership in this area. His efforts will help small businessmen and women across America, and as Chairman of the Financial Services Committee I am grateful. I urge all of my colleagues to support H.R. 1009.

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

The SPEAKER pro tempore (Mr. WALDEN of Oregon). The question is on the motion offered by the gentleman from Pennsylvania (Mr. TOOMEY) that the House suspend the rules and pass the bill, H.R. 1009, as amended.

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

A motion to reconsider was laid on the table.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 6:30 p.m.

Accordingly (at 3 o'clock and 40 minutes p.m.), the House stood in recess until approximately 6:30 p.m.

□ 1836

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. BIGGERT) at 6 o'clock and 36 minutes p.m.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 2646, FARM SECURITY ACT OF 2001

Mr. PHELPS. Madam Speaker, pursuant to clause 7(c) of rule XXII, I hereby announce my intention to offer the following motion to instruct House conferees tomorrow on H.R. 2646.

The form of the motion is as follows: Mr. PHELPS moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 2646, an act to provide for the continuation of agricultural programs through fiscal year 2011, be instructed to agree to the provisions contained in section 1071 of the Senate amendment, relating to reenactment of the family farmer bankruptcy provisions contained in chapter 12 of Title 11, United States Code.

Madam Speaker, I plan to offer this motion with the gentleman from Pennsylvania (Mr. HOLDEN).

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on motions to suspend the rules on which further proceedings were postponed earlier today.

Votes will be taken in the following order:

Journal vote, de novo;

House Resolution 377, by the yeas and nays;

H.R. 3958, by the yeas and nays;

House Resolution 363, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

THE JOURNAL

Pursuant to clause 8 of rule XX, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

The question is on agreeing to the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LAHOOD. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 361, nays 43, answered ''present'' 1, not voting 29, as follows:

[Roll No. 80]

YEAS—361

Abercrombie
Ackerman
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Boswell
Boucher
Boyd
Brady (TX)
Brown (OH)
Brown (SC)
Bryant
Burr
Callahan
Camp
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clyburn
Coble
Combest
Conyers
Cooksey
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Doggett
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Larson (CT)
LaTourette
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
Meehan
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Mink
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pomeroy
Portman
Price (NC)
Putnam
Quinn
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun (KS)
Sanchez