attractiveness to potential small business borrowers and lenders. The primary association with the expertise on the 7(a) program the National Association of Government Guaranteed Lenders (NAGGL)—is neutral on H.R. 1332 and has declined to take a position on the legislation.

First, Section 101 is simply unnecessary. As the former chairman of the Small Business Committee, I never heard one complaint from any small business owner about the 7(a) fee structure. However, I heard dozens of complaints from small businesses when the 7(a) program was shut down or operated with severe constraints in 2002, 2003, and 2004 because the appropriations bill that contained the funding for the SBA did not pass in time. I frequently challenged the supporters of reinstating a loan subsidy for the 7(a) program to find me one small business that was not able to get a 7(a) loan because of the higher fees imposed after 2004. They were never able to produce me one example. Why is that? Because the so-called higher fees that went into effect in 2004 were at the same level as they were prior to 2002. What happened when the 7(a) fees went back to the 2002 level? Despite many dire predictions at the time, the 7(a) program grew and thrived because lenders and borrowers knew that it would be around for the long-haul. The 7(a) program no longer had to rely on the timeliness of passing an annual appropriation bill. The 7(a) program now operates on automatic pilot similar to how the other main access to credit programs at the SBA—the 504 and the Small Business Investment Company (SBIC) programs—that also receive no annual subsidy and operates totally on user fees. October 1st—the beginning of the new federal fiscal year—is no longer is a day of anxiety and worry for small business borrowers and lenders.

Second, Section 101 will set the 7(a) program back on a path of instability. Unfortunately, this is a very technical and arcane debate where numbers and statistics are thrown around very casually. Some argue that H.R. 1332 will reduce fees up to $50,000 to small business borrowers. But then in the next breath, they argue that this bill will not modify the subsidy rate. Both cannot be true. It's important to remember that the main goal of the Democratic proponents of this legislation is to reinstate the loan subsidy for the 7(a) program. That's why the Congressional Budget Office (CBO) estimated that Section 101 will increase spending by $305 million in Fiscal Year 2008 and $2.265 billion over the next five years. Keep in mind, Mr. Chairman, that the President requested only $464 million in spending on the entire SBA in FY '08. If fully implemented, this bill would almost double the spending on the SBA in one year!

The Democratic supporters of this legislation also wish to duplicate the 7(a) fee structure as it was in place between 2002 and 2004 in which there was a federal loan subsidy of approximately $100 million each year for a 7(a) program level of under $9.5 billion. However, there were only three fees temporarily reduced during this time period as part of an economic stimulus package in the aftermath of the terrorist attacks of September 11, 2001. Just like other economic stimulus measures, such as the 50 percent bonus tax depreciation, these 7(a) fee reductions were intended to only remain in place a short while until the economy got back on track. They were never intended to become part of permanent law.

The upfront 7(a) borrower fee was temporarily reduced from 2 percent to 1 percent for small businesses seeking smaller 7(a) loans of under $150,000. For 7(a) loans between $150,000 and $700,000, the upfront fee was temporarily reduced from 3 percent to 2.5 percent. The 3.5 percent upfront fee on 7(a) loans from $700,000 to $1 million, which was the maximum loan guarantee limit at the time, was not reduced at all during the 2002 to 2004 time period. However, the annual ongoing fee changed to lenders on the remaining outstanding balance on a 7(a) loan was also temporarily cut in half from 0.50 percent to 0.25 percent. Thus, at most, a fee structure that temporarily existed between 2002 and 2004 produced a maximum savings of $3,500 to a small business seeking to borrow $700,000. For a small business borrower seeking a loan of $150,000, the maximum savings was $1,500. Both figures are a far cry from $50,000.

It is also important to remember that the upfront fee is rolled into the overall loan and amortized over the life-time of the loan. In other words, a borrower is not forced to come up with the entire upfront fee at closing. For the average small business 7(a) borrower, the fee change in 2004 only amounted to an increased payment of $10 per month. Thus, in return for an extra $10 per month, small business borrowers and lenders no longer have to worry about the 7(a) program ending or operating with various restrictions. However, if the 7(a) program is put back in the appropriations process, then there will be uncertainty if the program will be around for the long-term. Section 101 also allows 7(a) fees to fluctuate every few months depending upon whether or not Congress adds or subtracts money for a loan subsidy; thus harming long-term planning. This policy change also sets the precedent to reinstate the loan subsidies for the 504 and SBIC programs, which is the long-term goal of the Democratic proponents of this legislation.

I'm also concerned that at a time when we should be streamlining government, H.R. 1332 creates three new lending programs at the SBA and makes one pilot program permanent. While I am sympathetic to the need to increase lending to rural areas, help health care professionals to open up shop in medically underserved areas, and assist veterans and reservists, the initiatives contained in Sections 102 through 105 of H.R. 1332 fundamentally undermine the "zero" loan subsidy policy in the 7(a) program. To fully implement these provisions, Congress will be forced to choose between higher fees for all other small business borrowers or an even higher appropriation to subsidize these new programs. Knowing the perspective of the Democratic proponents of this legislation who fundamentally disagree with "zero subsidy," these initiatives will put further pressure on Congress to reinstate an appropriation for the 7(a) loan subsidy. CBO estimated that these three specific proposals will cost the taxpayer $11 million in 2008 and $77 million over the next five years. These provisions also set the precedent for other well-deserving groups to request Congress at a later date to eliminate 7(a) fees for them and provide their group with a much higher 90 percent guarantee rate on 7(a) loans, further exposing precious taxpayer money to higher risk of default and loss. It will be very hard for a future Congress to say no to these groups once these precedents have been set in this bill. I enclose for the RECORD a copy of the Administration's position on H.R. 1332, which reflects many of my same concerns listed above.

I am proud over what Republicans on the Small Business Committee were able to accomplish over the last 12 years to promote fiscal responsibility at the SBA while at the same time helping a record number of small businesses. When Republicans were given stewardship of Congress in 1995, Congress spent $213 million of the taxpayer's hard-earned money on the SBA to support a 7(a) and 504 loan program volume of $8.3 billion to reach 55,800 small business borrowers. In 2006, the SBA doubled that level of assistance to reach over 100,000 small business borrowers with a 7(a) and 504 loan program usage level of $19.1 billion—all at no direct cost to the taxpayer. We should not return to the pre-1995 days just to satisfy a philosophical desire to restore loan subsidy, particularly for a program that doesn't need it. The old adage applies here—if it ain't broke, don't fix it. Again, NAGGL has not taken a position on this bill. In short, Mr. Chairman, the 7(a) program ain't broke and the "cure" in Title I of H.R. 1332 is worse than the "disease." I urge my colleagues on both sides of Capitol Hill to oppose this well-meaning but misguided legislation.

April 24, 2007.

STATEMENT OF ADMINISTRATION POLICY

H.R. 1332—SMALL BUSINESS LENDING IMPROVEMENTS ACT OF 2007

The Administration has achieved significant results in expanding the availability of credit to small businesses. Between fiscal years 2001 and 2006, the Small Business Administration (SBA) has more than doubled the total number of guaranteed loans to small businesses under the Section 7(a) and Section 504 loan programs. SBA has achieved this growth while reducing program costs and taxpayer-provided subsidies. H.R. 1332 could potentially reverse this success by reintroducing or increasing taxpayer-funded subsidies for small business loan programs. The Administration therefore cannot support House passage of H.R. 1332 unless it is amended to delete provisions that would increase these subsidies and the need for appropriations and/or increased fees on other loan applicants.

The Administration also opposes provisions in the bill that would: (1) duplicate rural lending activities currently performed by the Department of Agriculture; (2) have SBA refinance private debt, as Federally-backed credit should not supplant private loans; and (3) raise constitutional questions by establishing race or gender-based preferences without presenting a strong basis in evidence that these preferences meet constitutional, standards. The Administration urges Congress to strike these provisions.

INTRODUCTION OF THE FREEDOM TO BANK ACT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 2007

Mr. PAUL. Madam Speaker, I am pleased to introduce legislation repealing two unconstitutional and paternalistic Federal financial regulations. First, this legislation repeals a Federal regulation that limits the number of withdrawals someone can make from a savings account in a month's time without being assessed financial penalties. As hard as it is to believe, the Federal Government actually forces banks to punish people for accessing their own savings too many times in a month. This bill also repeals a regulation that requires bank customers to receive a written monthly financial statement from their banks, regardless of whether the customer wants such a communication.

These regulations exceed Congress's constitutional powers and violate individual property and contract rights. Furthermore, these regulations insult Americans by treating them as children who are unable to manage their own affairs without Federal control. I urge my colleagues to show their respect for the Constitution and the American people by cosponsoring this legislation.

TRIBUTE TO VETERAN CONGRESSIONAL AIDE JUDITH BREWER

HON. JOHN M. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 2007

Mr. McHUGH. Madam Speaker, I rise today to honor my Legislative Director, Judith Brewer, for her 34 years of excellent service as a Congressional staff member and to wish her well upon her retirement. I also wish to thank her for the 26 years she served the citizens of northern New York, 14 of which were as a member of my staff.

After graduating from the University of Maine cum laude with a B.A. in political science, Judi began her career in 1973 when she joined Congressman Fred B. Rooney's staff as a Staff Assistant. Five years later, she joined the House Select Committee on Aging's Subcommittee on Retirement Income and Employment, where she served as a liaison between the subcommittee chairman, older Americans, and Federal agencies. Judi next served as Projects Assistant in Congressman Harold T. Johnson's office.

Judi began serving the people of northern New York in 1981 when she became a Legislative Assistant in my predecessor, Congressman David O'B. Martin's office. In that capacity, Judi developed significant expertise in policy areas of great importance to northern New York, including dairy, education, health care, and labor.

When I came to Congress in 1993, I was fortunate that Judi decided to continue her excellent service to the people of northern New York as a member of my staff. For the past 14 years, they, as well as I, have been the beneficiary of Judi's compassion, dedication, expertise, kindness, humor, and professionalism. Accordingly, I profoundly thank Judi and wish her the very best as she enters retirement.

HONORING KATHERINE CARNEY

HON. TOM DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 2007

Mr. TOM DAVIS of Virginia. Madam Speaker, I rise today to honor Katherine Carney upon receiving the Commonwealth Academy's Recognition for Educators, CARE, Award.

The CARE award honors outstanding educators from across the United States for their unrelenting work to enhance the lives of their students. Kathe, a teacher at Neabsco Elementary School, is honored for her work in promoting diverse learners in the spirit of the "No Child Left Behind Act."

Although she began her career teaching English literature, Mrs. Carney's passion and gift lay with teaching the neediest students. In 1994, at PACE West, a self-contained special education school, she taught students with serious emotional and behavioral needs. In addition to the 8–13 subjects she taught a day, she took on roles as a mentor, advisory committee member, and the school's administrator of various special education testing regimens. Devoted to reading, Mrs. Carney noted a void of books at her school, and was shocked to find no library at PACE West. She took it upon herself to initiate, organize, and develop the PACE West library, which housed 2,000 volumes upon her departure.

After 7 years at PACE, Mrs. Carney joined the staff at Swans Creek Elementary School. She taught a self-contained class for students in the 2nd–5th grade with learning disabilities, speech, language and vision impairments, and other health challenges. Again, Mrs. Carney mentored her fellow teachers and established the school's Learning Disabilities Program.

In 2003, Mrs. Carney joined the faculty at Neabsco Elementary School, teaching 4th and 5th graders who are emotionally disturbed. The administration at Neabsco quickly realized her abilities and tasked her to be the case manager of the Instructional Consultant Team and a member of the Child Study Team. Mrs. Carney has received numerous commendations at Neabsco, including being named 2007 Neabsco Teacher of the Year and was nominated to be 2007 Dale City Teacher of the Year.

Over her distinguished career, Mrs. Carney has demonstrated great resolve, patience, and a unique ability to make a positive difference in the lives of her students. Working with students with these needs is trying; however, every day is a new opportunity for Mrs. Carney and her students. No incident or past history is ever carried back into the classroom; this includes the time where an inadvertent swing of a baseball bat left her in a full leg cast for months.

It is dark when Mrs. Carney arrives at school and dark when she leaves. Her devotion to her students is immeasurable. Whether it is tutoring for the science fair on a Saturday, meeting with a concerned parent late at night, or counseling former students on life altering decisions, Mrs. Carney always makes herself available to those in need. Through her tender approach and no-nonsense outlook, Mrs. Carney has made a difference in the lives of countless youths in Prince William County.

Madam Speaker, in closing, I would like to commend and congratulate Mrs. Carney for being recognized as one of the 2007 CARE awardees. I call upon my colleagues to join me in applauding Kathe on all her accomplishments and in wishing her continued success in the years to come.

TRIBUTE TO THE 50TH ANNIVERSARY OF THE REPUBLIC OF GHANA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 2007

Mr. RANGEL. Madam Speaker, I rise today in honor of the 50th anniversary of the independence of the Republic of Ghana. On March 6, 1957, Ghana became the first country in Africa south of the Sahara to gain independence from colonial rule. The theme for the anniversary is: Championing African Excellence. There are three main objectives for the jubilee celebrations, which are: celebrate and commemorate Ghana's landmark achievement as the first country in Black Africa to attain independence from colonial rule; reflect on the evolution, development, achievements and drawbacks of the country over the past 50 years; and to look forward to the future vision of excellence in all fields of endeavor in the next 50 years towards the centennial anniversary of the nation.

Year-long activities marking the Golden Jubilee have been scheduled, beginning in January 2007 and ending in December 2007, with monthly themes including: Reflection, African Unity, and Heroes of Ghana. April's theme is "Our Nation, Our People," and I would like to enter into the RECORD this article, regarding another "first" for Ghana, reported by BBC News International on April 24, 2007, entitled "La Scala Brings Beethoven to Ghana." It details the recent visit to Ghana by Milan's La Scala orchestra and chorus and speaks about the hopes of expanding the appreciation of classical music to other countries in sub-Saharan Africa.

The Republic of Ghana continues to experience economic growth and the government continues to work on improving the energy generating capacity of the country. Recently an Educational Reform Program has been implemented, which primary vision is to align education to national aspirations to develop disciplined, socially conscious and well-rounded Ghanaians who can hold their own as global citizens anywhere. All these efforts promise that Ghana will reach its goal of excellence in all fields as they look towards the centennial anniversary. I urge fellow members to continue to support Ghana's independence by working towards victory over poverty, disease, gender in equality, and lack of education.

LA SCALA BRINGS BEETHOVEN TO GHANA

(By David Willey)

Italy's famous La Scala orchestra has played in sub-Saharan Africa for the first time.

The venue: Accra's 1,400 seat ultra-modern National Theatre.

The occasion: celebrations marking the 50th anniversary of Ghana's independence.

The cast: Daniel Barenboim and 160 members of the orchestra and chorus of Milan's La Scala.

The programme: Beethoven's Ninth Symphony, the Choral, whose Ode to Joy has become the official anthem of the European Union.

ELECTRIC

The evening began in an unusual way, with the beating of a traditional tribal drum, a traditional Ghanaian welcome.

It ended with a standing ovation for the prestigious orchestra and their equally famous conductor.