## EXPRESSING APPRECIATION TO COMMITTEE ON THE BUDGET STAFF

(Mr. SPRATT asked and was given permission to address the House for 1 minute.)

Mr. SPRATT. Mr. Speaker, I speak for myself, as the chairman of the Budget Committee, and for Mr. RYAN, as the ranking member, expressing our appreciation to our staff, who have done a marvelous job on both sides of the aisle in working together on this budget resolution that ultimately prevailed today.

I place into the RECORD the names of the staffers who have been key participants in the effort on our side of the aisle.

HOUSE BUDGET COMMITTEE STAFF

Tom Kahn
Sarah Abernathy
Ellen Balis
Arthur Burris
Linda Bywaters
Barbara Chow
Marsha Douglas
Stephen Elmore
Chuck Fant
Jose Guillen
Jennifer Hanson-Kilbride
Chris Long
Sheila McDowell
Richard Magee
Diana Meredith
Mark Middaugh
Gail Millar
Morna Miller
Namrata Mujumdar
Ifeoma Okwuje
Kimberly Overbeek
Kitty Richards
Diane Rogers
Scott Russell
Nicole Silver
Naomi Stem
Meaghan Strickland
Lisa Venus
Greg Waring
Andrea Weathers
Jason Weller

LEADERSHIP STAFF

Ed Lorenzen
Wendell Primus

## PERMISSION TO REDUCE TIME FOR ELECTRONIC VOTING DURING CONSIDERATION OF H.R. 1427, FEDERAL HOUSING FINANCE REFORM ACT OF 2007

Mr. SPRATT. Mr. Speaker, I ask unanimous consent that, during consideration of H.R. 1427, pursuant to House Resolution 404, the Chair may reduce to 2 minutes the minimum time for electronic voting under clause 6 of rule XVIII and clauses 8 and 9 of rule XX.

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

There was no objection.

## GENERAL LEAVE

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1427 and to insert extraneous material thereon.

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

There was no objection.

## FEDERAL HOUSING FINANCE REFORM ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 404 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 1427.

□ 1608

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 1427) to reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes, with Mr. ROSS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to begin by again asking the indulgence of the House for my less than usual sartorial splendor, but the cast on my left arm would misalign my jacket, and I wouldn't want to wear a suit unless I could do it full justice. So I am wearing a sweater that Mr. ROGERS no longer needs.

The bill before us today is a version of a bill that came before this House in October of 2005 after a lot of work by the former chairman, the gentleman from Ohio (Mr. OXLEY), and many of us now on the committee. That bill passed the House by a vote of 331–90. Many of those who voted in opposition, myself included, were motivated to it by a specific provision regarding the affordable housing fund that is no longer in the bill.

Mr. Chairman, the bill has two major components. First, it significantly increases the strength of the regulator of the two major Federal housing government-sponsored enterprises, Fannie Mae and Freddie Mac. It also deals with the Federal Home Loan System. That was seen as less in need of drastic change. There is, in fact, less change there. There will be an amendment regarding that offered by the gentleman from Pennsylvania (Mr. KANJORSKI), which I strongly support, to increase public participation in that system. But this is a bill fundamentally about Fannie Mae and Freddie Mac.

There is general agreement among a wide range of parties that this bill, building on the bill that Mr. OXLEY brought to the floor, does do what needs to be done in creating a strong regulator. There are some controversial elements here, but very few deal with the powers of the regulator that we have set up. And I am pleased that the Treasury Department, Under Secretary Paulson and Under Secretary Steel, has agreed. In fact, this is a bill which, with regard to regulation and the regulator, is a little bit stronger than the one we passed a few years ago. We had some negotiations. They were useful, and we have a fully empowered regulator here, independently funded and empowered to do whatever needs to be done to deal with any safety and soundness issues that arise from Fannie Mae and Freddie Mac.

The most controversial areas of the bill involve a provision that was also in the bill when it last passed, and that is an affordable housing fund. A number of people have argued over the years that Fannie Mae and Freddie Mac receive from the Federal Government advantages which help them borrow money cheaply in the market, and that is true. There is a connection between Fannie Mae and Freddie Mac and the Federal Government. Those who borrow that money thinking that the Federal Government guarantees it are wrong. There is no Federal guarantee implicit, explicit, or any other way. But it is the case that the market does see these entities in a very favorable light and lends them money at a somewhat lower rate than other entities can borrow. The reason for its having been set up that way was to try to help housing, especially home ownership because these entities buy the mortgages and help bring down the cost of mortgages, but they have also been given for years goals by the law where they are particularly to help lower income housing.

Now, a number of people have argued over the years that Fannie Mae and Freddie Mac's shareholders, and in the past some of their executives, received too large a share of those benefits. The argument was, with some accuracy, that Fannie Mae and Freddie Mac benefited very much and not enough of that reached the public.

There are two ways you could deal with that. You could reduce the benefits that Fannie Mae and Freddie Mac get. Some people have advocated that. Alternatively, you could do what this bill does: leave the existing situation which provides some benefits to them but increase the share of those benefits that go for public purposes. We do that in two ways in this bill: First of all, and this does not appear to be terribly controversial, Fannie Mae and Freddie Mac have statutorily imposed goals. Some people have said these are private corporations and you shouldn't tell them what to do. Well, we have been doing that for a very long time. They are told that they must, in purchasing mortgages in the secondary market, make certain purchases that