begin a responsible redeployment out of Iraq.

THE MILITARY SURGE IS WORKING

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, through a hailstorm of political attacks that continue on the floor of the Congress this morning, last week, America's two lead men in Iraq brought news to this Congress which should be welcome to every American family.

Despite the lack of political progress at the national level in Iraq, the military surge is working. And because the surge is working, our troops can start coming home.

I urge every American to tune out the rhetoric in Washington, D.C. and read the report. But don't just read the testimony of General David Petraeus and Ambassador Ryan Crocker; read the recent report issued by the more liberal-leaning Brookings Institution. In each case, our men and that liberal think tank found civilian deaths are down. Sunni leaders are cooperating with U.S. forces, and al Qaeda is on the run in Baghdad and Anbar province. These independent assessments should be read by every American, and every American should be encouraged; for even to a war-weary Nation, I say, if we do not grow weary in doing well, freedom will prevail in Iraq.

TIME TO BRING OUR TROOPS HOME

(Ms. SHEA-PORTER asked and was given permission to address the House for 1 minute.)

Ms. SHEA-PORTER. Mr. Speaker, we now know what the President's plan for Iraq is: it's just stay. Stay for how long? He doesn't know. We don't really have a plan, but we do know that we have not succeeded in Iraq. In spite of the efforts of our brave soldiers, in spite of the 10 to $12 billion a month that we have spent, in spite of all of our efforts, we have not succeeded.

Now, if you look at the independent nonpartisan reports on Iraq, you find that 100,000 Iraqis are moving from their communities every single month. Why would 100,000 Iraqis move from their homes, from their schools, from their lives? They're moving because they're not safe.

We have militia roaming around. We've had ethnic cleansing in Baghdad. If you look at the maps of the neighborhoods, 2005 and now 2007, you realize that the Iraqis are not living together any longer. We have ethnic cleansing.

We also know that the Iraqi Parliament, more than half of the Iraqi Parliament, signed a petition asking Americans to go home.

We also know that the Iraqis wanted to take a 2-month vacation in 140-degree weather while our troops were struggling. It is time to bring our troops home and look at American benchmarks.

COLLEGE COST REDUCTION AND ACCESS ACT

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

Mr. ARCURI. Mr. Speaker, this week the Democratic Congress makes college more affordable for American students and families by sending the College Cost Reduction and Access Act to the President. After initially threatening a veto, President Bush now says he will sign the bill into law. That's good news for millions of students and their families who are trying to figure out how they're going to afford a college education.

Under President Bush, college tuition has increased 40 percent over inflation, putting college out of reach for many. While college costs have increased over the last 7 years, Pell Grants and other Federal aid have remained flat, which has created an imbalance in the grant-to-loan ratio that students face. For some who are fortunate enough to attend college, they are leaving with more than $20,000 in loan debt.

Our legislation begins to remedy that imbalance by providing the largest investment in college funding since passage of the GI Bill in 1944. Under our legislation, we increase Pell Grant scholarships by more than $1,000, and we cut student interest rates in half.

Mr. Speaker, Democrats promise to make college more affordable this week, and we are living up to that promise.

PROVIDING FOR CONSIDERATION OF H.R. 1852, EXPANDING AMERICAN HOMEOWNERSHIP ACT OF 2007

Ms. MATSUI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 650 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 650

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1852) to modernize and update the National Housing Act and enable the Federal Housing Administration to use risk-based pricing to more effectively reach underserved borrowers, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. The amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill, modified by the amendment printed in part A of the report of the Committee on Rules accompanying this resolution, shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment under the five-minute rule and shall be considered as read. All points of order against provisions in the bill, as amended, are waived. Notwithstanding clause 11 of rule XVIII, no further amendment to the bill, as amended, shall be in order except those printed in part B of the report of the Committee on Rules. Each further amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such further amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. During consideration in the House of H.R. 1852 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to a time designated by the Speaker.

The SPEAKER pro tempore. The gentlewoman from California is recognized for 1 hour.

Ms. MATSUI. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Ms. MATSUI asked and was given permission to revise and extend her remarks.)

Ms. MATSUI. Mr. Speaker, as the Clerk just read, H. Res. 650 provides for consideration of H.R. 1852, the Expanding American Homeownership Act, under a structured rule. The rule provides 1 hour of general debate to be controlled by the Committee on Financial Services. The rule makes in order seven amendments printed in the Rules Committee report.

This bill is being considered under a structured rule that will allow the House to consider amendments to address important issues with regard to this legislation. I look forward to the debate on the important issue before us today.

I rise today in support of the rule providing for the consideration of the Expanding American Homeownership Act and for the underlying legislation. I thank Subcommittee Chairwoman WATERS for offering this bill. I thank Chairman FRANK and Ranking Member BACHUS for their hard work, along with the other members of the Financial

Services Committee, in bringing this important legislation to the floor.

The bill underlying this house resolution addresses an issue of critical importance to our constituents and to our economy, the subprime mortgage lending crisis. We are here today to consider reforming the Federal Housing Administration's loan policies as a means of stemming the tide of foreclosures that have besieged our Nation.

Owning a home is part of the American Dream, but predatory lenders have been crushing that dream by taking advantage of home buyers with damaged credit. Lured by attractive initial terms, vulnerable home buyers who do not qualify for federally backed loans take on subprime mortgage loans that they cannot afford. These loans come with escalating interest rates which start low and encourage overborrowing. The borrowers learn too late, when their homes are foreclosed upon, that they will not be able to afford those higher payments.

We are now faced with the unfortunate situation that our residents are losing their homes in record numbers. The increasing rate of foreclosure continues to make the news in California and across the Nation. Data released just last month show the rising foreclosure rates in cities across the country. The numbers are as high as one foreclosure in every 27 households. That is not acceptable.

And the housing market continues to suffer. Last week a report from my Sacramento district cited a more than 13 percent drop in the median home prices in the past year. That is the largest 1-year drop in 20 years.

□ 1030

Despite good economic growth in the region, the housing market is in trouble. Many point to the subprime mortgage crisis to explain this. Trends like this can be seen across the country, not just in Sacramento.

The administration wants to allow 80,000 people to refinance their loans through FHA. That is good but it is not going to address the scope of this problem. More than 2 million adjustable rate mortgages are up for reset this fall, at which time their interest rates will increase. Two million mortgages, that is 2 million more families who will be at risk at losing their homes if they cannot keep up with the higher payments. This pattern cannot continue.

The housing market crunch, driven by the subprime mortgage lending troubles, is making waves throughout our economy. Over the past few months, we have seen the Federal Reserve cut its discount rate and make an additional $62 billion available to try to stabilize the real estate financial market. Last month, Countrywide Financial, the largest home mortgage lender, was trading at levels comparable to junk bonds. And, lastly, AIG, the world's largest insurer and one of the biggest mortgage lenders, stated that delinquencies and foreclosures are becoming more common among borrowers whose credit rates are just above subprime. So the problem is getting worse, not better. Congress needs to act and we need to act now.

The bill we are considering today will overhaul the Federal Housing Administration to make federally backed loans competitive with subprime and other nontraditional mortgage loans. We need to make sure that subprime mortgages are properly regulated to get our home buyers into good loans and rein in predatory lenders. The bill authorizes FHA to offer loans with little or no down payment and directs it to approve loans to borrowers with higher credit risk than is currently allowed. These measures will enable FHA to compete with the introductory teaser rates advertised by subprime lenders.

The bill will raise the single-family loan limit, enabling families who live in more expensive areas, such as California, to qualify for FHA-backed loans. The FHA has virtually no presence in expensive areas where the average price of a home already exceeds the FHA loan limit. Increasing access to FHA-backed loans will give many thousands of our constituents the stable financing terms that they need to keep up with their payments and stave off foreclosure.

Furthermore, this bill offers relief to our seniors. Seniors are often targeted by subprime loans, especially for reverse mortgages. Seniors who own their homes but who have limited financial resources might need to mortgage their homes to pay for other expenses. This bill eliminates the cap on FHA reverse mortgages to meet with growing needs of our seniors in tight financial times.

Finally, the legislation directs surplus FHA funds to a housing counseling program as well as to an affordable housing fund. In this way the legislation will ensure that borrowers have the opportunity to achieve the dream of owning a home as well as to become educated about their mortgage options and what it will mean in the long term.

The mortgage lending troubles are getting out of control. This bill will take an important first step toward reining in a disturbingly high rate of foreclosure. Later this week Chairman FRANK will hold a hearing with Federal Reserve Chairman Bernanke and other administration officials to look for additional legislative and regulatory solutions to this growing problem. Ensuring that FHA lending policies are up to date and competitive in the current market is a good start.

This bill will ensure that our fellow Americans have better federally backed choices to buy a home. This bill will curtail the spread of subprime lending and get more of our homeowners into mortgage loans with stable interest rates and transparent terms. This is a step in the right direction.

This is a bipartisan issue. The House passed similar legislation in the 109th Congress. This bill expands upon that legislation, reflective of the growing crisis. We need to pass this bill. Our constituents need this bill to keep their homes, and we need to work with our colleagues in the Senate to get this bill to the President.

I look forward to the debate on the Expanding Homeownership Act and hope that my colleagues on both sides of the aisle will join me in supporting this rule and the underlying bill.

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

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

I rise in reluctant opposition to this unnecessarily restrictive rule and to a number of the provisions included in the underlying legislation in its current form. While I appreciate and support the committee's effort to provide for the safety and soundness of our Nation's housing financial system and our broader financial system, this legislation has a number of avoidable shortcomings, and I hope that at least some of them would be corrected during the restrictive amendment process provided for by this rule.

The Federal Housing Administration was created by the National Housing Act of 1934 to broaden homeownership, protect lending institutions, and to stimulate the home construction industry. In addition to providing stability and liquidity to the mortgage market, the FHA's efforts have led to the creation of the 30-year mortgage product and mortgage instrument standardization, both of which have contributed to the growth of our modern housing financial marketplace. And, as one of the very few Federal Government agencies to operate entirely on fees derived from the program, the FHA has accomplished all of this with no taxpayer dollars or subsidy.

The legislation that has been brought to the House floor today includes a number of important modernization provisions that will help American families across this country to own their own homes, like: increasing the FHA loan limit for high-cost areas, providing for flexible down payment requirements, simplified and improved condo loan requirements, and an expansion of the ability to utilize home equity conversion mortgages.

This bill closely mirrors H.R. 5121, Republican legislation that passed overwhelmingly last Congress, and would also supplement the FHA Secure Initiative unveiled by President Bush at the end of August. This program, which is aimed at borrowers who have fallen behind on their payments after a mortgage rate reset, is projected to help a quarter of a million families over the next year. By helping first-time, owner-occupied home buyers refinance into mortgages that they can afford, this already implemented program will help families and stabilize communities, while targeting this support to the real families in need and

away from speculators who do not need help from the Federal Government.

Unfortunately, despite all the positive elements included in this legislation, I do believe that this bill could be vastly improved. Chief among the problems with this legislation is its establishment of a new line of income for a poorly defined affordable housing grant fund linked to increased FHA receipts. FHA receipts are already recognized for future budgeting purposes to help determine subsequent affordable housing program appropriations at HUD, with any extra revenue from these programs deposited in the U.S. Treasury as a benefit to taxpayers. This legislation would divert this revenue to a housing fund with a poorly defined mission, reducing resources available for other existing HUD programs that already assist low-income families and individuals.

I believe it is bad public policy to tie the fate of families that need housing support to the success or failure of the FHA to bring in surplus revenue. Even worse, because the affordable housing funds would come from fees related to conforming loans and reverse mortgages, this bill levies a new stealth tax on the most modest home buyers and on seniors without even disclosing to them the costs associated with this new Federal mandate.

Other problems with H.R. 1852 include its failure to provide the FHA with the flexibility needed to implement risk-based pricing, which limits consumer choice as well as the FHA's ability to help additional home buyers. This bill's proposed 2 percent limit on home equity conversion mortgage loan origination fees proposed in the legislation, which attempts to protect senior citizens from potentially abusive lending practices, may also unnecessarily limit choice and flexibility in a changing marketplace.

Mr. Speaker, I would like to thank committee ranking Republican SPENCER BACHUS; subcommittee ranking Republican JUDY BIGGERT; and the incoming ranking Republican on the Housing and Community Opportunity Subcommittee, my former Rules Committee colleague, SHELLEY MOORE CAPITO, for all their hard work on this legislation.

Mr. Speaker, I will also insert in the CONGRESSIONAL RECORD the Statement of Administration Policy regarding this legislation and would like to take this opportunity to thank two people for their hard work from the White House, White House aides Chris Frech and Marty McGuinness, who have provided important information not only on this but worked with Members to make sure that they understood the White House's position on this issue.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, September 17, 2007.

STATEMENT OF ADMINISTRATION POLICY

H.R. 1852—EXPANDING AMERICAN HOMEOWNERSHIP ACT OF 2007 (REP. WATERS (D) CA AND 13 COSPONSORS)

The Administration supports legislation to modernize and reform the National Housing Act (NHA) and to ensure that the Federal Housing Administration (FHA) continues to play a key role in serving low- and moderate-income homebuyers. The President has called on Congress to expeditiously pass the Administration's FHA Modernization bill to assist more homeowners during this period of stress in the mortgage markets. H.R. 1852, as reported by the House Financial Services Committee, includes provisions that are essential to maintaining FHA's core mission of expanding homeownership opportunities for borrowers who are underserved, or not served, by the existing conventional mortgage marketplace. The legislation makes critical improvements to the statutory scheme of the NHA, and these improvements have also been proposed by the Administration. Nonetheless, the Administration has a number of significant concerns with H.R. 1852, which the Administration looks forward to addressing with Congress as the bill moves through the legislative process.

As proposed by the Administration, the legislation authorizes an increase in FHA loan limits from $362,000 to $417,000 or 100 percent of the Federal Home Loan Mortgage Corporation (Freddie Mac) conforming loan limit in high-cost areas, and from $200,000 to $271,000 in lower-cost areas. These changes are needed to adapt the program to increasing home prices. The Administration strongly opposes amendments that would authorize FHA guarantees of loans greater than the conforming loan limit as the program should remain targeted to traditionally underserved homebuyers, such as low- and moderate-income families.

Additionally, the legislation authorizes FHA to utilize risk-based premium pricing to more appropriately match premiums to borrower risk, based on measures such as the size and source of their downpayment and their credit scores. Consistent with current mortgage lending practices, the legislation includes the option to extend the maximum mortgage term from 35 to 40 years. Finally, with respect to FHA's Home Equity Conversion Mortgage (HECM) Program, the legislation removes the statutory volume cap on the number of reverse mortgages that may be insured by FHA, while permitting HECMs for use in condominium units and purchase transactions. Each of these improvements enables FHA to serve a larger number of targeted homebuyers, in more areas of the nation, than are being served under the present program.

While the Administration strongly supports Federal assistance to individuals and families that lack the means to afford adequate housing, the Administration strongly opposes the establishment of a new Affordable Housing Grant Fund linked to increased FHA receipts. FHA receipts are already credited toward HUD appropriations and a new program that attempts to divert this revenue would reduce resources available for other HUD programs that assist low income families and individuals. Furthermore, tying financing for the fund to FHA receipts would be counter-productive since FHA receipts annually fluctuate based on housing market conditions and bear little relation to any potential program funding needs. Many of the proposal's details are also undefined and unclear; therefore, the specifics may raise additional policy concerns.

The Administration strongly supports flexible downpayment options, but opposes a provision in H.R. 1852 that limits their benefits to first-time homebuyers. Such a limitation would hinder the ability of some current homeowners to refinance into an FHA-insured loan. By removing this limitation, FHA could help provide existing homeowners with additional flexibility in managing the mortgage debt.

The Administration also has concerns that H.R. 1852 does not provide FHA with the necessary flexibility to implement risk-based pricing, thereby limiting consumer choice as well as FHA's ability to help additional borrowers. H.R. 1852 fails to raise the statutory cap on annual premiums from 55 to 200 basis points, nor does it permit caps on upfront and annual premium combinations that would allow FHA to offer borrowers a variety of premium structures. In addition, the provision for mandatory refund of ''excess'' premium to borrowers with FICO credit scores below 560 whose loans survive more than five years undercuts the insurance principle on which FHA is based. This provision also hampers FHA's ability to serve a greater number of the borrowers this provision is purported to benefit. Because of these provisions, H.R. 1852 would lower receipts by approximately $75 million relative to the President's budget.

Generally, the Administration supports the provision in H.R. 1852 that permits an increase in mortgage insurance premiums if HUD determines that, absent such an increase, the insurance of additional mortgages would require the appropriation of new budget authority to cover the costs of such insurance. However, the requirement to do so by rulemaking is process-laden and onerous and would significantly delay and hamper HUD's ability to respond to a changing market. The Administration will work with Congress to establish a process that efficiently and effectively allows HUD to increase mortgage insurance premiums as needed.

The Administration also has concerns with the two percent limitation on HECM loan origination fees proposed in the legislation. Although the Administration applauds the attempt to protect senior citizens from potentially abusive and predatory lending practices, any such limitations should be flexible enough to respond to a changing market. Accordingly the Administration believes that such limitations should be set by the FHA through Federal Register notice or other appropriate vehicle.

In addition, the Administration is concerned that the Act revises certain recently enacted asset disposition reforms for FHA multifamily programs. This would reduce receipts by nearly $40 million. The Administration is also concerned about a provision that would make it possible for correspondent lenders to use FHA without meeting audit and net worth requirements, which could allow participation by brokers who are inadequately capitalized or have internal control difficulties.

The Administration remains committed to modernizing and reforming FHA, and looks forward to continuing to work with Congress to ensure that concerns are addressed and that the necessary reforms are part of any final legislation.

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

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

Before yielding to my next speaker, I would like to point out that the bill directs surplus funds to an affordable housing fund. This is an appropriate

use of any net FHA funds. The surplus funds are directed to a source that is consistent with the mission of this legislation: to help Americans buy homes through federally backed means.

However, for those Members who do not support this fund, I want to point out that there is an amendment made in order to strike the fund. All Members of this House will have an opportunity to vote on this important issue.

With that, Mr. Speaker, I yield 4 minutes to the gentlewoman from Ohio (Ms. SUTTON), a member of the Rules Committee.

Ms. SUTTON. Mr. Speaker, I thank the gentlewoman for her leadership on this issue and on this rule.

Mr. Speaker, I rise in favor of this rule and in strong support of the underlying legislation, the Expanding American Homeownership Act.

Owning a home in this country is called the American Dream for many reasons: the pride of ownership, a sense of responsibility, the feeling of settling down and belonging to a community and a neighborhood. But the American Dream is in peril for many families in this country as foreclosures rise and dreams shatter.

I am sorry to report, Mr. Speaker, that in my home State of Ohio, we have the Nation's highest rate of mortgages that are seriously delinquent or in the foreclosure process. In April of this year, Ohio had nearly 12,000 default notices, auction sale notifications, and bank repositions. Sadly, one in ten Ohio homeowners with a mortgage is at least a month behind in payments and one in four with a subprime loan is delinquent or in foreclosure.

These staggering statistics are not just numbers. They are families and individuals whose American Dream is quickly becoming a nightmare. I have talked with many hardworking, proud families who are struggling to pay their mortgages and afford health insurance, struggling to put food on the table and pay for their children's college education. They are working hard and they are playing by the rules, but nonetheless the American Dream has moved out of their reach.

The homeownership crisis is part of a larger problem for our Nation where policies and laws have not worked for our low- and middle-class families the way that they should. This is unacceptable for my constituents, and it should be unacceptable for a Nation built by working men and women that prides itself on ownership, responsibility and fairness.

Mr. Speaker, the problems in the housing market are not new, but they have become what they are because of a lack of action and leadership from prior Congresses and this administration. The lack of oversight has led to the abuse of a mortgage system by unscrupulous lenders and others looking for easy profit by preying upon those who are most vulnerable. And it is wholly unacceptable that a system that should be an avenue to homeownership has instead become a path to heartache for far too many families.

Today by passing the Expanding America Homeownership Act, we take a bold step forward on what is going to be a long road to fix this broken system.

□ 1045

H.R. 1852 raises loan limits, helps reduce the burden for high-risk borrowers, expands counseling for home buyers, and provides new ownership incentives for low-income families. And these are very important and positive measures.

This is a demonstration of our commitment to restore the American Dream, but we also understand that there is no easy fix for this issue. In coming days, I plan to introduce legislation that will bring together many interests and groups involved in foreclosure and mortgage lending crisis so that we can continue to act to improve this situation. I hope that, working together, we will be able to quickly offer comprehensive and meaningful solutions to move forward.

A similar effort has been made in Ohio spurred by our new Governor, Ted Strickland. And just recently, they came back with some very important recommendations that will hopefully make a meaningful impact in the State. But we here in Congress at the Federal level need to do our part.

Mr. Speaker, never again do I want to have to hear that a family has lost their home simply because our laws and regulations have worked against them.

I urge passage of this rule and the underlying legislation.

Mr. SESSIONS. Mr. Speaker, at this time, I would like to yield 5 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. I thank the gentleman for yielding.

Mr. Speaker, today I rise in opposition to this rule governing the consideration of H.R. 1852, the Expanding American Homeownership Act of 2007.

I had hoped that the committee would see the wisdom in providing an open rule to this important legislation; and in the absence of an open rule, that it would at least make in order those amendments that the Members took the time and effort to draft, including one of my own amendments. Unfortunately, only some of the amendments filed with the Rules Committee were made in order.

While I'm pleased that some of these amendments made in order are Republican amendments, other amendments which were offered and debated during our committee markup of this bill were not made in order. These amendments deserve to be debated and given a fair hearing.

Mr. Speaker, last year FHA's modernization bill, which passed the House by a vote of 415–7, garnered broad bipartisan support. This year's bill does not have that kind of support. I am pleased that the majority has edged closer to last year's bipartisan bill since the introduction of the new bill under consideration today.

As I pointed out during our committee hearing and markup on this bill, the bill originally excluded homeowners seeking to refinance from benefiting from a modernized FHA. The bill will now assist more homeowners, perhaps some seeking to refinance a bad subprime loan, but still not as many as last year's bill.

I continue to object to provisions that do not fully allow for risk-based pricing. Again, witnesses during our committee hearings said this would result in FHA serving fewer, not more, American borrowers. I also remain opposed to the provision that siphons money away from FHA to fund a brand-new government program, another trust fund, to build more affordable housing. While this is a very important issue, affordable housing, what we need here is to have FHA money to help those that are in trouble, facing foreclosure, or those first-time borrowers who would not be able to find a good mechanism to find a mortgage.

During committee deliberations, we were given the opportunity to debate and consider a variety of issues pertaining to this bill. Members on our side of the aisle had hoped that all Members, not just those on the Financial Services Committee, would be given the same opportunity to debate important issues on the House floor.

Republicans support many aspects of this bill, H.R. 1852; but I think we all deserve the right to participate in the amendment process, whether as a member of the committee of jurisdiction, or as a Member of the U.S. House of Representatives. Only through an open rule is that possible. For this reason, I rise in opposition to the rule being considered today and urge my colleagues to vote ''no'' on this rule.

Ms. MATSUI. Mr. Speaker, I yield myself such time as I may consume to make a comment before yielding to my next speaker.

I would like to point out that seven amendments were made in order. Two of the minority amendments offered were redundant changes, so one of those was made in order. And, finally, an amendment in the nature of a substitute offered by Mrs. BIGGERT was made in order. We are providing ample opportunity for debate and for Members to vote on the provisions of the bill.

With that, Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. I appreciate the gentlewoman's courtesy in permitting me to speak on this bill and appreciate her leadership, and particularly emphasizing the fact that the minority has the opportunity for a substitute to be offered up. So the House will have an opportunity to weigh the different approaches to determine what is truly in the best interests of American homeowners.

I welcome this legislation today. I support the rule, and I support the underlying legislation. But I hope that this will be just the start of on-going progress for dealing with what is truly a housing crisis that is enveloping this country.

While it's pleasant to read now that Alan Greenspan, as he's attempting to protect his role in history, now agrees that there were probably some mistakes that were made, not yet acknowledging the failure on the part of the Fed to step forward and deal meaningfully, using the powers that they had in the housing market. Today we see the consequences of that failure, of this Congress, a failure of being able to meaningfully deal with the protection of American homeowners.

Foreclosures are mounting by the day, but we're only seeing the tip of the iceberg, because literally tens of thousands of people every week are going to be facing a situation where adjustable rate mortgages in the months ahead are going to be exploding in much higher rates, where people are going to be paying $200, $300, $400, $500 a month, or more, higher and be trapped into these unfair subprime loans. Where there is a clear pattern of abuse of lower income, less sophisticated buyers, it's time for us to put on the table more comprehensive approaches.

Isn't it time to reconsider the draconian bankruptcy legislation that this House passed a few years ago? Maybe it is time to treat the homeowner, dealing with the most valuable asset most families have, their home, the same way that a business person who speculated in purchasing homes for investment purposes would be treated in bankruptcy. The speculative business person can readjust mortgage terms; they can negotiate interest rates in the amount of the loan. That is denied to homeowners.

Maybe it's time to consider some consumer protections. If you buy a $40 toaster that explodes, there is a Federal agency that will protect you. But if you buy a financial instrument that has a one-in-four chance of exploding in the face of the buyer, putting at risk their number one asset, there isn't any similar protections.

While I appreciate the legislation that's coming forward, I am hopeful that it is just the beginning of dealing with this ongoing problem.

Mr. SESSIONS. Mr. Speaker, I was waiting for one additional speaker, and that gentleman has not showed up at this time. I would like to inquire of the gentlewoman if she has additional speakers, or where we may stand. If I could quickly engage the gentlewoman.

Ms. MATSUI. Mr. Speaker, I am waiting for an additional speaker.

Mr. SESSIONS. The gentlewoman is waiting for an additional speaker, and I appreciate that very, very much.

Mr. Speaker, you know, we are here this morning, almost 11 o'clock in Washington, D.C. I don't know of much else we've got going here on the floor today. I think we're going to have four suspensions in addition to this bill, and yet last night the Rules Committee, our friends in the new Democrat majority, decided that they would shut down debate by having this rule without it being an open rule, shut out a number of amendments and Members who would choose to come down and debate things today. And so I'm disappointed that, in a day where really not much else is going on, that we could not include the full discussion and take this day to talk about affordable housing and where the ideas are that each and every Member might have on how we're going to increase homeownership and protect these homeowners.

I find it interesting, however, with some of the speakers that we've had today, that just a few years ago we were, with full knowledge of this United States Congress, very pleased that homeownership was increasing all across America and that credit was being extended to a number of people, including lots of families who would have an opportunity to finally own their own home. And now we find out today that, in fact, it's a lot of people who are to blame, who are these greedy people who were the lenders, who were trying to get people and bring them in to buy houses when, in fact, it was the national will. It was a good thing that they would have, virtually at no cost down, an opportunity to come and be in a house. We heard testimony where people really could get in houses for cheaper than they could living in an apartment. So millions of Americans went and did that. And they willingly signed on the line, yes, I will take this low-cost loan right now, and in 5 years I will have to go to a market-based rate to borrow the money.

This wasn't a mistake. This wasn't somebody being greedy. This was someone who was out offering an opportunity. And as all of us would have to predict the future, we don't know what the future would be, but it got people in homes, and now we do have some problems. And dealing effectively with the problem is, I think, what we should be remembered for, not looking back and saying what a bad idea it was to make sure that millions of families could get in their own homes.

So I respectfully disagree with those that come to the floor here today to argue about greed and all these people who took advantage of these poor and low-income homeowners. I think it was a good thing. I'm sorry it has not worked out in every single case. But guessing what something is going to be like in 5 years means that you have a chance to plan and be prepared for it. And so now we will be judged on how well we do to make sure that we lessen the activity of the number of people who have to bail out of their houses because they can't afford them.

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

Ms. MATSUI. Mr. Speaker, my remaining speakers are not here, so I am prepared to close if the gentleman from Texas is prepared to close.

Mr. SESSIONS. Mr. Speaker, I had anticipated and hoped that the gentleman from Georgia (Mr. PRICE) might be here. I have been notified that he is in a meeting with constituents at this time.

One of the amendments which Dr. PRICE brought to the Rules Committee yesterday, which the Rules Committee rejected on a party-line basis, was part of really the debate and discussion that I think needs to take place as we talk about taxpayer money being involved with housing in this country. And the amendment which was rejected by the new Democrat majority universally across the line, every single Democrat said, no, they did not want to hear the debate on this, and it is as follows: the amendment said that it would require that any individual or household receiving money from the affordable housing fund must present verification of legal residency by a secure identification document.

Mr. Speaker, let's be forthright about this. We have had discussion after discussion, debate after debate about health care, about public housing, about housing funds, of virtually every single topic that we get into here on the floor of the House of Representatives where we believe, the Republican Party believes, that people who are seeking assistance and help from funds, whether it be taxpayers or public systems like this that do utilize the attributes of the government, that there should be a verification that somebody is in this country legally and has legal status.

Mr. Speaker, repeatedly this new Democrat majority, whether it's for health care or whether it's now for this new housing fund, they do not want to require that someone even has to present verification of who they are. And we disagree with that. And I am sorry that the Rules Committee made a determination and the Democratic Party decided that they do not want to have to have anyone present verification of who they are or that they are in this country legally.

□ 1100

We disagree with that. I am sorry that the Rules Committee did not allow that in order for the gentleman, Mr. PRICE, to be able to argue that as part of the debate today.

So, Mr. Speaker, I will be voting ''no.'' I will be voting ''no'' on this rule because I believe that what this new Democrat majority did was to shut down debate even in a day when we have lots of time to get the best ideas on the floor and to make sure that every single Member can be heard from.

Mr. Speaker, I yield back the balance of my time.

Ms. MATSUI. Mr. Speaker, before I close, I just want to make a comment that H.R. 1852 already has strong identification requirements for those applying for FHA-backed mortgage insurance.

With that, Mr. Speaker, we know that our housing market is in severe distress. We must ensure that subprime mortgage lending is not putting our residents at risk. Subprime mortgages can be a very useful tool enabling those with imperfect credit to qualify to buy a home. Reining in predatory lending practices will help our families keep those homes that they have worked so hard to buy. The Expanding American Homeownership Act will ensure that FHA has the tools it needs to get more home buyers into good loans.

This bill will bring the FHA regulations up to date. It will provide the agency with the ability and resources to offer a broader diversity of loans to meet the needs of the current market. This is an important bill that will give more of our constituents access to solid federally backed loans. That is a kind of stable financing that homeowners need to get through the rocky times our real estate market is weathering.

The Financial Services Committee has worked very hard to get this bill to the floor. I hope that we can keep it moving forward. I hope that my colleagues will join me and show strong bipartisan support for the rule before us and the underlying bill.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. HOLDEN). The question is on ordering the previous question.

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

Mr. SESSIONS. 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, further proceedings on this question will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

Approval of the Journal, by the yeas and nays;

Ordering the previous question on H. Res. 650, by the yeas and nays;

Adoption of H. Res. 650, if ordered.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the unfinished business is the question on agreeing to the Speaker's approval of the Journal, on which the yeas and nays were ordered.

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

The vote was taken by electronic device, and there were—yeas 217, nays 183, answered ''present'' 1, not voting 31, as follows:

[Roll No. 870]

YEAS—217

Abercrombie
Ackerman
Andrews
Arcuri
Baca
Baird
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Brown-Waite, Ginny
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carson
Castor
Chandler
Clay
Cleaver
Clyburn
Coble
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
Delahunt
Dent
Dicks
Dingell
Doggett
Doyle
Ellison
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Forbes
Fortenberry
Frank (MA)
Giffords
Gillibrand
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastings (FL)
Higgins
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kagen
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Kuhl (NY)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lynch
Mahoney (FL)
Markey
Matheson
Matsui
McCollum (MN)
McDermott
McIntyre
McNerney
McNulty
Meek (FL)
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Perlmutter
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Reynolds
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Sires
Skelton
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stearns
Sutton
Tanner
Tauscher
Taylor
Thompson (MS)
Tiahrt
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Woolsey
Wu
Wynn
Yarmuth
Young (FL)

NAYS—183

Aderholt
Akin
Alexander
Altmire
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly
Doolittle
Drake
Dreier
Duncan
Ehlers
Ellsworth
English (PA)
Everett
Fallin
Feeney
Flake
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Goode
Goodlatte
Gordon
Granger
Graves
Hastert
Hastings (WA)
Hayes
Heller
Herger
Herseth Sandlin
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
LaHood
Lamborn
Latham
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Peterson (MN)
Petri
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stupak
Terry
Thompson (CA)
Thornberry
Tiberi
Turner
Upton
Walden (OR)
Wamp
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)

ANSWERED ''PRESENT''—1

Gohmert

NOT VOTING—31

Allen
Boucher
Carney
Clarke
Cubin
Davis, Jo Ann
DeGette
DeLauro
Edwards
Emerson
Hensarling
Jindal
Johnson (IL)
Kanjorski
Knollenberg
Lowey
Maloney (NY)
McCarthy (NY)
McGovern
Meeks (NY)
Melancon
Peterson (PA)
Pickering
Renzi
Ryan (OH)
Slaughter
Sullivan
Tancredo
Walberg
Weldon (FL)
Wilson (OH)

□ 1125

Mr. SAM JOHNSON of Texas changed his vote from ''yea'' to ''nay.''

Ms. CARSON changed her vote from ''nay'' to ''yea.''

So the Journal was approved.

The result of the vote was announced as above recorded.

PROVIDING FOR CONSIDERATION OF H.R. 1852, EXPANDING AMERICAN HOMEOWNERSHIP ACT OF 2007

The SPEAKER pro tempore. The unfinished business is the vote on ordering the previous question on House Resolution 650, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The Speaker pro tempore. The question is on ordering the previous question.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 226, nays 191, not voting 15, as follows: