

would be appalled to learn that that was the truth. But we also need to recognize the United States Treasury doesn't even have to spend every penny of that money. Many experts, even Secretary Paulson himself, stated that was the case.

But here we are again and the House is moving forward with a preemptive decision that jumps ahead of this very fundamental question, and it's this: Is it even necessary to release the second tranche for the state of our financial markets?

□ 1800

We remain unconvinced, many of us, that the case hasn't even been made that it is. This bill is attempting to make sweeping changes to the way that TARP must operate. I would agree with my colleagues on both sides of the aisle that TARP has very serious flaws, many of which were predicted by many of us on both sides of the aisle, and we should look at ways to address the flaws.

But Congress should not be forced to rush to vote on this bill the way that we are being forced to rush on it today. Congress was rushed into this gargantuan decision, and we need to take the time to be deliberative.

Mr. FRANK of Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. CAPUANO) having assumed the chair, Mr. MURPHY of Connecticut, Acting Chair of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, had come to no resolution thereon.

#### REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 384, TARP REFORM AND ACCOUNTABILITY ACT OF 2009

Mr. PERLMUTTER, from the Committee on Rules, submitted a privileged report (Rept. No. 111-3) on the resolution (H. Res. 62) providing for further consideration of the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, which was referred to the House Calendar and ordered to be printed.

#### PROVIDING FOR ATTENDANCE AT INAUGURAL CEREMONIES ON JANUARY 20, 2009

Mr. PERLMUTTER. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 61

*Resolved*, that House Resolution 23 is amended by striking "10 a.m." and inserting "noon".

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### TARP REFORM AND ACCOUNTABILITY ACT OF 2009

The SPEAKER pro tempore. Pursuant to House Resolution 53 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 384.

□ 1803

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 further consideration of the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, with Mr. SIREN (Acting Chair) in the chair.

The Clerk read the title of the bill.

The Acting CHAIR. When the Committee of the Whole rose earlier today, 60½ minutes remained in general debate. The gentleman from Massachusetts (Mr. FRANK) has 32 minutes, and the gentleman from Alabama (Mr. BACHUS) has 28½ minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, just as in baseball, sometimes a player who made a great defensive play is first up. After his stellar role in the chair, I yield 3 minutes to the gentleman from Massachusetts (Mr. CAPUANO).

Mr. CAPUANO. My colleague is easily impressed, but thank you very much.

Mr. Chairman, we have to back up a little bit and remind ourselves what we are debating here. We are debating a bill that amends the TARP provisions. It doesn't grant \$350 billion to anyone.

There is no money attached to this bill, and I actually agree with many of the comments that have been made about the past 350 and the potential soon to be \$350 billion. I have the same concerns they do. I may fall on the different side of the issue because, for me, I voted for it, not because I loved it, but because to me it was the only way to save the economy.

I think some of it's working. I agree that I have the same concerns about the lack of reporting that has been done to us, that this administration has not told us how effective it has been. I agree with those concerns, but that's not what we are debating. The bill before us is an improvement on the bill that we passed, and those other concerns should be directed when we get that other bill, hopefully within the next few days, and I may actually join you when the time comes, don't know yet.

It depends on whether this bill gets passed. It depends on what the new incoming administration says about this bill that's currently before us.

But let's not forget how we had the last one. Many of us tried to add some of these provisions the last time. We were told by the current President that if those things were added he would not sign the bill. He would veto it and let the economy go down the tubes. We were told by some of our colleagues in the other body that they would not go along with it.

So we were stuck with the situation. You either save the economy or do nothing.

I actually respect those of us who did nothing. I wasn't sure that my vote was right. I am still not sure, as I stand here today. And anyone who is so certain that they know exactly how to fix this economy, well, good luck to you and God bless you, because you are much more certain than most Americans.

Most of us are doing the best we can with the knowledge that we have. I wish I could sit here today and say to you that the hearing we had a few weeks ago in Financial Services provided me all the information I needed to make a thoughtful judgment on whether the next 350 should go forward.

Instead, I was told we are not going to look at the individual institutions. We don't care what they do. That is an insane statement. No one can agree with that, yet that's what we were told.

I have some belief and some faith that the new administration will feel differently. I believe this bill sets forth clear or at least clearer definitions of what must be in the report, clearer definitions of how the money should be used.

I haven't heard one reason to vote against the bill that's before us. I have heard reasons to vote against potentially the next 350.

But let's focus on the bill that's in front of us. I would like to hear one reason why we shouldn't specify better reporting, that we shouldn't strengthen oversight, that we shouldn't clearly state that this Congress wants something to be done directly about mortgage foreclosures. I haven't heard that.

Mr. BACHUS. Mr. Chairman, I yield an additional 4 minutes to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. I thank the ranking member.

You know, Mr. Chairman, this debate and maybe this vote is an exercise in futility. Our distinguished chairman has already noted in various media outlets that he doesn't believe that this bill is ever going to become law. The Senate Banking Committee chairman has declared that he is not even going to bother drafting similar legislation, much less voting on it.

So, you might ask yourselves, why is it that we are here today? As an aside, the chairman said interestingly enough

the other day, just yesterday in committee meeting, he said, to quote Harry Truman, the job of the President of the United States is to get people to do things that they should do that they would do if they had half a brain.

Well, the Bush administration will be out of office in a week. I would be curious to know from the chairman who he thinks in the next administration lacks that ability to do the right thing.

Furthermore, Mr. Chairman, it's been reported that the chairman and the House Democrat leadership are really here today to try to provide political cover, in that sense, for their Members that they know this TARP Program is extremely unpopular with the American public and has wasted millions upon millions of dollars, and so this is a political cover to vote on this bill today.

President-elect Obama said on Sunday on This Week with George Stephanopoulos, "I, like many, are disappointed with how the whole TARP process has unfolded. There hasn't been enough oversight. We found out this week in a report that we are not tracking where this money is going."

I agree with President-elect Obama. He is exactly right. There is a lack of congressional oversight, and that's been a concern of mine and many on this side from day one and even before the first TARP bill passed.

I have taken the time to carefully review this legislation. But, unfortunately, when you think about the process that we have gone through here, as a whole, we have not done what is right. We call it regular order here, but for the folks at home, it just means spending the time that you should spend on a bill when you are spending hundreds of billions of dollars. That means careful review, hold hearings, hold a markup on the TARP.

Perhaps if we had done that, perhaps we could have foreseen some of the problems that we are talking about here tonight on the first bill. However, the first piece of legislation was cobbled together, and this piece of legislation was cobbled together as well and rushed.

Chairman FRANK released this draft that we have here before us just this past Friday. And now so it's less than a week that we are considering that exact same bill here on the floor.

I agree with the ranking member when he said that he has not seen a compelling case to release the second \$350 billion. In fact, I haven't seen any case presented as to why we should be releasing the second \$350 billion or any plan to deal with spending that \$350 billion. I have not seen any evidence that the original \$350 billion ever achieved its stated purpose of stabilizing our Nation's financial system.

And, if it did, as some have suggested, then why are we here today going forward with this legislation? You know, the young lady who spoke before me from Minnesota said, rightfully so, that the Department of Treas-

ury willingly admits that they pulled that original \$700 billion, that number, out of thin air, not based on any scientific or mathematical analysis.

I have already indicated I did not support the original passage of TARP because I believe there were alternatives at that time to spending \$700 billion of American taxpayer dollars. Now, after what we have seen with TARP and how it was handled, I certainly don't believe that we should waste an additional \$350 billion as well.

I will say this, while the chairman is making an effort to provide some oversight with this legislation, such as requiring banks that received the funds to disclose how they are spending it, you know, if you dig into this bill I believe that there are provisions in it that will have more harm than good at the end of the day.

They will do more harm to the economic recovery that we are all looking for. I will give you a couple of examples.

I have concerns with the retroactivity provisions that apply to institutions that have already received funds. What about contract law, what about the constitutional law?

The Acting CHAIR. The time of the gentleman has expired.

Mr. BACHUS. I yield the gentleman 1 additional minute.

Mr. GARRETT of New Jersey. What about the constitutional provisions as regards to that?

Secondly, forcing companies that receive TARP funds to receive a government overseer on their boards. Amazing, a Congress that can't manage its own affairs is now going to have an overseer on corporate boards around this country. You know, an overseer today will become a suggestor tomorrow and eventually a dictator the next day.

Thirdly, requiring \$100 billion of the remaining TARP funds to be spent on the foreclosure mitigation program. This was not the initial reason that we did TARP. It was to get the credit markets moving again in this country.

In closing, regardless of whether this measure passes or fails, it is almost certain that President-elect Obama will receive this request for the additional \$350 billion with absolutely no strings attached or mechanism in place to ensure that the money is spent reliably. The House Democrat leadership failed when they passed the first bill of TARP, and they will fail when they give the authority to the President the second time.

Mr. SCOTT of Georgia. Mr. Chairman, I yield 2 minutes to a very talented and energetic member of the committee, the gentledady from Illinois (Ms. BEAN).

Ms. BEAN. Mr. Chairman, I rise in support of H.R. 384, the TARP Reform and Accountability Act.

Thank you for yielding, and I want to thank the chairman for his leadership on this issue.

Last fall this Congress faced a difficult decision. We were asked to pro-

vide the Treasury with \$700 billion to stabilize the financial markets. Federal Reserve Chairman Ben Bernanke warned that the U.S. economy was on the verge of collapse if Congress did not act.

Fortunately, Congress wisely put stipulations in place to protect taxpayer dollars. We also instructed the Treasury to provide foreclosure avoidance resources. Most importantly, we withheld half of the TARP money to allow congressional review of the first half.

It was vitally necessary to stave off a collapse of our Nation's financial system and remains so today. However, this administration did not follow congressional instructions to utilize a portion of funds to address rising foreclosures. Today we have the opportunity to refine the use of the remaining TARP funds with this bill to make sure that we both stabilize our financial system and reduce rising foreclosures, which continue to undermine it.

H.R. 384 requires the incoming administration to act with greater transparency and accountability on how funds are being used to stabilize markets and provide multitiered options to foreclosure avoidance for creditworthy families.

In 2008, 1 in 10 homeowners were either delinquent on their mortgage or in foreclosure. One in six homeowners are currently upside down, meaning that their mortgage debt exceeds current home value.

□ 1815

Economists expect 4 million to 5 million additional residential foreclosures in the next 2 years. To compound the challenges facing our financial industry, slumping consumer spending is driving many retailers and small businesses under, and as they vacate their properties, commercial mortgage foreclosures will increase. That means even more toxic assets on the books of our financial institutions, further limiting credit.

Credit affects every American, anyone who uses a credit card, needs a car or college loan, runs a business or is employed by one.

The Acting CHAIR. The time of the gentledady has expired.

Mr. SCOTT of Georgia. I yield the gentledady an additional 30 seconds.

Ms. BEAN. When the Treasury came to Congress last fall, our financial system was at the precipice of collapse. The economic challenges we face today would be worse if Congress had not supported the provision of TARP funds. But we are not out of the woods.

I urge my colleagues to support H.R. 384 to make these necessary changes to TARP and vote to release the second portion of the TARP money so our financial system and the American businesses and families who rely on it can weather the existing and coming storms.

Mr. BACHUS. May I inquire as to how much time is left on each side?

The Acting CHAIR. The gentleman from Alabama has 23½ minutes. The gentleman from Massachusetts has 26½ minutes.

Mr. BACHUS. I temporarily reserve my time.

Mr. FRANK of Massachusetts. In a spirit of cooperation, if the gentleman is short of speakers, I have a surfeit over here. I notice there seems to be a lack of interest over there. We can send you some.

Mr. BACHUS. Mr. Chairman, I don't think that we need that kind of speaker.

Mr. FRANK of Massachusetts. Okay. I was trying to fill the gap over there.

I will yield 2 minutes to the gentleman from Maryland (Mr. CUMMINGS).

Mr. CUMMINGS. Thank you very much.

Mr. Chairman, I rise to express my support of H.R. 384, the TARP Reform and Accountability Act, a tough piece of legislation that brings overdue reforms to the management of the TARP program.

I have consistently advocated for greater accountability from institutions receiving aid through TARP, while stressing that expanded relief for struggling homeowners be included in the legislation. This bill achieves both.

When the Bush administration came to us last fall seeking our assistance to soften the blow of the worst financial crisis since the Great Depression, we heeded their call. We actually passed the \$700 billion financial rescue package to save Wall Street from itself, but we did so under the expectation that the Bush administration would make good faith efforts to adhere to and enforce the accountability measures Congress included in the bill. We further expected that the Bush administration would make good on its promise to steer TARP funds to troubled homeowners attempting to deal with foreclosure problems.

In its use of the first \$350 billion installment of the program, the Bush administration has failed on both fronts. As has been aptly reported by the Congressional Oversight Panel created to oversee TARP, the Treasury Department has systematically failed to ensure that taxpayer dollars spent through TARP are being used as effectively and efficiently as possible. In fact, we have no clear idea about how the funds are being used.

We have seen the results of this lack of oversight with one example, and that is AIG, whose president I will be meeting with tomorrow morning. AIG has been the beneficiary of more than \$150 billion in taxpayer dollars, including funding from TARP, and continues to hold luxury junkets for its top executives and award bonuses to "retain its staff." As if this was not bad enough, the Bush administration has failed to meet its commitment to use TARP to stem the tide of foreclosures and has refused to impose any lending obligations on institutions.

I have every reason to believe that President-elect Obama will better man-

age these funds, as he says he will. H.R. 384 gives him the roadmap to do that.

Mr. BACHUS. Mr. Chairman, I yield 3½ minutes to the gentleman from Texas (Mr. NEUGEBAUER).

Mr. NEUGEBAUER. I thank the gentleman.

I want to reiterate one point that was made earlier, and I think is maybe one of the most important points that has been made here today, and that is that we don't have another \$350 billion. In fact, we didn't have the first \$350 billion, and we had to go out and borrow that money from our children and our grandchildren in order to do something that nobody has really articulated what we were trying to do. We didn't have a plan. There was no accountability. But we went ahead and charged on the credit cards of our children and our grandchildren \$350 billion, with the assumption we would do another \$350 billion.

The issue here, and the reason it is so important, and I am frustrated and I do not understand, this isn't the only money that we have committed. The Treasury, the Federal Reserve, the FDIC, have guaranteed billions and billions of dollars, and we are getting into the trillions. A recent Wall Street Journal article said that we could possibly be already in this at \$6 trillion. Now, even in Texas that is a lot of money.

But the question here is that it is not just this \$350 billion that we are talking about. The other side is putting together a proposal right now. It is a stimulus package. The new administration is going to bring that any day. We don't know what that number is, but it has been reported anywhere from \$800 billion to \$1.3 trillion. Again, we don't have that \$800 billion or \$1.3 trillion.

So when you add all this together, we are talking about in the next few weeks here committing \$1.5 trillion of the American taxpayers' money with no plan, with no measure of what has happened to all of these unprecedented things we have done.

Then the last point I want to make here is it is unprecedented, the amount of interference and injection that we have put the Federal Government into companies all across America, and the markets are trying to figure out what to do with this new player in the marketplace. And the question is, there was no exit strategy, so at some point at time somebody is going to blow the whistle and say okay, it is time to quit doing all of this government interference, hopefully sooner rather than later, and then the question is what is going to happen to the markets as the government begins to exit this? What is going to happen when all of these guarantees begin to expire, when all of these loans that we have made begin to come due, all of these investments that we have made in these companies start to have to be paid off? And the problem is that we are doing that all on a rapid fire basis with no clear direction.

Now, the American people deserve for the United States Congress that they

just recently elected and we were sworn in, they deserve for us to look and deliberate and make sure that if we are going to mortgage our children's and our grandchildren's future, that we at least do it in a way that we can look them in the eye and say we believe it is in their best interests that we do that; that we are looking at the effectiveness of the program, we are looking at how people are spending that money, and we have a plan on how we are going to end this at some point in time. Unfortunately, none of those exist today.

Mr. Chairman, I encourage Members of Congress to stop and reflect. Let's vote this bill down and let's look and be accountable to the American people. They deserve it.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. DONNELLY) who has been a very informed advocate for many of the industries that operate in his district.

Mr. DONNELLY of Indiana. Mr. Chairman, I rise for purposes of engaging in a colloquy with the chairman, Mr. FRANK.

Mr. Chairman, title IV of the bill regarding consumer loans urges the Secretary to establish or support facilities to support the availability of consumer loans for autos and other vehicles. Is it the chairman's intent that consumer loans for recreational vehicles could qualify under such a facility?

Mr. FRANK of Massachusetts. If the gentleman would yield, yes, it is. Let me say that the language is better now because of the gentleman from Indiana and the gentleman from Oregon (Mr. DEFazio) and some others who called our attention to an inadvertently narrow definition.

Yes, recreational vehicles play an important role in the economy and in the people's quality of life, and they should be included.

Mr. DONNELLY of Indiana. The manager's amendment included language urging the Secretary to establish a support facility to support the availability of small business loans, including dealer floor plan financing. On December 23, the Fed announced that the TALF program would include new car dealer floor plan loans.

Is it the chairman's view that the Fed should generally consider expanding the TALF program to support other kinds of floor plan financing?

Mr. FRANK of Massachusetts. Absolutely. If the gentleman would yield, I think that this is an important part of what the average American wants and needs and that this is part of the chain of employment, so I will be urging them to do exactly that.

Mr. DONNELLY of Indiana. Thank you, Mr. Chairman. I urge all my colleagues to support this legislation.

Mr. BACHUS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. POE).

Mr. POE of Texas. I thank the gentleman for yielding.

I think the ranking member said it best yesterday when there were hearings on this that there was a time in this country when the people would go to the bank and borrow money from the bank. My grandfather was a banker for a good number of years, even back in the thirties, and when a person went to the bank, the bank would require sometimes that the bank would want to know what the money was going to be spent on, of all things, and then forms would be filled out and money would be loaned.

Times have changed. Now the people loan money to the bank, to many banks, to the very special interest banks, and we know not what they are doing with that money, and certainly no background checks or forms were filled out by those banks before we gave them the money. Now we are being asked to do it again. We certainly don't learn our lessons.

The cost of bailouts by this Congress last year exceeds the amount of the total cost of all the wars this country has been in; the American Revolution, the War of 1812, the Civil War, World War I, World War II, the Korean War, the Vietnam War, the Iraqi War, the Afghanistan War. These bailouts that this Congress is spending the taxpayer money on costs more than all of the wars put together.

Maybe we ought to decide to do something else than continue to spend money that doesn't belong to us, but belongs to the American public.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to one of the most informed members of our committee, the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. Thank you, Mr. Chairman.

Mr. Chairman, Dr. King, whose birthday we are about to celebrate this month, reminds us that the truest measure of the person is not where you stand in times of comfort and convenience, but rather where do you stand in times of challenge and controversy. Not where do you stand when there is no housing crisis and no unemployment problem, but where do you stand when unemployment is 7.2 percent, when you have lost 1 million jobs in the last 2 months, when you have lost 2 million jobs in the last year. Where do you stand in times of challenge and controversy.

In this time of challenge and controversy, I stand with the American homeowner, who is in crisis, who needs our help, who but for this piece of legislation will not get our help. I stand with the American homeowner, because this legislation provides \$40 billion to \$100 billion to help homes that may go into foreclosure. In times of challenge and controversy, I stand with the homeowner.

And I also stand for something else. I stand for having the TARP money be made accountable for. This piece of legislation deals with accountability. People want to know how their money has been spent.

This legislation helps us to better understand how the TARP money has impacted new lending. The LaTourette amendment that passed this House overwhelmingly in the last session, the last time we met and had this bill before the House, that amendment is something that has been incorporated in this bill.

So, Mr. Chairman, I thank you for a stellar job, a job well done, and in times of challenge and controversy, I stand with you, Mr. Chairman.

Mr. GARRETT of New Jersey. Mr. Chairman, I yield 2 minutes to the gentleman from the great State of Texas (Mr. GOHMERT).

Mr. GOHMERT. Mr. Chairman, it is a pleasure to follow my dear friend from Texas, from Houston, the former judge in Houston. And I appreciate him saying he wants to stand with the homeowners. I don't think when we passed this bailout bill back in September we were standing with the homeowners, because we weren't.

□ 1830

That money got given to banks, all kind of places. We're still trying to find out where all of it went, and we don't know because the bill didn't have enough restrictions. So I appreciate the chairman trying to add restrictions.

But in looking at all of this money, \$350 billion still to be spent, with all our efforts to try to pin down the Secretary of the Treasury, try to keep him from giving it to his buddies and hurting his enemies and personal things that may or may not have happened so far in the last 4 months, you really want to stand with the homeowners.

What I've been hearing from people, homeowners who got a little behind on payments, they got behind last summer when gas prices went up, many of them did, and they couldn't pay all the bills.

So instead of having this money routed through the Secretary of the Treasury, as much as we might try to bind his hands, and then on around to maybe through banks and require them to lend, that kind of thing, if we provided a 2-month tax holiday where no withholding is taken out of the workers' check for 2 months, and then you don't take out FICA for 2 months, then it's still more than paid for by the \$350 billion. It's a 2-month tax holiday.

Now, President-elect Obama had said he would do exactly what this proposal does, except he'd have a \$250,000 cap on income. I have a bill that doesn't propose the \$250,000 cap, and it still comes in around \$334 billion. That's what will help the homeowners. It's instantaneous. We don't have to put restrictions on it. We don't have to do anything other than let the homeowners have it.

I've had some people tell me they want to get out from under their gas-guzzling car. But last summer when prices went up, the value of their car went down and they can't come out

from under it. A 2-month tax holiday will do it.

Mr. FRANK of Massachusetts. I yield 2 minutes to one of our very thoughtful Members, the gentleman from Illinois (Mr. FOSTER).

Mr. FOSTER. I rise in reluctant support of the TARP program as executed to date, in optimistic support of the TARP program as it will be executed by the Obama administration, and in full-throated support of H.R. 384, the TARP Reform and Accountability Act of 2009.

While the actions we took last fall have done much to stabilize our system, our credit markets are still not functioning properly. Significant programs to reduce preventable foreclosures have not started, and more needs to be done.

More than anything else, our economy runs on confidence. Confidence is an ephemeral thing that's easily squandered and extremely difficult to get back. Our financial system has been shaken to the core in ways that we have not seen since the Great Depression, and while I am certain that the actions that we took last fall helped us avert the abyss, we have to do more before we recover.

And the most important elements for restoring that confidence are a clear and workable plan for the future, the resources necessary to execute that plan, and an assurance that we are all in this together, that the blood, sweat and tears, as well as the economic gain, will be equitably shared as we work out of this crisis. That is what this bill is about. And this second infusion of TARP money, well-spent, is absolutely vital to helping us restore that confidence.

I would also like to associate myself with the colloquy regarding municipal bond markets. The loss of infrastructure spending due to the lock-up of the \$2.3 trillion muni bond market is one of the most frustrating and tragic consequences of this financial crisis. Despite near-zero historical default rate, muni bonds are not trading at all, at rational levels or at all. Proposals to revive the muni bond markets, for example, with federally backed muni bond insurance, represent low-hanging fruit that should be captured with a modest investment of TARP funds, probably the biggest bang for the buck of any stimulus investment that I am aware of.

As a member of the Financial Services Committee, I look forward to working with the chairman and the new administration on this important issue. I know Members are properly skeptical of the TARP effort.

The Acting CHAIR. The time of the gentleman has expired.

Mr. FRANK of Massachusetts. I yield the gentleman an additional minute.

Mr. FOSTER. Given how badly the Bush administration mangled this first infusion of TARP money, Members are extremely wary of granting additional funds. But thanks to the diligent work of the chairman and former and current members of the Financial Services

Committee, this bill contains substantial improvements over the original bill enacted last fall, and I believe it is worthy of this Chamber's support.

Mr. BACHUS. Mr. Chairman, at this time, I have no other speakers and would like to reserve the balance of my time until the gentleman from Massachusetts has no further speakers and is ready to close.

Mr. FRANK of Massachusetts. I would yield 2 minutes to the gentlewoman from Florida (Ms. CORRINE BROWN).

Ms. CORRINE BROWN of Florida. First of all, let me thank you, Mr. Chairman, for your leadership on this area.

I voted for the TARP bill, and I've got to tell you I've been very disappointed in many areas; whether we're talking about student loans, the fact that thousands of people are losing their homes through foreclosure, or whether the automobile industry, they can't get money to buy a car. And so I want to know what safeguards do we have in this bill to make sure that the banks will do what we intended them to do.

The Europeans did the same thing. They used their money to stimulate the economy, but yet, for every dollar they got, they had to lend it out.

Mr. FRANK of Massachusetts. If the gentlewoman would yield, what we say in here is, first, we have adopted in this bill the LaTourette amendment that the House did unanimously, to go back to the money already given and demand an accounting. That, we think, will put some pressure on them.

But more importantly, going forward we say that the Treasury may not make any capital infusions until they have made an agreement with the recipient bank as to what they plan to do with the money. And we expect that, in most cases, that will be re-lending.

We also make this point. The first chunk of money went primarily to the very large banks. They don't lend in the ways that the gentlewoman wants to see loans. One of the other things we're going to do is to increase funding to community banks in general, which we can trust. But even with those banks, the community banks in which we have confidence about how they're going to respond, we are going to insist that there be an agreement beforehand as to how they will use the money.

Ms. CORRINE BROWN of Florida. Will that include credit unions?

Mr. FRANK of Massachusetts. Yes, it does include credit unions.

Ms. CORRINE BROWN of Florida. My second question regarding the re-appraisal of real estate collateral that has affected the home builders in our country. I have an amendment in front of the Rules Committee which will permit lenders to extend or modify loan terms for home builders, so that they could continue to pay interest, without forcing them to pay large sums of principal during this economic crisis. I understand this issue is not covered by

the bill. What assurances do we have that we will address this issue in the future?

Mr. FRANK of Massachusetts. If the gentlewoman would yield here, and I appreciate her forbearance here. It's probably beyond the scope of this.

The Acting CHAIR. The time of the gentlewoman has expired.

Mr. FRANK of Massachusetts. I yield 1 more minute to the gentlewoman, and ask her to yield it to me.

This question is requiring accounting, the accounting standards require them to write down the assets. I think that's reasonable. The problem is that once that's done, too many things automatically flow from that.

There used to be a show called Truth Or Consequences. Our problem is truth and consequences. I don't want to dilute the truth, but I think we can have some flexibility in the consequences. The gentlewoman has given a very good example of that. It's an issue that this Financial Services Committee will be working on. I expect to have a serious hearing on this and consideration of it, and I know the gentlewoman will be helpful to us in putting this together and deciding how to respond.

Ms. CORRINE BROWN of Florida. Once again, thank you so much for your leadership in this area.

Mr. FRANK of Massachusetts. I yield 2½ minutes to the gentleman from Pennsylvania (Mr. SESTAK).

Mr. SESTAK. I rise to make four points in support of this bill.

First, I believe the U.S. Government response has actually been too timid and too slow. Let me just take, for example, the failure of this House on the first vote in September to pass the initial bill, TARP bill. As a result of that, Mr. Paulson actually backed away from the initial purpose of this bill, which was to actually purchase distressed mortgage securities and to begin to give clarity, a price to them so that we might have attracted by now more private investment into the markets. Instead he had a mistaken policy that he pursued in his panic of actually putting more equity direct into the market.

I believe, therefore, you've seen things happen that others have taken the place of our timid response. The Federal Reserve actually has stepped in, just for one example, actually guaranteeing in Citicorp's group, hundreds of billions of dollars of distressed equities, which we, in the TARP program, were actually meant to salvage.

Second, I believe that we actually have had success. We have moved back from the apex of financial crisis, financial panic, when for the first week, in that first week in October, not one bond was issued in the United States; the first time that has occurred in the history of America.

As we step back, we've seen the overnight bank lending rate actually fall from historic highs, significantly downward. That is important because every credit card in America is tied to

that rate, and 50 percent of every adjustable rate mortgage is tied to that rate as we salvage a more dire consumer credit and other types of credit challenges.

Third, I believe that, as we have seen some success, as we've seen that the 10-year Treasury securities, and as our mortgage rates have fallen and the dollar has strengthened, much more needs to be done, and that's what this bill does. It institutes the accountability that is absolutely critical.

If I learned anything in the Navy, expect what you inspect. And we do have the right inspection regime finally in this bill.

As we also step back and begin to get money funding to those types in tier 2 that need, it the commercial banks that can give it direct to consumers for loans and to small businesses, and as we begin to salvage the mortgage foreclosure, which is the long pole in the tent for the recovery in our economic recovery.

And the final point is this: Again, at sea, what I learned is when you were in a physical storm at sea, woe be that seaman that never took precautions because he thought it might be unnecessary.

We are truly in a financial storm, and the U.S. Government is the only one who continues to take the precautions necessary in order to salvage us from this storm.

Mr. FRANK of Massachusetts. I will inform my colleague, I'm about to get the last speaker before I will close. So I now yield 2 minutes to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Chairman, I rise to engage in a colloquy with the chairman of the Financial Services Committee, Mr. FRANK.

When Congress originally drafted the Emergency Economic Stabilization Act of 2008, I worked with the chairman to ensure that local governments would be covered under the Troubled Assets Relief Program. And the reason that we needed to do this was that there were so many that had invested in very conservative instruments in Lehman Brothers.

In my congressional district alone, in San Mateo County, they lost, or have lost \$150 million in Lehman Brothers securities, and they're not alone. At least 19 California cities and counties, the Commonwealth of Massachusetts, as well as hundreds of other local governments across the country have incurred losses like this.

The losses have resulted in teachers being laid off, the termination of ongoing construction projects, and the reduction of so many of the critical services that our constituents rely on every day.

My intention today is to confirm authority granted to the Treasury Secretary in the Emergency Stabilization Act of 2008 and the urgency for the future Secretary of the Treasury to use it effectively.

So to the chairman, does the Treasury Secretary have the authority,

under TARP, to purchase troubled assets by local governments?

Mr. FRANK of Massachusetts. If the gentlewoman would yield, yes, he does. And the purpose of this bill is not simply to confirm that the authority is there, but to say that we expect it to be used, and to demand that if it is not used we get a written explanation as to why not.

And I think it should be noted, if the gentlewoman would continue to yield, the gentlewoman from California, earlier the gentleman from Virginia, most recently the gentleman from Illinois, really a fairly good geographic stretch, have all made the point that the municipalities have been the unfair victims of this financial crisis, and we do some things to help that in this particular legislation. We will be doing more. And I thank all three of them and many others who have brought this to our attention.

Mr. BACHUS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, ladies and gentlemen, in September Congress rushed to approve \$350 billion to prevent what we were told was a doomsday scenario, that Secretary Paulson and Chairman Bernanke warned could bring down our financial system. They said, if we failed to act to stabilize our financial markets our banking system could cease to function. Very serious words. And we did act.

Now, just last week, we approved \$350 billion with an option, if necessary, to commit another \$350 billion. Just last week, in a letter to Congress, to Members on both sides of the aisle, we were told by Secretary Paulson, and let me quote, "We have, in fact, met our original, stated objectives, which were to immediately stabilize the financial system by strengthening financial institutions, arresting the wave of financial organization failures, and establishing a basis for recovery."

□ 1845

You'll recall back then that six of our largest institutions collapsed within a month or two.

Now, what began back in September as an emergency response to stabilize our financial markets has morphed before our very eyes into a string of taxpayer-funded bailouts. I don't think you've failed to notice that. I know the American people have not. Trillions of dollars in taxpayer-backed guarantees and loans have been extended over the past 5 months.

A week after Secretary Paulson announced that the September legislation had met its original goals, they came back again. The government and his agents and his agencies are ready and are anxious to dole out another \$350 billion in, what I call, a grab bag of free taxpayer money.

But before the government and the new Obama administration can spend this additional \$350 billion, they are required by law to submit a detailed plan, telling the Congress just how

they intend to spend the taxpayers' money. They are required to tell us not only how they intend to spend it and what they're going to do with it, but they are to go into detail. I would think that means the purpose of each program, the amount of money, the recipients, the amounts, and perhaps whether AIG is included. How much is going to them?

At a time when Americans—our families, our constituents—are struggling to make ends meet and to make their mortgage payments, that's only fair. We need to be informed. It's a duty we ought to take seriously. We need the facts. We need all of the facts, not just some talking points, not just some broad suggestions. Not only do we need to know and to look at it as we require them to do, but the American people deserve no less.

We do know some things. We do know that special interest groups and their lobbyists are lined up to grab their piece of a very expensive, taxpayer-funded pie. They're calling on most of us, and have this week. They're ready. They're anxious. There is a sense of urgency there. They want a piece of the taxpayer.

We know for sure that Chairman BARNEY FRANK's bill before us today isn't going anywhere with or without amendments. It's not going anywhere. The Senate has repeatedly indicated that they have no intention of taking it up, much less of passing it. Is that my interpretation? No.

Let me quote the chairman of the Senate Banking Committee. "Congress doesn't have time to take up Chairman FRANK's plan to spend the money." We've had the Paulson plan. Now we've got the Frank plan. I guess we've got the Obama plan, but the Frank plan is never going to see the light of day.

The chairman of the Senate Banking Committee came back. He was asked to clarify, and he again reiterated. He said, "Trying to flesh out a bill form is really impossible." We just don't have the time to do it. We're not going to do it. It's not going to happen.

What about the detailed plan requiring the administration to tell us how they intend to spend these additional hundreds of billions of dollars of taxpayer money, which was a requirement that was essential in convincing Members to vote for the bill in September? We're not going to vote for it; we're not going to pass it unless we get attached to the request a detailed plan telling us where it's going, telling us who is getting it, telling us how much, giving us detailed terms.

Well, Mr. Chairman, we don't have that plan. Here is what we have. Here is what is attached to this request for \$350 billion. All we have are these 322 words. Mr. Chairman, that's more than \$1 billion per word. What did we get? We got a document that basically consists of six talking points, some of which sound good, but they are nothing that inform us or the American people as to how the money will be spent.

For example, here is what the plan says that was submitted on the request of the Obama administration. It will "focus resources on measures that achieve goals in the most effective and efficient manner." That sounds pretty good. Let me repeat that. "Focus resources on measures that achieve goals in the most effective and efficient manner based on current and forecasted financial market conditions." Do you know who that's going to? Do you know how much?

Here is another one. There aren't many words here, but here are another 10 of them: "TARP programs should encourage broad participation." That's not even close to a detailed plan. Perhaps we're supposed to rely on the incoming administration to provide us with these details of how they will spend the money. After all, as I said, they've requested the current administration to send this request up. Here is the plan. No. No. The new team was going to change things, but apparently not. It's the same old, same old. They haven't attached a detailed plan required by Congress for the American people or for this Congress.

Although not here, instead, they've sent us a three-page letter with five more talking points. So I guess, maybe, you could take these, which are part of the thing we'll vote on and part of the five talking points they've sent. It was just one of their economic advisers who sent it.

What was the response to that little five-page letter from one of President-elect Obama's advisers? Well, the congressional Democrats said this: "It fails to meet our standards." They said that they needed more details than the letter provided. They've not gotten it.

A letter is not a law, and that's why the chairman brought this before the Congress. A letter is not a law, so he brought this bill, but then the Senate said forget it.

So, 3 months after the House has passed legislation, here we are without any clue as to where the money is going, with embarrassing consequences, and we are going to do it again. We are at it again. We have not learned a thing.

Chairman FRANK and the Democratic leadership, you're again on the floor, claiming there is no time for careful consideration under regular order, with a 75-page bill that was introduced less than a week ago. No committee markup will ever be held on this bill. Why not? I don't know. I wrote the chairman. I said, "Why can't we have a markup?" I've not received a response, perhaps because a markup isn't necessary. Amendments aren't necessary. This debate is not necessary. Its only purpose is to grease the skids for congressional approval of yet another bailout. Oh, we got some conditions; we got some terms; we passed a bill to nowhere; we gave it our best shot. It didn't come from a committee, and it's going absolutely nowhere.

Someone talked about this wonderful opportunity we were going to have

today to define how this money was going to be used. Well, folks, a bill that is going nowhere isn't much of an opportunity. It has no legal effect. Where should the request for this \$350 billion go? I say back to the current administration and to the new administration until such time as the American people and this Congress get the facts.

Why do they suddenly need another \$350 billion? Is it another \$350 billion sedative for the stock market to calm it for a week or two? Who exactly gets the money—what industries? under what conditions?

Mr. FRANK has talked about foreclosures and mitigation. It's a worthy thing. Well, I looked to the Obama administration official and what he said about that, and he said, "Hope for homeowners. Hope for homeowners." Now, Mr. FRANK, the chairman, wrote, "Hope for homeowners," and 13 lucky homeowners have received a mortgage or a mortgage workout, 13. I suppose and I believe that the chairman is going to work out a new mortgage program, but we don't know what it is. We don't know how much money is going to it.

The President-elect says he is going to change the bankruptcy laws. I wonder how. I wonder if we shouldn't get some detail from him. He says he is going to make some bold changes in how this money is spent. He has said that he is going to see that distressed homeowners and people who can't pay their car notes receive relief out of this money. I would invite you to read those three pages. Above all, he says he is going to change; he is going to change; he is going to change.

Do you know the one thing he didn't change? No details, no terms, no identification of recipients. He has certainly not been more transparent and accountable. He could have waited 5 days, and he could have filed a detailed plan, and he could have told the American people and this Congress before we voted exactly what he wanted to do, but instead, we get a bill that's not going anywhere, and we get to put some amendments in it. That doesn't sound like much of a change. In fact, it almost sounds like we're going backwards, because we're not going to pass any conditions this time, none whatsoever.

Who gets the money? Under what conditions? We and the American people are going to have to wait. Then I say we vote. We need to do what's right, not what's popular. We need to do what's right. We need to be informed. Yes, there is a sense of urgency, but there also should be a thorough debate, and we ought to know the details of the plan. To be informed, we need to know the facts, and we don't have them. That's the bottom line, and a bill to nowhere doesn't change that.

Mr. Chairman, there was a time not too long ago when it was the banks that loaned money to the people. Today, unfortunately, it's the other way around. Banks are asking the peo-

ple to loan them money. They're asking our constituents, our voters—many of them struggling to pay the very banks that are asking again for help.

The President-elect says that he is going to see that more bold steps are made to inject capital into those banks. He is going to spread it out. He is going to give some of the banks money that didn't get the money before. He is going to change some of the terms. Now, I have not a clue—and neither do you—as to how, but let me tell you something, one thing, and I will close with this:

It is time that the banks started lending money to people, not the other way around. We, on behalf of the taxpayers and our constituents, can put a stop to this, and we can do it now. We can tell the current administration and the next administration "no" to yet another \$350 billion blank check bailout. Enough is enough.

Thank you, Mr. Chairman.

□ 1900

Mr. FRANK of Massachusetts. Mr. Chairman, I will use our remaining time.

People may have a little difficulty reconciling the speech they just heard with the person who made it. The gentleman from Alabama last year voted for the 700 billion the second time, not the first time. He was in and out of the negotiations on it, told us he would participate, then was told he couldn't. He did finally vote for it.

We ought to be clear what's happened, and I understand the need to stay at a position.

The new deputy, the new whip of the Republican Party, was quoted in a publication here, Congress Daily, as saying that the gentleman from Alabama was allowed to keep his position as the ranking member because he'd agreed to engage me. Not, let me say—less I cause great problems given the obsessions on the other side—to become engaged to me. I don't want people to be confused. It was that he would engage me.

Mr. BACHUS. Mr. Chairman, thank you for clarifying.

Mr. FRANK of Massachusetts. I did not yield to the gentleman.

And that's what you see. That's the only explanation I could give for this dodge and whirlish, frankly, pattern of activity I can't fully understand. Again, he did vote for it.

What we are seeing, I would say this, if you're listening to the Republican arguments today, this is the going away present to George Bush. Remember that the \$700 billion was a major initiative of the Bush administration, insisted upon by Bush officials or Bush appointees: Mr. Bernanke and Mr. Paulson.

At the request of the President—I put the "President"; he's still the President—as an independent actor is the one who triggered this issue. If he had not done so and had waited a couple of weeks, no, we wouldn't be here

today. We would have been following the regular order.

But President Bush, at the request of President-elect Obama—but President Bush did it—triggered on Monday a 15-day period. We will have to vote early next week on whether to approve or disapprove the second TARP, and that was George Bush's approach.

So we're here because George Bush, at the request of President Obama, asked us to release the second 350, and we're here because George Bush asked us to do the first 700 billion.

I do not think in American history there has been as thorough a repudiation of a President by members of his own party, as we have heard from the Republican Party today and elsewhere. But they are entitled to repudiate their President. I salute their perspicacity.

What they are not entitled to do by logic is to say that because the President they supported, the President they campaigned for, the President they honored, because they are so disappointed with the way he conducted one of his major initiatives that this Congress gave him, that they will deny the new President these tools.

Now, I don't like the foreign policy of the Bush administration. But I don't think we should say that Mr. Obama cannot have a State Department.

The TARP is not an independent organism with a spirit of its own. It's a set of tools. There was apparently unanimity in the Congress that the Bush administration did not use them well, although the gentleman from Pennsylvania on our side and others have made the point that they did some good.

By the way, that's one of the interesting things on the Republican side. They have insisted, first of all, that the TARP did no good whatsoever; and secondly, that it succeeded to the point where we don't need the second half. If you read what some of them have said, that's what they said. Several quoted Mr. Kashkari as saying, "Well, Kashkari, who's running this under George Bush, says things have been stabilized." Yeah. He says they've been stabilized in part because we've had this. So quote Mr. Kashkari who says this is worksome to argue that it should never have been done in the first place.

Now let me address this issue of this odd thing that says we should be independent, we should assert ourselves, and what should do? We should wait for the President to give us a plan. That's an odd form of assertiveness to wait for the President to give us a plan. I didn't want to do that. Most of the House does not want to do that, and we are here to tell the President what we think has to be done.

And the gentleman has engaged in one of the, I think, least persuasive techniques, a straw man. Yes, Mr. Summers did a letter, which he had up there. That is by no means the only indication that we will have. And in fact what we are getting is a specific agreement from the Obama administration to the terms of this bill.

For example, on foreclosure—and the gentleman said, and I'm baffled by this, "we don't know what he means by 'foreclosure.'" Well, he said we need the facts.

You can subpoena someone to tell you what he knows. You cannot subpoena someone to be told things. You can subpoena information out of someone. You can't subpoena information into someone.

There is a concept from ancient theology, which I do not impute to anybody here in defense of the House rule, called invincible ignorance. But invincible ignorance is immune to facts. It is immune to logic and cannot be overcome. We have made very clear—the gentleman from California, who's technically on this—at least 20 billion to go into the plan put forward by Sheila Bair, a Bush appointee of the FDIC. That's very specific. It's not Hope for Homeowners. It's a separate plan.

Secretary Preston, a Bush appointee at HUD, has told us that there is, in the original bill, authority to buy home mortgages and that will work. So there is another specific: buy home mortgages that are in people's portfolios and reduce them, which we mentioned in the bill. The Sheila Bair plan.

Now, Hope for Homeowners, the gentleman is right. We passed Hope for Homeowners, and it was too constricted. It won't work. We constricted it some; the Senate further.

Now, by the way, when we were passing Hope for Homeowners, the Republican mantra was, "This will cost us \$300 billion dollars." Preposterous at the time. Now they are arguing, "Well, it was too restrictive." They are right this time. They were wrong the first time.

Part of the reason it was too restrictive is that we were concerned about this argument that we were spending too much.

So we do propose here—and I hope in the recovery program—to fix Hope for Homeowners so we will have Hope for Homeowners, and we will work with the Federal Reserve to try to make Hope for Homeowners more workable.

So we are talking about three specific approaches: A more workable Hope for Homeowners, which reduces principal; the Sheila Bair plan, which reduces interest; and the Preston plan, which buys up mortgages. We also intend to use more money here through Fannie and Freddie.

The notion that nobody knows what we mean by mortgage foreclosure could be advanced seriously. I don't know whether that's a form of engagement that will satisfy the Republican leadership and the Republican Study Committee, to which the gentleman has to pay some attention; but we have very specific numbers, we have a commitment from the Obama administration, from Mr. Geithner, and from Mr. Summers that they will spend at least 100 billion of the 350 on mortgage foreclosure reduction. And if they can't, they will tell us in writing why they

couldn't; and they will spend no less than 40.

Now you could not be more specific. The gentleman knows this. This isn't a line in Larry Summers' letter. What's the purpose of pretending that you don't know that we have this commitment to at least 100 billion, no less than 40, and 100 unless they can tell us in writing why it isn't done.

As far as the banks are concerned, we're very specific here. Well, one we passed the LaTourette amendment that Members here voted for. Apparently they thought it was meaningless. I didn't think it was meaningless. I thought a Republican Member, Mr. LATOURETTE, had a good amendment, and we made this part of the bill; and we have a commitment from the Obama administration to enforce it.

Now, it is possible that the Obama administration will break its word. It is not unheard of for administrations to break their word. We believe the Obama administration will abide by its commitment to follow this bill if it's passed.

I understand the skepticism on the Republican side because we're telling them that we have a commitment which we accept as valid from a new administration that they will abide by the bill as it passes the House. We haven't experienced where the bill could pass both houses and be signed and be ignored. So I understand their skepticism that a President will pay respect to a law.

But again, here is the fundamental flaw. They would visit the sins of the Bush administration on the Obama administration.

We still have a financial crisis, and yes, Mr. Kashkari said things have gotten better, but he didn't say this isn't necessary. Secretary Paulson thinks they're necessary, the Federal Reserve thinks they're necessary, the Obama administration thinks it is necessary to use the \$350 billion wisely. We are putting limits here on how it could be used. And it is possible, and it's true.

The Senate doesn't plan to pass the bill they tell us now. That is often the case. It's the first time I've heard the Republicans say that's the reason for us not to do things.

But here is the point: We will pass this bill, I hope. We will then probably see the 350 made available, and I trust the Obama administration. But if they don't, hanging over their heads will be this bill in the Senate—and they don't plan to pass it now—but I believe its being there as a live option will make a difference.

As to participation, no, we haven't had a markup because we are not formally constituted. If President Bush had waited and asked for this in a couple of weeks, we would have had a regular markup. Instead, we've had a very open process, and we have elicited amendments. Oddly, some would argue that because we got over 70 amendments, that shows that Members were somehow unhappy. In fact, we have ac-

cepted the great majority of those amendments, including many of those offered by Republicans. Now, many Republicans didn't offer amendments, but those that did, we have accepted some and we put others in order.

So here is the issue that we come down to.

The Republican leadership voted for this bill—not their whole membership, but the leadership did. They were in, they were out; but they voted for it. They then saw their administration had administrated so badly that they've decided to punish the Bush administration by denying a vital tool to the Obama administration. It's like the story of the mother who says to the teacher, "My child is very sensitive. So if he misbehaves, smack the kid next to him because that will impress him."

Well, Obama is the kid next to the people who misbehaved. Don't smack him. Don't tell a new President who won an election largely in repudiation of your party's candidate that you're going to deny him this tool.

We think that if the 300 and—note the Republicans who opposed this haven't said that if the Obama people follow this pattern, it will be wrong. They took some shots at foreclosure. Some of the more conservative Members think we should do nothing about it. Most of them don't want to say that.

The question is this: Do we tell a new President that he doesn't have the authority, or do we give him the authority with a set of rules to which he agrees?

Mr. POSEY. Mr. Chair, as a new Member in the 111th Congress, I did not have the opportunity to vote against the Troubled Asset Relief Program, or TARP, when it passed last year. At the time, I raised a number of concerns with the program, including the enormous risk to the taxpayer while our Nation's budget deficit skyrockets. While the Secretary of the Treasury warned of catastrophic consequences if TARP failed to pass last year, the case has yet to be made this time that the remaining \$350 billion ought to be spent. Let us also remember that after the TARP bill passed, the Treasury shifted its approach away from purchasing troubled assets, as expected by Members of Congress who voted for the bill, and focused instead on giving money to banks. Treasury's use of taxpayer money remains clouded and lacks clear results deserving yet more of our money to spend.

I welcome this bill's requirements to increase oversight of the TARP program through reporting requirements and the establishment of TARP objectives and benchmarks. The Congressional Oversight Panel highlighted the Treasury's astonishing inability to explain what banks are actually doing with the taxpayer money that was handed over to them. That is unbelievable and we ought to remedy this.

That said, we are asked to vote on a bill that ostensibly improves the TARP program, but is being considered in a rushed process and without proper deliberation. We just received a copy of the 74 page bill on Friday afternoon. HEW Three days later, we received

a 23 page amendment from the bill's author. That doesn't inspire much confidence in this process. Many agree the frenzied passage of the TARP bill last fall resulted in the need to clean it up later. So today I ask: What is the hurry and why can't we have more deliberation on ideas to improve the program? In yesterday's Financial Services Committee hearing, which touched on this bill indirectly, we heard from panelists with some ideas for TARP and other economic tools worthy of discussion. Why can't we take time to digest these proposals and determine whether their ideas should be incorporated with this new version of the TARP bill?

I doubt this bill will live up to its expectations. Recent discussions in Congress have rightly addressed ongoing foreclosures. Yet I am concerned that the bill builds on a housing program, the Hope for Homeowners program, whose track record is dismal. While it was predicted that the program would help around 400,000 homeowners, this \$300 billion program received fewer than 600 loans for modification and government guarantee. The legislation before us weakens Hope for Homeowners requirements, such as borrower certifications and documentation, which are intended to reduce the possibility of the taxpayer having to pick up the tab. This bill does not sound like the solution we are looking for.

Mr. MEEK of Florida. Mr. Chair, I rise in general support of H.R. 384.

The bill requires that the Treasury implement some combination of programs designed to mitigate foreclosures.

This is very important to the people of my home state of Florida. Florida has the second highest foreclosure rate in the nation, placed only after Nevada. In November of 2008, one in every 173 Florida housing units received a foreclosure filing, nearly three times the national average. Broward County leads the state with over 6,800 new foreclosures in November, while Miami-Dade County follows close behind with over 6,400 new foreclosures filed in November.

In the last economic stabilization package the Troubled Asset Relief Program, TARP, was created. Money for this program was supposed to go to help stabilize banks, and was originally thought to be used for lending and the prevention of foreclosures. So far, the money has only been used to help shore up banks, and has not actually been used to restructure mortgages or otherwise prevent foreclosures.

FRANK's bill H.R. 384 requires the commitment of between \$40 billion to \$100 billion to help mitigate foreclosures.

The bill does not lay out a substantial plan to use this money to prevent foreclosures, but instead requires any plan created by the Secretary to comply with several elements, leaving the door open as to how exactly the funds will be used.

While the bill grants the Treasury flexibility in designing programs to stabilize the industry, I will be asking the new Secretary to make re-financing and modifications of current mortgage notes a requirement for participation by any lender in a program that seeks to purchase all or part of a troubled asset.

I have filed H.R. 421, which requires that lenders must attempt to refinance and modify the loans of their borrowers who are facing down foreclosure to a payment that is 30 percent or less of their gross monthly income to

the extent that they are capable of doing so. If they do this, then the Treasury would be authorized to purchase the difference between the original note and the modified note.

Not only would this keep homeowners in their homes, it would provide them with means to pay other bills, invest, and otherwise contribute to the economy.

This would provide an incentive for banks to work with borrowers whose homes are in pre-foreclosure rather than simply giving them a backstop to protect their bottom line.

Banks must document their best efforts to create these affordable payment plans before foreclosure if affordable payment plans cannot be made with the borrower.

My concept's priority is to keep people in their homes through affordable payment plans and help them regain their economic purchasing power.

But, the added benefit is that this program would be less costly to the Federal Government than one which simply buys out troubled assets at the full amount of the loan.

H.R. 384 gives the Secretary of the Treasury the means to pursue this course of action, while also giving the Congress significant oversight over the people's money.

I support H.R. 384 and hope my colleagues will join me in voting "yes" on this bill.

Mr. TOWNS. Mr. Chairman, I rise in support of H.R. 384, the TARP Reform and Accountability Act of 2009. This bill will improve the Troubled Asset Relief Program that was enacted as part of the Emergency Economic Stabilization Act last year by increasing the transparency of financial institutions use of taxpayer funds, closing certain loopholes, and strengthening accountability of the Program.

The bill also requires the Treasury Department to commit significant funding to addressing the growing home foreclosure crisis facing our nation. The housing crisis is at the heart of our current economic problems, so this is a much needed step.

H.R. 384 requires financial institutions which receive taxpayer funds to account for the use of those funds on not less than a quarterly basis. To date, the banks and other financial institutions which have received billions of taxpayer dollars have refused or been unable to account for how that money has been spent. That is simply outrageous, and I am glad this bill addresses that issue.

The Special Inspector General for the TARP has also informed me of several issues which would improve his ability to hire experienced and talented staff in an expeditious manner. One would be to clarify that his office has law enforcement authority. This is clearly needed to ensure that his investigative staff can issue subpoenas and make arrests, if necessary. I believe the intent of the original legislation was to include this authority, so this is only a matter of clarification.

Also, other Special Inspectors General have the authority to re-hire federal employees who have retired. That enables them to quickly hire experienced auditors and investigators. While this is an issue which needs to be examined closely, I believe it may be appropriate for the Special Inspector General of the Troubled Asset Relief Program to have similar authority.

While neither of these provisions are included in the bill before us, I believe they would improve the operations of the Special Inspector General's office, and would hope to work with Chairman FRANK to address them in future legislation.

Ms. McCOLLUM. Mr. Chair, I rise today to express strong disappointment in the Treasury Department's failure to exercise oversight and accountability in its implementation of the Troubled Asset Relief Program, TARP, that Congress specifically required in the Emergency Economic Stabilization Act, EESA.

American families are struggling as we face the most major economic crisis since the Great Depression. Thousands of Minnesotans have lost their jobs or face foreclosure on their homes. Late last year, Congress, in consultation with the Bush administration, acted swiftly to pass EESA to aggressively address the financial crisis. The Troubled Asset Relief Program under this legislation was enacted so the Treasury Department could buy bad assets of financial institutions—including mortgage debt—to thaw credit markets and increase confidence in the financial system. The first \$350 billion dollars of funding under the TARP were disbursed to the U.S. Treasury Department with the understanding that the funds to financial institutions would be tied to strong oversight and transparency to ensure maximum effectiveness in helping struggling Americans.

Unfortunately, the Treasury Department has ignored the original intent of the TARP. Instead of buying bad debt and stemming housing foreclosures, the Treasury has enacted the Capital Purchase Program, which has dumped billions into the banks in the hope of thawing the credit markets. This decision was matched with a complete failure to conduct oversight for the funds. Treasury has implemented none of the oversight of financial institutions that was called for in EESA.

Reports released this month from the Congressional Oversight Panel, COP, created by Congress to act as a watchdog, state, "The recent refusal of certain private financial institutions to provide any accounting of how they are using taxpayer money undermines public confidence." The Treasury Department's failure to hold financial institutions accountable means that American taxpayers have no idea what these institutions have done with hundreds of billions of dollars of taxpayer money. This is outrageous betrayal of the public trust and the intent of Congress.

While I appreciate the need for flexibility to go forth in response to this crisis, there is no excuse for an absolute failure to ensure accountability in the use of a massive taxpayer funded account. As Congress debates whether to release the second half of the TARP funds, an additional \$350 billion, I urge the highest scrutiny and strongest demands of oversight for the Treasury Department and its plans for the remaining funds. The American people deserve nothing less. I appreciate Chairman FRANK and President-Elect Obama's calls for increased accountability and transparency in the implementation of the TARP and look forward to working with the 111th Congress to enact timely, effective policy to address the foreclosure crisis, protect taxpayers, and boost our economy.

The Acting CHAIR. All time for general debate has expired.

Under the rule, the Committee rises. Accordingly, the Committee rose; and the Speaker pro tempore (Mr. AL GREEN of Texas) having assumed the chair, Mr. SIREN, Acting Chair of the Committee of the Whole House on the State of the Union, reported that that

Committee, having had under consideration the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, had come to no resolution thereon.

INJUSTICE OF THE IMPRISONMENT OF IGNACIO RAMOS AND JOSE COMPEAN

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

Mr. MCCLINTOCK. Mr. Speaker, I rise today to express my hope that the President will not leave office before using his pardon to correct one of the great injustices of our time, the imprisonment of Border Patrol officers Ignacio Ramos and Jose Compean. They are the officers who wounded a drug smuggler as he tried to escape. The drug smuggler got immunity; Ramos and Compean got lengthy prison sentences.

This injustice sends a chilling message to Border Patrol officers who are heroically trying to defend the integrity of our borders against enormous odds and with inadequate resources. It is an injustice that cannot be allowed to stand.

Thank you.

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SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

MORAL CLARITY—ISRAEL VS. HAMAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

Mr. POE of Texas. Mr. Speaker, as the fighting in the Middle East rages on, many in the media and the elites in Europe have asserted with self-righteous indignation that Israel's response to Hamas' acts of terror is not appropriate, and Israel should unilaterally cease all military operations. They cite inflated numbers of Palestinian civilians killed in this war and blame Israel for the death; never mind the fact that the coward of the desert, Hamas, uses Palestinian men, women and children at mosques, schools and hospitals as shields; never mind the fact that before bombing a military target in Gaza, Israel calls the area and advises the civilians to leave; and never mind the fact that since 2000 more than 8,000 rockets have been fired by Hamas into Israel civilian settlements. Mr. Speaker, Israel must defend its people from these attacks.

The truth is, Mr. Speaker, that the moral differences between Hamas and

Israel could not be clearer. Hamas worships death, Israel worships life. Hamas supports terrorism, Israel supports liberty. Hamas oppresses women, Israel honors women. Hamas destroys, Israel builds. Hamas believes in the pursuit of misery and Israel believes in the pursuit of happiness. Hamas supports crucifixion, Israel supports mercy. Hamas honors murder, Israel honors the sanctity of life. Hamas kills people with different religious beliefs, Israel embraces the freedom of religion. Hamas incites hatred, Israel believes in tolerance. Hamas is racist, Israel believes in the equality of all. Hamas believes in chaos, Israel believes in justice. Hamas promotes anarchy, and Israel promotes peace. The moral canyon that separates Israel from Hamas is best described by Hamas' own motto, and I quote, "We love death more than the Jews love life."

Hamas not only doesn't care about killing Jews, it doesn't care about killing Palestinians either. They use living Palestinians as human shields. Hamas prevents humanitarian aid from Israel from reaching Palestinians in Gaza.

The international community has begun calling for an immediate ceasefire, especially the Europeans, asking and telling Israel they must unilaterally stop this war. Mr. Speaker, some in Europe don't believe that anything is worth fighting for, but some things are worth fighting for. The basic human right of liberty is worth fighting for whether Europeans believe in it or not.

The last thing Israel ought to agree to is another phony peace. Israel did that 3 years ago with Lebanon and look what happened; the U.N.-mandated disarmament of Hezbollah failed miserably. Hezbollah has rearmed, and in fact just last week began firing more rockets on Israel.

There can be no peace in this war as long as Hamas is allowed to murder in the name of religion. Rather than bending to the pressure of world opinion, Israel ought to continue to protect her right to exist and the rights of her people to live free. The world must demand that Hamas cease all rocket fire and smuggling of arms from Egypt into Gaza.

Hamas needs to leave Israel alone. Just today, Osama bin Laden issued a 20-minute recording calling for a jihad against Israel. Jihad is another phrase for a holy war against Israel for its actions in Gaza. All the eyes of the world, especially the moderate Arab states, are looking to this conflict to see whether Iran and its hired guns, Hamas and Hezbollah, are victorious.

Hezbollah and Hamas, these twin tribes of terror, must be stopped. Unless they are, Iran will be encouraged to be more aggressive in the region and assert its influence over moderate Arab states. You see, Iran and the little fellow Ahmadinejad are the real threats to peace in the desert sands of the Middle East.

This is not the time to be rattled by the terrorist threats. This is the time

to stand with the only democracy in the Middle East for the right of her self-defense, Israel. It's the right thing to do. Israel's war of self-defense is morally just. And Mr. Speaker, justice is the one thing we should always find. And that's just the way it is.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

(Mr. CUMMINGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ENGEL) is recognized for 5 minutes.

Mr. ENGEL. Mr. Speaker, I rise today as the only New Yorker on the Energy Subcommittee of the House Energy and Commerce Committee, and I believe so strongly that our dependence on foreign oil is one of the greatest challenges that our Nation has ever faced. It threatens our national security, it threatens our economy, and it threatens our environment. Oil prices have recently drifted downward, but we cannot afford to let that lull us into a false sense of complacency.

I am the founder and co-Chair of the Oil and National Security Caucus, which is designed to raise awareness of the economic and security implications of America's growing dependence on foreign oil. The Caucus consists of Members of both parties united by the common goal of developing and promoting practical bipartisan ways to progress toward energy independence.

America's mission is clear: We must work to reduce our dependence on foreign oil, we must grow our economy by protecting existing jobs and creating new ones, and we must build a clean energy future that benefits all citizens.

I will also seek the development and implementation of an oil savings plan. The United States consumes 25 percent of the world's oil, yet possesses only 3 percent of the world's oil reserves. We imported 30 percent of our oil just a few decades ago. Today, we import more than 60 percent.

I introduced a plan in 2005 with Congressman KINGSTON as part of our Fuel Choices for American Security Act, and again in 2007 as part of our Dependence Reduction Through Innovation in Vehicles and Energy, which is called the DRIVE Act, to require oil savings of 2.5 million barrels per day by 2015, and increasing annually to 5 million barrels per day by 2025. In 2009, this year, I will introduce and work again to enact similar legislation to help break our addiction to foreign oil. I will also encourage the production of flex fuel vehicles by seeking passage of the Open Fuel Standards Act, which I am the leading sponsor of.

The United States transportation sector is 97 percent reliant on oil, and