

Angeles County, and almost 50 percent in Orange County. In fact, foreclosures have caused prices to decline in California alone by 30 percent in recent months, and they continue to be a problem.

To address the inventory surplus and help stabilize the housing market, the Neighborhood Preservation Act would allow banks to temporarily—and I emphasize temporarily—lease foreclosed properties. Under the bill, the prior homeowner would have the opportunity to lease a property and could be given the option to buy back the home. By allowing a family to lease a property rather than abandon it, families would be given a chance to remain in their homes until they have the means to own again. This legislation would also enable the lender to sell the property within 5 years into a more stable market; thereby, potentially recovering all or part of the losses that could otherwise have occurred in an immediate sale in a saturated market. The Neighborhood Preservation Act would not only reduce the number of houses being sold, but it would help preserve the physical condition of foreclosed properties, which would ultimately help stabilize the aesthetics and economic value of neighborhoods and communities. This would minimize the negative impact on surrounding homes and neighborhoods that have been impacted by the unrelenting foreclosure crisis.

To ensure bank solvency, this bill would require the Federal bank agencies to establish criteria and minimum requirements for the leasing activities of any depository institution, including minimum capital requirements that the agency determines to be appropriate for the preservation of the safety and soundness of the institution. The bill explicitly states that “it is the intent of Congress that no permanent change in policy on leasing foreclosed property is being established with respect to depository institutions” and their “holding companies.” The purpose of this bill is to mitigate the impact of the oversupply of homes on the marketplace and allow individuals the chance to stay in their homes during these exigent circumstances.

Mr. Speaker, at no cost to the taxpayer, this bill will help preserve properties and communities, provide more confidence in our housing markets, and assist in stabilizing the economy.

At this point, I reserve the balance of my time.

Mr. MOORE of Kansas. Mr. Speaker, I have no further requests for time, so I will let the other side close.

Mr. GARY G. MILLER of California. In recent years, many of you recall that there have been concerns about allowing banks to get involved in the real estate marketplace, specifically being involved in housing sales and housing transactions other than for pure lending purposes.

So before I introduced this bill, I went to all the associations to make

sure the understanding was that this was clearly a temporary bill. This bill has been endorsed by the National Association of REALTORS, which mainly had a huge concern with banks being involved with real estate, the National Association of Homebuilders and the National Association of Mortgage Brokers. This bill was discharged from committee without a hearing because the ranking member and the chairman both believed this bill could really have a major impact. That’s why this bill is on the floor. I ask for an “aye” vote.

I yield back the balance of my time. Mr. MOORE of Kansas. Mr. Speaker, I have no further requests for time, I urge my colleagues to support this bill, and I yield 1 minute to the gentleman from Indiana (Mr. DONNELLY) to close.

Mr. DONNELLY of Indiana. Mr. Speaker, I urge my colleagues to support H.R. 2529. This bill is a very, very positive step for the homeowners, for our neighborhoods, as well as a way to help solve the problem of foreclosed homes in America. So I urge Members’ support.

Mr. AL GREEN of Texas. Mr. Speaker, I am pleased to submit my support of H.R. 2529, the Neighborhood Preservation Act. This Act will allow depository institutions and their affiliate entities to lease foreclosed properties for up to five years— it also has a provision which would allow for people to sign leases with the intent to purchase.

The Neighborhood Preservation Act is a commendable approach to utilizing the growing inventory of foreclosed properties and putting American families back into homes. Allowing foreclosed homes to be leased is a win-win situation. This allows people who may not be financially positioned to buy a house an opportunity to live in and potentially purchase a home while also allowing the bank to get some of the money back from the foreclosed property.

Additionally, by allowing depository institutions to lease foreclosed properties, we will put people in homes and begin to reduce the housing inventory overhang that is currently causing downward pressure on home values. This will help stabilize the housing market and will help facilitate the recovery of the greater economy.

Communities throughout the nation will benefit from this legislation, and it could not have come at a more opportune time.

Mr. MOORE of Kansas. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas (Mr. MOORE) that the House suspend the rules and pass the bill, H.R. 2529, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

NATIONAL FLOOD INSURANCE PROGRAM EXTENSION ACT OF 2009

Mr. FRANK of Massachusetts. Mr. Speaker, I move to suspend the rules

and pass the bill (H.R. 3139) to extend the authorization of the National Flood Insurance Program, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Flood Insurance Program Extension Act of 2009”.

SEC. 2. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) PROGRAM EXTENSION.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking “September 30, 2008” and inserting “March 31, 2010”.

(b) FINANCING.—Section 1309(a) of such Act (42 U.S.C. 4016(a)) is amended by striking “September 30, 2008” and inserting “March 31, 2010”.

SEC. 3. EXTENSION OF PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES.

Section 1361A of the National Flood Insurance Act of 1968 (42 U.S.C. 4102a) is amended—

(1) in subsection (k)(1), by striking “2005, 2006, 2007, 2008, and 2009” and inserting “2009 and 2010”; and

(2) by striking subsection (l).

SEC. 4. CONSIDERATION OF RECONSTRUCTION AND IMPROVEMENT OF FLOOD PROTECTION SYSTEMS IN DETERMINATION OF FLOOD INSURANCE RATES.

(a) IN GENERAL.—Section 1307 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014) is amended—

(1) in subsection (e)—

(A) in the first sentence, by striking “construction of a flood protection system” and inserting “construction, reconstruction, or improvement of a flood protection system (without respect to the level of Federal investment or participation)”; and

(B) in the second sentence—

(i) by striking “construction of a flood protection system” and inserting “construction, reconstruction, or improvement of a flood protection system”; and

(ii) by inserting “based on the present value of the completed system” after “has been expended”; and

(2) in subsection (f)—

(A) in the first sentence in the matter preceding paragraph (1), by inserting “(without respect to the level of Federal investment or participation)” after “no longer does”; and

(B) in the third sentence in the matter preceding paragraph (1), by inserting “, whether coastal or riverine,” after “special flood hazard”; and

(C) in paragraph (1), by striking “a Federal agency in consultation with the local project sponsor” and inserting “the entity or entities that own, operate, maintain, or repair such system”.

(b) REGULATIONS.—Not later than 30 days after the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall promulgate regulations to carry out the amendments made by subsection (a). Section 5 may not be construed to annul, alter, affect, authorize any waiver of, or establish any exception to, the requirement under the preceding sentence.

SEC. 5. IMPLEMENTATION.

The Administrator of the Federal Emergency Management Agency shall implement this Act and the amendments made by this Act in a manner that will not materially weaken the financial position of the National Flood Insurance Program or increase

the risk of financial liability to Federal taxpayers.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts (Mr. FRANK) and the gentlewoman from West Virginia (Mrs. CAPITO) each will control 20 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself as much time as I may consume.

I want to acknowledge the great cooperation we have had on a bipartisan basis here, the gentlewoman from West Virginia and I. We have, as Members know, a Flood Insurance Program. It does some good, but it's become somewhat controversial. There are Members who would like to see its future extended, and I tend to agree with them. Some of our colleagues from the gulf coast on both sides have talked about extending it to, for instance, other disasters and wind. There are Members who believe that the way it works now, it causes undue hardship without providing any serious protection. There are many others who believe—and I think we could argue—that it's time to examine the whole program.

This is an example, Mr. Speaker, where two groups that are sometimes in debate are on the same side; and that is, people concerned about excessive government expenditure and the environmental community. It's certainly our goal to try to discourage people from building where they shouldn't. On the other hand, we have people who years ago, in good faith built there; and they cannot be expropriated and shouldn't be. What we have decided on a bipartisan basis is that we have a program that expires in September. As Members know, the Committee on Financial Services, which has jurisdiction over this, has a fairly broad jurisdiction, including housing and, of course, the financial industry. We have been somewhat preoccupied with those other issues, mortgage foreclosures and financial regulation. We have not had the time to do the kind of thorough reexamination of flood insurance that it deserves. So what we have today as a result of an agreement is a 6-month extension of the program essentially as-is.

There is one change, again in a bipartisan way. The gentlewomen from California (Ms. MATSUI and Ms. SPEIER) and the gentlewoman from Kansas (Ms. JENKINS) came together to ask us for a provision that they believed important for their districts and many others that does no harm and can provide some protection for them. With that inclusion, we are extending it for 6 months. This will now go across the Rotunda to the United States Senate. We expect that they will be able to enact it, if not in the next couple of days, when we come back in September. What this then does is gives us a chance, when we come back in 2010, to deal with this in a comprehensive way and to do the kind of reexamina-

tion that is called for. So that's exactly where we are. I note that the gentlewoman from California has joined us, the author of one of the provisions. I will yield to her after the other side. I reserve the balance of my time.

Mrs. CAPITO. I yield myself as much time as I may consume.

Mr. Speaker, I want to thank the chairman of the full committee, the gentleman from Massachusetts, for his bipartisan way of approaching this particular issue. He is correct when he says that we've gone back and forth on this over, I think, almost a decade on the way to reform this program. We certainly want to see that.

Everyone here should be in agreement that the National Flood Insurance Program needs reform. The chairman spoke of that. But I think we can also agree it would be irresponsible and unfair to many communities and areas where flooding occurs to let the program expire at the end of September 2009 without attempting to fix it, which is why we need to pass another short-term extension today.

The National Flood Insurance Program is currently carrying a debt in excess of more than \$19 billion, primarily from property damage claims that were paid after the series of big storms that hit Florida in 2004 and the gulf coast in 2005. According to the Government Accountability Office, the NFIP is underfunded by design because many property owners continue to receive subsidized premium rates under long-standing provisions in place since the flood insurance rate mapping system went into effect in 1974. We need to deal with these issues. It's going to take bipartisan leadership on both sides, and I think we have that commitment to get it done. Many of us believe it's time for Congress to work toward encouraging more private insurance and reinsurance capacity to help protect at-risk communities and high-risk regions against the potential damages of flooding as well as other natural disasters. We are committed to pressing forward with reforms as soon as possible and urge others to join us in making this a bipartisan effort as well as a higher priority in this Congress.

In addition to supporting the need for a short-term flood insurance extension bill, I support a small but important technical change that would end the program's illogical and unwarranted discrimination against State and local funding of levee construction and improvement projects. I commend my friend, Congresswoman MATSUI from Sacramento, for her leadership and her thoughtful and constructive proposal. I also would like to salute Congresswoman LYNN JENKINS of Kansas, an active member of our committee, for lending her support. As I previously stated, I know that we have a great need for reform in this program, and hopefully that will be our ultimate goal. But at the same time, I think it's wise for this Congress to extend this program for another 6 months as we would do in this legislation.

I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 3 minutes to the aforementioned gentlewoman from California (Ms. MATSUI), the author of the amendment.

Ms. MATSUI. I thank the gentleman for yielding me time.

Mr. Speaker I would like to thank Chairman FRANK, Chairwoman WATERS, as well as Ranking Members BACHUS and CAPITO and all the staff for all the work they've done to get us here today. I would also like to thank FEMA for their technical guidance throughout the year. The amended bill before us today includes language from H.R. 1525 that I authored to provide technical changes to Federal flood zone designations. This legislation makes a number of modifications to the National Flood Insurance Act in order to give communities clarity to help them restore and improve their flood protection system. From my hometown of Sacramento to the Louisiana bayou to the plains of the Midwest, communities are advancing flood protection infrastructure in order to keep Americans safe and secure.

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However, as we work to conform to changing dynamics of flood protection, these communities are seeking clarity as they work to meet Federal regulations.

Public safety is my absolute number one priority. And during the last year that I worked with local, State, and Federal flood protection officials, that remains our priority. This bill will give communities clarity so they can continue to uphold public safety and promote proper protection. Specifically, this legislation will update current law to take local, State, and Federal funding into account when determining designations.

The city of Sacramento and the State of California have devoted millions of dollars toward flood protection. That investment should simply be recognized by the Federal Government. For my constituents this is vital. FEMA needs to recognize what our State and city have contributed when they review the progress made on the Natomas levees in my district and determine the area's flood designation.

This legislation also helps communities understand requirements for a completed system. Current regulations are vague on what a completed system actually is, and this has caused great concern and confusion among local communities. This provision brings greater clarity by combining a public safety standard with a concrete milestone.

Protecting our constituents from the dangers of floods requires a comprehensive approach. Local communities, States, and the Federal Government must all be thoughtful and committed partners to achieve public safety. I am glad that the bill before us today includes this Federal commitment to

give communities clear objectives as they work to improve flood protection infrastructure.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 2 minutes to the co-author of the amendment we have been discussing, the gentlewoman from California (Ms. SPEIER).

Ms. SPEIER. The American people have an indomitable spirit, and judging from my constituents, they don't expect the Federal Government to come to their aid for every problem. But they also don't expect us to stand in their way when they are trying to save lives and property.

The massive flooding and loss of life following Hurricane Katrina was a wake-up call for those of us who live along our Nation's beautiful coasts, bays, lakes and rivers. I represent the San Francisco Peninsula. As the name suggests, there is hardly a spot in my district where you can't see water. Currently, an advanced new levee system is being constructed to protect parts of three cities along San Francisco Bay. The levee is being built with local money. The residents have voted to tax themselves to do it. This is exactly how it should be, communities handling their issues themselves.

But currently, FEMA only recognizes Federally funded or managed projects. So, despite the fact that these levees are built to the exact same specifications, until the project is completed, homeowners and businesses in those areas will be forced to pay dramatically higher flood insurance, and any new construction will be required to be built on stilts above where the flood plain would be if the levees had not been built or improved. Imagine putting homes on stilts in an earthquake area. It just doesn't make sense.

Again, the levees are not the issue. These levees are being built to Federal standards. The only reason that tens of thousands of hardworking Americans will have to pay thousands of dollars more in insurance and local builders will have to put their buildings on stilts is because the forward-thinking residents of San Mateo, Foster City and Redwood Shores decided to improve their levees without Federal dollars.

I urge the passage of this amendment and this bill.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself 3 minutes. And I would yield for a question to our colleague from Mississippi, who has been, with our support on our committee, a major proponent for protecting the people he represents in the area of wind and elsewhere.

I yield to the gentleman.

Mr. TAYLOR. Mr. Chairman, last year you had extensive hearings on this subject. The bill that was proposed by the House increased the coverage amount since it was a shock to a lot of people who had to rebuild—\$250,000 just doesn't buy the kind of house that it used to 10 years ago.

We took the step to end the practice of concurrent causation, where if, ac-

ording to testimony before the Mississippi Supreme Court, a house was 95 percent destroyed by the wind before the water got there, the insurance companies would bill the Federal Government for 100 percent of the cost of the damage, as testimony before the Mississippi Supreme Court. And then the other thing is the possibility of adding wind insurance to the National Flood Insurance Program so that there isn't any discrepancy. It doesn't matter if the wind destroyed your house or if the water destroyed your house, if you built it to code, if your community built to code and you paid your premiums, that you are going to get paid.

I realize your committee has been very busy with the housing crisis. Everyone is aware of that. But the folks in the affected regions—which is now 52 percent of all Americans—are curious; at what point do you think there will be some talk of these changes to the flood insurance?

Mr. FRANK of Massachusetts. Well, as the gentleman knows, there has been a request from the administration for a longer extension, but the gentleman conferred with the Chair of the subcommittee, the gentlewoman from California (Ms. WATERS), and expressed his concern that that would put off further any chance to do this, and we agreed with that. That is why this is a 6-month extension. And the answer is, I believe the House remains committed to that. What happens in the Senate will be another issue. But it is certainly our intention, the leadership of the committee on the majority side, once again, to work with the gentleman to extend that protection, and hope that maybe things will change in the Senate.

I yield again to the gentleman.

Mr. TAYLOR. Specifically, does the gentleman envision hearings this fall on the subject?

Mr. FRANK of Massachusetts. Yes, it would be very appropriate.

As Members know, we have been a little busy with the financial material, but we are probably not going away for a while this calendar year. And yes, I know the gentlewoman from California, who chairs the subcommittee which has jurisdiction, is very interested in this and does plan to have some hearings.

Mr. TAYLOR. I thank the gentleman.

And to the previous speaker, as someone who lives in a house on stilts and represents a lot of people who live in houses on stilts, they're not all that bad.

Thank you very much.

Mr. FRANK of Massachusetts. I would just finish up by saying that the gentlewoman did talk about the problem of houses on stilts in an earthquake area.

I reserve the balance of my time.

Mrs. CAPITO. I don't live in a house on stilts, I live on a mountain, so I don't need stilts. I guess that's a good thing.

Mr. Speaker, I yield back the balance of my time and urge support of this legislation.

Mr. FRANK of Massachusetts. Well, I will yield back after recalling for no particular reason the views of the British philosopher, Jeremy Bentham, who said that he thought talk of natural law was nonsense and talk of natural rights was nonsense on stilts. That is irrelevant, but it just occurred to me.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. FRANK) that the House suspend the rules and pass the bill, H.R. 3139, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CLARIFYING SEC'S AUTHORITY TO SANCTION BROKERS

Mr. FRANK of Massachusetts. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2623) to amend the Federal securities laws to clarify and expand the definition of certain persons under those laws.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FORMERLY ASSOCIATED PERSONS.

(a) MEMBER OR EMPLOYEE OF THE MUNICIPAL SECURITIES RULEMAKING BOARD.—Section 15B(c)(8) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(c)(8)) is amended by striking “any member or employee” and inserting “any person who is, or at the time of the alleged misconduct was, a member or employee”.

(b) PERSON ASSOCIATED WITH A GOVERNMENT SECURITIES BROKER OR DEALER.—Section 15C of the Securities Exchange Act of 1934 (15 U.S.C. 78o-5) is amended—

(1) in subsection (c)(1)(C), by striking “or seeking to become associated,” and inserting “seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated”;

(2) in subsection (c)(2)(A), by inserting “, seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated” after “any person associated”; and

(3) in subsection (c)(2)(B), by inserting “, seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated” after “any person associated”.

(c) PERSON ASSOCIATED WITH A MEMBER OF A NATIONAL SECURITIES EXCHANGE OR REGISTERED SECURITIES ASSOCIATION.—Section 21(a)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(a)(1)) is amended by inserting “, or, as to any act or practice, or omission to act, while associated with a member, formerly associated” after “member or a person associated”.

(d) PARTICIPANT OF A REGISTERED CLEARING AGENCY.—Section 21(a)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(a)(1)) is amended by inserting “or, as to any act or practice, or omission to act, while a participant, was a participant,” after “in which such person is a participant.”