The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY, JUNE 8, 2010

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until tomorrow, Wednesday, June 8, at 9:30 a.m.; that following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day; that following any leader remarks, the Senate proceed to a period of morning business for 1 hour, with Senators permitted to speak for up to 10 minutes each during that time, with the time equally divided and controlled between the two leaders or their designees, with the majority controlling the first half and the Republicans controlling the final half; that following morning business, the Senate resume consideration of S. 782, the Economic Development Act, under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Mr. President, there will be a rollcall vote on the Tester amendment tomorrow at approximately 2 p.m. That amendment will be subject to a 60-vote threshold.

ORDER FOR ADJOURNMENT

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it adjourn under the previous order following the remarks of Senators MORAN and ISAKSON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, while awaiting the arrival of Senators ISAKSON and MORAN, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. MORAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOB CREATION

Mr. MORAN. Mr. President, on Friday of last week, the U.S. Department of Labor released a dismal update on our Nation's economy. Not only did our Nation's unemployment rate rise to 9.1 percent, but the number of Americans looking for work increased to 14 million, and those who have been jobless for at least 6 months climbed 45.1 percent.

It is clear the current economic policies are not working in our favor. In fact, I suggest they are working against us, creating an environment of uncertainty and hampering job growth in America. When the message coming from Washington, DC, is more taxes, more regulation, and more intrusion in the free market system, it is no wonder businesses are not hiring additional workers.

Americans are looking for leadership to get our economy back on its feet so they can find a job and provide for their families. In a recent survey, 90 percent of Americans said the economy is in bad shape and, by a margin of 2 to 1, Americans said our economy is on the wrong track. I couldn't agree more. Changing the course of our economy will require Washington, DC, changing its course.

Instead of creating barriers to job growth, Congress and the Obama administration should be implementing policies that encourage job creation. History shows that sustainable economic growth starts with the private sector. So Congress and the administration have a responsibility to create an environment where businesses can flourish and start hiring again, and that starts by pursuing a series of progrowth policies.

First, in my view, Congress must rein in government regulation and stop passing burdensome mandates that come at the expense of that job creation. As I tour manufacturing plants and other businesses in my home State of Kansas, owners often ask: What is the next thing coming from Washington that will put me out of business? Jobs in this country are undercut with each new government regulation because it drives up the cost of doing business, erodes our global competitiveness, and limits the access to credit that businesses need to grow. Rather than hiring new employees, businesses are spending their resources on complying with these burdensome regulations and costly mandates—from the EPA's effort to regulate carbon to the mandates imposed by the new health care law.

According to the Small Business Administration, the smallest businesses—those with less than 20 employees—spend 36 percent more per employee than larger firms to comply with Federal regulations. That is roughly $10,585 per employee to comply with all Federal regulations, and very small firms are burdened even more per employee.

Small business, as we know, is the backbone of the American economy. Those businesses employ half our private sector workers and have generated 65 percent of new jobs over the last 20 years. So it makes no sense to drive up their operating costs with additional government regulations because that leaves them with fewer resources to hire new workers.

Second, Congress can spur economic growth by replacing our convoluted and burdensome Tax Code with one that is fair, simple, and certain. When businesses know what to expect, they can better plan for future expenses and will invest in their companies, grow, and hire new workers.

Unfortunately, Congress is often too shortsighted when it comes to tax policy. A 1-year or 2-year extension of tax cuts does not give businesses the certainty they need to plan for that future. Employers have to make decisions about the future of their business today, and given the fact that their taxes will rise in the near future, they are reluctant to hire new workers or expand their business. If we are serious about creating jobs in this country, we have to give our country's job creators the ability to plan for the future and a Tax Code that encourages investment.

Third, Congress must open foreign markets for American manufactured goods and agricultural products. Across the country, thousands of Americans depend upon exports for jobs, including more than one-quarter of all manufacturing workers in Kansas. By increasing our Nation's exports, we will create jobs and opportunities for all Americans without raising taxes or increasing the Federal budget. We should be exporting our manufactured goods and agriculture products, not our jobs.

Unfortunately, trade agreements with Colombia, Panama, and South Korea, for example, have been stalled for 4 years, and each day that passes, we risk losing more of our market share to our competitors. During this delay, Colombia has moved forward on trade deals with Canada, Chile, the European Union, Brazil, and Argentina. On July 1, a pending agreement between the European Union and Korea will go into effect. We cannot afford to sit on the sidelines while other countries continue to move forward in their trading relationships with our trading partners.

Together, the trade agreements with Colombia, Panama, and South Korea are worth an estimated $13 billion in U.S. exports. The agreement with Korea alone is worth $11 billion and would create an estimated 70,000 new jobs for Americans.

It is past time for the President to send Congress implementing language for these trade agreements so we can open more markets for American goods and agricultural commodities. When American businesses are given the opportunity to compete on a level playing field for these markets, they will succeed and more jobs will be created here at home.

Fourth, the United States, to remain competitive in the global market, must develop a comprehensive energy policy that allows for ample energy supply that is both affordable and reliable. Rising gas prices and recent events in the Middle East have again demonstrated the importance of having access to a reliable energy supply. Higher energy prices are not only threatening our global competitiveness, they are also hampering our economic recovery. I don't know how we can expect our economy to recover when energy prices are what they are. But when employers have access to reliable energy supplies, they can spend their resources on hiring new workers rather than on those escalating energy costs.

In my view, no single form of energy can provide the answer. To meet our country's energy needs, we must develop traditional sources of oil, natural gas and coal, encourage the development of renewable energy sources such as biofuels, wind, solar, geothermal and hydropower and expand the use of nuclear energy, as well as encourage conservation.

A recent report from the Congressional Research Service found that our country's resources are far greater than those of Saudi Arabia, China, and Canada combined. In fact, our combined recoverable oil, natural gas, and coal supplies are the largest on the planet. Yet, in 2009, the administration canceled 77 oil and gas leases in Utah and last year suspended 61 leases in Montana. The administration has also restricted access to oil and gas exploration in the eastern Gulf of Mexico and off the Atlantic coast—although these two areas hold commercial oil reserves of 28 billion barrels and up to 142 trillion cubic feet of natural gas. More production of energy in the U.S. means more jobs in the U.S. and more U.S. workers at work and lower energy costs for businesses and their employees.

Finally, Congress must reduce government spending to bring about this economic growth. I think the debate on government spending is often seen as some philosophical discussion or a partisan political bickering opportunity here in Washington, DC. But the reality is out of control government borrowing and spending has very real consequences for the daily lives of Americans. Our failure to balance the budget will result in increased inflation, higher interest rates, fewer jobs, and a lower standard of living for every American. But this reality has not yet sunk in here in Washington, DC, despite several recent warnings.

At the end of April, Standard & Poor's, one of the world's big three credit rating agencies, downgraded our Nation's future financial outlook from ''stable'' to ''negative.'' S&P said our country has ''very large budget deficits and rising government indebtedness—and the path to addressing these is not clear.''

Furthermore, just last week another credit rating agency, Moody's—if we needed another reminder—warned that our failure to reduce our growing deficit could prompt them to downgrade their outlook on our AAA rating to negative. Without a ''credible agreement on substantial deficit reduction''—this is Moody's talking—this could happen as soon as next month. This would have a devastating impact on our already struggling economy.

Reducing our Nation's debt will require us to work together to craft a serious plan. President Obama's proposal to balance budgets in part by raising taxes on businesses, in my view, would only make our economic circumstances worse.

Washington does not have a revenue problem; it has a spending problem. It is time for us to work together and pass a responsible budget to reduce our deficit this year, next year, and far into the future. The plan should include significant spending reductions, a balanced budget amendment to restrict Washington's future ability to borrow money that would put us right back in the mess we are in today, and should address our long-term unfunded mandates.

As John Adams once quipped: ''Facts are stubborn.'' And the facts tell us that Washington must change direction if we are to grow our economy and put people back to work. The failed economy we are experiencing and the financial collapse around the corner is the most expected economic crisis in our lifetime. We know what is going to happen if we do not act, and it would be immoral for us to look the other way or to kick the can down the road because the politics of these issues are too difficult to deal with.

Americans deserve leadership here in our Nation's Capital to confront these challenges and not to push them off to the next generation of Americans. If we do so, if we confront these issues correctly in a responsible way, businesses will succeed, profits will be made, employees will be hired, and Americans will again be able to live and pursue the American dream.

Mr. President, I yield the floor.

Mr. ISAKSON. Mr. President, I ask unanimous consent to speak in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUALIFIED RESIDENTIAL MORTGAGES

Mr. ISAKSON. Mr. President, I commend the Senator from Kansas. I had no idea when I came to make my remarks that they would be so in keeping with a part of his speech with regard to regulation and what the regulatory regimen of the current administration is doing to economic improvement and economic development in the United States of America.

I rise for a moment to talk about the Dodd-Frank legislation, to talk about the qualified residential mortgage provision, and to talk about the six regulators of financial services and a recent decision they made.

Shaun Donovan, Ben Bernanke, Sheila Bair, Edward Demarco, John Walsh, and Mary Schapiro were challenged with carrying out and writing the rules of intent for Dodd-Frank. When they published, a few weeks ago—about 2 months ago now—the proposed rule on qualified residential mortgages, it created a firestorm and created a number of speeches on the floor of the U.S. Senate. It also created a letter from 39 Members of the U.S. Senate, which I ask unanimous consent be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, May 26, 2011.

Hon. SHAUN L.S. DONOVAN,
Secretary, Department of Housing & Urban Development, 7th Street, SW, Washington, DC.

Hon. BEN S. BERNANKE,
Chairman, Board of Governors of The Federal Reserve System, 20th & Constitution Avenue, NW, Washington, DC.

Hon. SHEILA C. BAIR,
Chairman, Federal Deposit Insurance Corp., 17th Street, NW, Washington, DC.

Hon. MARY L. SCHAPIRO,
Chairman, Securities and Exchange Commission, F Street, NE, Washington, DC.

JOHN G. WALSH,
Acting Comptroller, Office of the Comptroller Of the Currency, E Street, SW, Washington, DC.

EDWARD J. DEMARCO,
Acting Director, Federal Housing Agency, G Street, NW, Washington, DC.

LADIES AND GENTLEMEN: We the undersigned intended to create a broad exemption from risk retention for historically safe mortgage products when we included the Qualified Residential Mortgage (QRM) exemption in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The statute requires the QRM definition to be based on ''underwriting and product features that historical loan performance data indicate result in a lower risk of default,'' and provides clear guidance on the types of factors that can be used, including:

Documentation of income and assets;

Debt-to-income ratios and residual income standards;

Product features that mitigate payment shock;

Restrictions or prohibitions on non-traditional features like negative amortization, balloon payments, and prepayment penalties; and

Mortgage insurance on low down payment loans.

The proposed regulation goes beyond the intent and language of the statute by imposing unnecessarily tight down payment restrictions. These restrictions unduly narrow the QRM definition and would necessarily increase consumer costs and reduce access to affordable credit. Well underwritten loans, regardless of down payment, were not the cause of the mortgage crisis. The proposed regulation also establishes overly narrow debt to income guidelines that will preclude capable, creditworthy homebuyers from access to affordable housing finance.

The extensive additional requirements for QRMs in the proposed rule swing the pendulum too far and reduce the availability of affordable mortgage capital for otherwise qualified consumers. Many borrowers would simply be forced to pay much higher rates and fees for safe loans that nevertheless did not meet the exceedingly narrow QRM criteria. Sadly, in many cases, some creditworthy borrowers may not be able to get a mortgage at all.

Congress included the QRM to exempt safe, well-underwritten mortgages that have stood the test of time from the risk retention requirement. We urge you to follow our intent as you modify the proposed risk retention rule.

Sincerely,

Mary L. Landrieu, U.S. Senator; Kay R. Hagan, U.S. Senator; Johnny Isakson,