Jefferson had a moral message to the future public servants in this regard. He believed that those who are entrusted by their constituents to represent them, as he said, “shall consider themselves unauthorized to saddle posterity with our debts and are morally bound to pay them ourselves.”

Jefferson expanded on this message in a letter he wrote to James Madison in 1798. He said, “Neither the representatives of a nation, nor the whole nation itself assembled, can validly engage debts beyond what they may pay in their own time.”

Still writing to Madison, he explicitly discussed a balanced budget amendment, stating, “With respect to future debts, would it not be wise and just for a nation to declare in its constitution that neither the legislature nor the nation, itself, can validly contract more debt than it may pay within its own age.”

So what would Jefferson think about where we are in this country today?

The CBO, the Congressional Budget Office, has projected that maintaining all of our current spending would eventually require that the middle class in this country would have to have a tax rate of almost two-thirds of all their income—63 percent—and that the small businesses in this country would have to see their tax rates skyrocket up to 88 percent in order to cover all the spending.

These numbers have a real impact on the lives of individuals, on families, and on businesses. So, if Congress were then to keep on spending and have to raise taxes as much as the CBO has prescribed, Congress would do what? Congress would basically doom our families to a crushing tax burden, and this would smother the ability of businesses to expand and, therefore, to create jobs.

See, the economics of all this is very clear. If we refuse to address our spending problems, tax rates are going to have to rise, and they will rise in such a manner that would commit future generations to a tax burden to pay for—what?—the spending of today.

So we now, as often is the case, stand at a crossroads. We can continue to do as we have done in the past, which is to overspend and borrow and put this burden on our children, or we can do something new, and do something that can demonstrate our commitment to a balanced budget by making it the supreme law of the land in this country.

Let me conclude then with a final quote from Jefferson:

“To preserve the people’s independence, we must not let our government load us up with perpetual debt. We must make our selection between economy and liberty or profusion and servitude.”

So let’s make Jefferson’s dream a reality. Let us pass a balanced budget amendment.

MF GLOBAL

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio (Ms. KAPTUR) for 5 minutes.

Ms. KAPTUR. Mr. Speaker, thank goodness some Americans continue to analyze the real causes of job loss and turmoil in our economy. While all eyes are on Europe, the problem just isn’t in Greece.

On October 31, U.S.-based MF Global Holdings, Limited filed for chapter 11. It reportedly is the eighth largest bankruptcy in U.S. history. Its failure, along with that of Lehman Brothers, and the actions of money traders using slick instruments called “credit derivatives.” As analysts try to piece together what happened at MF Global, one word seems to keep popping up: fraud.

I would like to include in the RECORD a few recent articles on the Wall Street perpetrators of this crisis.

[From Reuters, Nov. 7, 2011]

FRUSTRATION MOUNTS FOR MF GLOBAL CLIENTS

(By Lauren Tara LaCapra)

The sudden collapse of MF Global Holdings Ltd is leaving some small and independent futures traders angry and frustrated.

Customers of the bankrupt firm are starting to complain about getting checks that bounced, having requests to transfer funds denied and receiving inaccurate account statements.

The growing litany of woes is adding to the tasks for the receiver assigned to liquidate MF Global and causing some investors to voice concern about the basic plumbing of the financial services system.

Steve Meyers, an independent futures trader in Florida, said he asked for $500,000 from his MF Global account to be wired back to him on October 28 because he was concerned about the firm filing for bankruptcy.

The money never was wired.

Instead, on November 2, Meyers received several checks from MF Global that were dated October 28. By the time he went to deposit the checks, MF Global had filed for bankruptcy on October 31 and the checks were not honored for payment.

Between himself and several clients he manages money for, Meyers said he has several millions of dollars still tied up with MF Global.

“I am sitting with hundreds of thousands of dollars in returned checks,” said Meyers. “I just think the industry has suffered irreparable damage from this.”

Other clients of the firm led by former New Jersey Governor Jon Corzine are telling similar stories.

Chris Ries, who co-manages a commodities brokerage and grain dealer in Iowa that cleared trades through MF Global, said several clients had checks bounce even though they deposited them before MF Global’s bankruptcy on October 31.

The situation has been made worse, he said, because customers’ account balances appear as though they received the cash even though the checks did not clear.

“Eventually it may all get cleared up,” said Ries. “But accounts with bounced checks don’t reflect the balance that they should.”

Missing $600 Million

Some clients’ checks were drawn on an MF Global account at the Harris Bank branch in Illinois. Harris Bank is a subsidiary of Bank of Montreal.

Jim Kappel, a spokesman for Harris, said the bank began denying payment and returning checks on November 1, at the direction of the bankruptcy trustee. While some checks have been dated October 31, he said, they were likely debited at a later date.

Clients’ issues with bounced checks come as MF Global and its regulators continue to investigate $600 million in client money that has gone missing. It is not clear if some of the bounced checks are part of the unaccounted money.

It appears MF Global began issuing checks to customers seeking funds—instead of wiring the money—as a way to buy some time for the firm, which was hoping to arrange a last-minute sale to brokers, some of the customers say. The deal fell apart last Monday when the issue of the missing customer money arose.

A week later, regulators have yet to provide an answer on what became of the missing $600 million, although some money has been located in an account with JPMorgan Chase.

Brokers who cleared through MF Global say they have been allowed to move some of their money to new firms, but not all of it. They have been waiting for guidance from the trustee or regulators on when they will get access to all of their funds.

Frustration

MF Global’s trustee, James Giddens, had frozen 150,000 accounts when the firm filed for bankruptcy protection.

On Monday, Giddens said $1.3 billion worth of client money had been transferred to other firms. But the trustee and CME Group Inc, which regulates futures exchanges, have held back some $1 billion in customer funds as they search for the missing money, angering clients who can trade again but are still frozen out of their excess collateral and cash.

“We can understand the frustration of customers,” Kent Jarrell, a spokesman for the trustee, told Reuters. “That is why we are working around the clock to facilitate the transfer and return of customer assets. Unfortunately, this will take time as we conduct our independent and thorough investigation and maximize the estate for all stakeholders in a fair process.”

Customers of the bankrupt firm, which was hoping to arrange a last-minute sale to Interactive Brokers, are PENETRATING the bounced checks are part of the unaccounted money.

One independent options trader in Chicago said he placed a wire request on the morning of October 28 to transfer $1.25 million from MF Global to JPMorgan Chase.

The transfer never occurred.

An MF Global representative said JPMorgan rejected the transfer because of errors in the account number, the trader said, but upon double-checking the wire request form he found no mistakes. The funds have remained frozen at MF Global since its bankruptcy, he said.

“We pretty much have zero clarity,” said the trader, who did not want to be identified. “I have a feeling that the instructions probably got lost in the turmoil.”

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In a recent posting, attorney William Black describes the failure of our justice system to investigate “accounting control fraud as a systemic risk that underlies the damage still being done.”

The collapse of MF Global has garnered massive attention, partly because Jon Corzine, an ex-New Jersey governor, is a key figure. Mr. Corzine is a former chief executive officer of infamous Goldman Sachs. He is also a former U.S. Senator and former
One of the three key things about this crisis is the unwisdom to investigate whether “accounting control fraud” was a major contributor to the crisis. The refusal to even consider a major role for fraud is facebly bizarre. The banking expert James Pierce found that fraud by senior insiders was, historically, the leading cause of major bank failures in the United States.

The stated income loan deserves the nickname “liar’s loan.” This nickname was used by many in the industry, the stated income loan is still being sorted out, but as much as $600 million appears to be missing from customer accounts.

The financial press is reporting a staggering amount of malfeasance in the days before MF Global filed for bankruptcy. In an apparent effort to buy themselves time, MF Global sent checks instead of wiring money. The checks turned out to be bogy. There are stories to transfer funds being denied and even inaccurate account statements being issued. Even more egregious are accounts of people receiving bounced checks, going back and finding that their accounts were also altered inappropriately. If this isn’t fraud, what is?

What should concern all of us is the knowledge that fraud is not limited to a case here or there. In the financial services sector, fraud has become systemic. In 2006, the FBI testified before the House Judiciary Committee, “The current financial crisis has produced one unexpected consequence: It has exposed prevalent fraud schemes that have been thriving in the global financial system. These fraud schemes are not new, but they are coming to light as a result of market deterioration.”

This isn’t the first time our country has been seen a massive crime wave in the financial services industry. In the 1980s, it was the savings and loan crisis, and the FBI responded with a staff of 1,000 agents and forensic experts based in 27 cities. That crisis was much smaller than what we are seeing today, yet it took the FBI less than a couple of hundred agents able to investigate. I have a bill, H.R. 1350, that asks that number to be increased by 1,000. I ask my colleagues to help cosponsor it, and let’s bring some reason and prudence back to the financial markets of our country and let’s exact real justice for the American people.

The Virgin Crisis: Systematically Ignoring Fraud as a Systemic Risk

(by William K. Black)

One of the three key things about this crisis is the unwisdom to investigate whether “accounting control fraud” was a major contributor to the crisis. The refusal to even consider a major role for fraud is facebly bizarre. The banking expert James Pierce found that fraud by senior insiders was, historically, the leading cause of major bank failures in the United States. The national commission that investigated the cause of the S&L debacle found:

“The typical large failure [grew] at an extremely rapid rate, achieving high concentrations of assets in risky ventures.... [E]very accounting trick available was used.... Evidence of fraud was invariably found in failures at risk.” (NCFIRE 1993)

Two of the nation’s top economists’ study of the S&L debacle led them to conclude that the S&L regulators were correct—financial deregulation could be dangerously criminogenic. That understanding would allow us to avoid similar future crises. “Neither the public nor economists foresaw that [S&L deregulation was] bound to produce looting. Nor, unaware of the concept, could they have known it would be so large.” Thus the regulators in the field who understood what was happening from the beginning found lukewarm support, at best, for their cause. Now we know better. If we learn from experience, history need not repeat itself” (George Akerlof & Paul Romer).

“The economic crime of accounting control fraud that drove the second phase of the S&L debacle (the first phase was caused by interest rate risk) was followed by an epidemic of accounting control fraud that produced the Enron era frauds.” The FBI warned in September 2004 that there was an epidemic of mortgage fraud and predicted that it would cause a financial “crisis” if it were not contained. The mortgage banking industry’s own anti-fraud reports reported in writing to nearly every mortgage lender in 2006 that:

“Stated income and reduced documentation loans are an epidemic process, but they are open invitations to fraudsters.”

“When the stated incomes were compared to the IRS figures: [90%] of the stated incomes were exaggerated by more than 50%. Almost 60% were exaggerated by more than 50%.” (The stated income loan deserves the nickname used by many in the industry, the “liar’s loan.”)

We know that accounting control fraud is itself criminogenic—fraud begets fraud. The fraudulent CEOs deliberately create the perverse incentives that that suborn inside and outside employees and professionals. We have known for four decades how these perverse incentives produced by generating a “Gresham’s” dynamic in which bad ethics drives good ethics out of the marketplace. The best deals trend to drive honest dealings out of the market. The cost of dishonesty, therefore, lies not in the amount by which the purchaser is cheated: the cost also must include the loss incurred from driving legitimate business out of existence.” George Akerlof (1970).

I noted this dynamic in my seminal article on markets for “lemons,” which led to the award of the Nobel Prize in Economics in 2001. It is the giants of economics who have confirmed what the S&L regulators and criminologists observed when we systematically “autopisted” each S&L failure to investigate its causes. Modern executive compensation has made accounting control fraud vastly more criminogenic than it once was as investigators of the current crisis have confirmed.

For the last several years, the subprime market has created a race to the bottom in which unethical actors have been handomely rewarded for their misdeeds and ethical actors have lost market share. The market incentives rewarded irresponsible lending and made it more difficult for responsible lenders to compete.” Miller, T. J. (2007), Iowa.

Liar’s loans offer what we call a superb “natural experiment.” No honest mortgage lender would make a liar’s loan because such loans are a sharp negative expected value. Underwriting creates intense “adverse selection.” We know that it was overwhelmingly the lenders and their agents that were making liar’s loans. The liability and indemnity contracts created the perverse compensation incentives that led their agents to lie about the borrowers’ income and to inflate appraisals. We know that appraisal fraud is endemic and only agents and their lenders can commit widespread appraisal fraud. Iowa Attorney General Miller’s investigations found:

[“Many originators invent] non-existent occupations or income sources, or simply inflate(s) income totals to support loan applications. Importantly, our investigations showed that most fraud occurs at the suggestion and direction of the loan originator, not the consumer.”]

George Akerlof & Paul Romer.

Firms that follow these recipes are not “gamblers” and they are not taking “risks.” They are taking gains that are inherent in making or purchasing liar’s loans.

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Firms that follow these recipes are not “gamblers” and they are not taking “risks.” They are taking gains that are inherent in making or purchasing liar’s loans.
Liar's loans are superb "ammunition" for accounting control fraud because they (and appraisal fraud) allow the fraudulent mortgage lenders and their agents to attain the unholy fraud trinity: (1) the lender can charge a substantial premium yield; (2) the lender can foreclose on a mortgage that appears to relatively lower risk because the lender has inflated the borrowers' income and the appraisal, while (3) eliminating the risk of proving fraud that real underwriting of the borrowers' income and salary would normally place in the loan. Lenders did not need to have any entity to make or purchase liar's loans (and that includes Fannie and Freddie). The states and the federal government frequently criticized Fannie and Freddie for purchasing liar's loans for the same reasons that Merrill, Lehman, Bear Stearns, et al. acquired liar's loans—they were accounting control frauds and liar's loans (and CDOs backed by liar's loans) were the best available ammunition for maximizing their fictional reported income and real bonuses.

Liar's loans enabled the chasers to hyper-inflated the bubble and drive the crisis. They increased massively from 2003-2007.

The higher levels of originations after 2003 were not due to the growth of the nonprime (both the subprime and Alt-A) segment of the mortgage market." Alt-A: The Forgotten Segment of the Mortgage Market" (Federal Reserve Bank of St. Louis, 2010).

The growth of liar's loans was actually far greater than the extraordinary rate that the St. Louis Fed study indicated. Their effect was subprime" and Alt-A (one of the many misleading euphemisms for liar's loans) were dichotomous. Credit Suisse's early 2007 study of nonprime lending reported that roughly half of all loans called "subprime" were also "liar's" loans and that roughly one-third of home loans made in 2006 were liar's loans. That fact has four critical implications for this subject. The growth of liar's loans was dramatically larger than the already extraordinary 340% in three years reported by the St. Louis Fed because, by 2006, half of the study labeled as "subprime" were also liar's loans. Because loans the study classified as "subprime" started out the period studied (2003) as a much larger base than liar's loans, the actual percentage increase in liar's loans from 2003-2006 is over 500%.

The first critical implication is that it was the tremendous growth in liar's loans that caused the bubble to hyper-inflate and deflate its collapse.

The role of accounting control fraud epidemics in causing bubbles to hyper-inflate and then burst is another reason that accounting control fraud is often crimogenic. When such frauds cluster they are likely to drive a bubble that hyper-inflates bubbles and maximize the fraud recipes for borrowers and purchasers of the bad loans by greatly delaying the onset of loss recognition. The saying in the trade is that "a rolling loan gathers no moss." One can simply refinance the bad loans to delay the loss recognition and book new fee and interest "income." When entry is easy (and entry into becoming a mortgage broker was exceptionally easy), an industry becomes even more crimogenic.

Second, liar's loans (and CDOs "backed" by liar's loans) were large enough to cause systemic crises. Millions of liar's loans were made and those loans caused catastrophic losses because they hyper-inflated the bubble, brought them almost to the edge of existence, because the borrower was typically induced by the lenders' frauds to acquire a home they could not afford to purchase, and because the appraisals were frequently inflated. Do the math: roughly one-third of home loans made in 2006 were liar's loans. We are talking about an annual fraud rate of over one million mortgage loans from 2005 until the market for liar's loans collapsed in mid-2007.

Third, the industry massively increased its origination and purchase of liar's loans after the FBI's early 2003 "epidemic" and predicted it would cause a crisis and then massively increased its origination and purchase of liar's loans after the industry knew before lenders did that. In such loans were endemically fraudulent and would cause severe losses. Again, this provides a natural experiment to evaluate why Fannie and Freddie purchased liar's loans and purchased these loans. It wasn't because "the government" compelled them to do so. They did so because they were accounting control frauds.

Fourth, the industry increasingly made the worst conceivable loans that maximized fictional short-term income and real predatory income and losses. Mortgage (or purchasing) liar's loans that are also subprime loans means that the originator is making (or the moron lenders) is that what is endemically fraudulent to a borrower who has known, serious credit problems. It's actually worse than that because lenders also increasingly used "no" (downpayments and negative amortization) in order to optimize accounting fraud. Negative amortization reduces the borrowers' short-term interest rates, delaying delinquencies and defaults (but producing far greater losses). Again, this strategy maximizes fictional income and real losses. Honest home owners do not do in this fashion because the loans must cause catastrophic losses.

To sum it up, the known facts of this crisis refute the rival theories that the lenders/purchasers originated/bought endemically fraudulent liar's loans because (a) "the government" made them (or Fannie and Freddie) do so, or (b) because they were trying to maximize profits by taking "extreme tail" (i.e., an exceptionally unlikely risk). The risk that a liar's home loan will default is excep- tionally high. The known facts of the crisis are consistent with accounting control frauds using liar's loans (in the United States) as their "ammunition and means of choice." The FBI's warnings also require that they know nothing about the department's most important and (potentially) useful act. That depth of ignorance cannot not exist in senior agencies that need to know about the financial crisis and made it even a minor priority to understand, investigate, and prosecute the frauds that drove the crisis. Because Holder was testifying in January 14, 2010, the failure of anyone from Holder on his prep team to know about the FBI's warnings also requires that all of them fail to read any criminology literature or even the media and blogosphere.

In addition to claiming that the DOJ's response to the developing crisis under President Bush was superb, Holder implicitly took the position that (without any investigation or analysis) fraud could not and did not pose any systemic economic risk. Implicitly, he claimed that only economists had the expertise to contribute to understanding the causes of the crisis. In other words, you don't find. If you don't understand "accounting control fraud" you cannot understand why we have recurrent, intensifying financial crises. If Holder should take our policy advice from Larry Summers and Bob Rubin, leading authors of the crisis, then he has abdicated his responsibilities to the source of the problem. "Now let me state at the outset what role the Department plays and does not play in addressing these challenges." [record fraud in investment banking and securities]

"The Department of Justice investigates and prosecutes federal crimes..." As a general matter we do not have the expertise nor is it part of our mission to opine on the systemic causes of the financial crisis. Rather the Justice Department's re- sources are focused on investigating and prosecuting crime. It would be consistent that I am pleased to offer my testimony and to contribute to your vital review." Two as- pects of Holder's testimony were prepos- terous, dishonest, and dangerous.

"I'm proud that we have put in place a law enforcement response to the financial crisis that will continue to be aggressive, comprehensive, and well-coordinated." DOJ has obtained ten convictions of senior insiders of mortgage lenders (all from one company before the government obtained convictions in the S&L debacle. DOJ has not conducted an investigation worthy of the
name of any of the largest accounting control frauds. DOJ is actively opposing investig- ing the systemically dangerous institutions (SDIs).

Holding’s most disingenuous and dangerous sentence, however, was this one:

“Our efforts to fight economic crime are a vital component of our broader strategy, a strategy that seeks to fund even our national finances in our financial system, integrity in our mar- kets, and prosperity for the American peo- ple.” Yes, the “confidence fairy” ruled at DOJ. It is the rationale now for DOJ’s dis- graceful efforts to achieve immunity for the SDIs’ endemic frauds. The confidence fairy trum ped and traduced “integrity in our mar- kets” for the American people.

Prosperity is reserved for the SDIs and their senior managers—the one percent.

PUT AMERICA BACK ON A PATH TO PROSPERITY

The SPEAKER pro tempore. The Chair recognizes the gentleman from Georgia (Mr. AUSTIN SCOTT) for 5 minutes.

Mr. AUSTIN SCOTT of Georgia. Mr. Speaker, I rise today to talk about passing a balanced budget amendment today. I will tell you, there’s been a global debate most recently over the fi- nances of our States and our Nation. And even in euro- ne, in the eurozone, Merkel and Sarkozy are proposing that balanced budget amendments be a part of the constitutions of those countries that make up the eurozone. It’s not often that you will find me agreeing with President Sarkozy. He is certainly not the great leader that Benjamin Netanyahu is. But on this one, I do be- lieve that he was right to come out of his foxhole and support the balanced budget amendments.

Every year, our Americans sit down at the kitchen table, pencil and paper in hand, and balance their budgets in their households. Every American business owner will tell you that they cannot continually deficit spend the way this country has well over the last dec- ade.

Mr. Speaker, the people of Georgia’s Eighth Congressional District are hard- working and responsible people. They expect the same of their government leaders. They work each day to ensure that the future remains bright for their children and grandchildren, and they sent me here to do the same.

The work that will be required by the balanced budget will not be easy, but Americans are counting on us. They are counting on us to make tough deci- sions and put America back on a path to prosperity. Passing the balanced budget amendment is the first step to that.

THE TROJAN HORSE BALANCED BUDGET AMENDMENT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin (Ms. MOORE) for 5 minutes.

Ms. MOORE. Later on today we will be considering the so-called balanced budget amendment. And while I join my colleagues in sharing the view that

we need to gain control of our national debt, I rise to commiserate our loss of a balanced perspective on what we, as elected Representatives of the people of the United States of America, regard as assets and liabilities on our Amer- ican Government balance sheets. I am appalled at our pervasiveness of perspective on what good government really means as we balance our policy priorities in this moral document, our budget.

Mr. Speaker, we have perverted the concept of a healthy balance sheet as we worship at the feet of a religion that tones that government should be limited and, perhaps, have no role in the health, welfare, and safety of the American people.

Balancing the budget sounds so sim- ple, so appealing, but that’s not a truthful description of what this bal- anced budget amendment would do. This amendment is nothing more than a Trojan horse hiding the Republicans’ true habits of requir- ing major cuts to vital programs, dramati- cally shrinking the legitimate role of government, and enshrining this agen- da in the United States Constitution.

A balanced budget? A balance sheet contains both assets and liabilities.

I would submit, Mr. Speaker, that it is a perversion of our American values to see our children, our future, as mere liabilities; our students, who need the government to invest in their higher education; our communities, the economic engines of our economy who may be subjected to natural disasters such as hurricanes and other liabilities, who need to re- build modern transportation systems, to see these as mere liabilities; and American folks, who need to breathe clean air and drink clean water, as mere liabilities on the Federal Govern- ment balance sheet.

According to an analysis released this week by the Center on Budget and Policy Priorities, the amendment we are considering today would force cuts to all programs by an average of 17.3 percent by 2018. And if revenues are not raised, which there seems to be an anachronism to doing that, all these pro- grams will be cut by the same percent- age. Social Security cut by $141 billion in 2018 alone; Medicare cut by $117 billion in 2018; Medicaid and the Chil- dren’s Health Insurance Program cut by $30 billion in 2018.

We have constructed a balance sheet where our people are not viewed as as- sets. Our American universities, our students, the next generation of inven- tions and innovators are seen as wel- fare recipients when we provide them with Pell Grants, Social Security, who have earned retirement security are now seen as a drain on our system. These seniors who built our economy through their ingenuity and sweat, Medicare and Social Security for them is seen as socialism.

Mr. Speaker, we have heard the con- stant drumbeat demanding that we se- verely restrain the benefits and the

rights we provide to our seniors and our people. And what do we regard as our assets on our balance sheet? Our bloated, cold war-era military buildup. And what kind of balance sheet, Mr. Speaker, expends trillions of dollars on tax breaks to millionaires and expan- triate corporations and treats revenue loss needed for the legitimate oper- ation of the government like assets?

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This is a balanced sheet reminiscent of a corporate raider that strips down all of the assets and leaves the company limping lifeless in the dust.

What kind of country raids a bal- anced budget that achieves this bal- ance on the backs of children, students, working class families, the disabled, the hungry, the infirm, the elderly, the environment, victims of natural disas- ter and what future, makes a burning to unemployment and a jobless econ- omy? Is this a balanced budget, Mr. Speaker, or is this our balanced pri- orities?

Mr. Speaker, I thank you for your in- dulgence in listening to me today.

THE ABLE ACT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. CRENshaw) for 5 minutes. Mr. CRENshaw. Mr. Speaker, I just wanted to make my colleagues aware of some legislation that I filed this week, along with my cospon- sors, Democrats and Republicans. The legislation was filed in the Senate, as well, so it’s a bipartisan, bicameral ef- fort. It’s going to be known as the ABLE Act, Achieving A Better Life Expe- rience. This is legislation that will assist a brighter future, make a bright- er pathway for individuals with disabil- ities to meet the uncertainties that they face.

I think we all recognize that individ- uals with disabilities, be it autism, be it Down’s syndrome, they face tremen- dous challenges today. They face strug- gles, both financial struggles and per- sonal struggles, that most of us can’t even imagine. And they face those struggles without the advantage that our Tax Code offers for a lot of people in our society.

For instance, if you want to save for college, you can set up a tax-free sav- ings account. The proceeds grow tax free, and you can pay directly to pay your college tuition. If you want to save for retirement, you can set up a tax-free savings account. Those pro- ceeds grow tax free, and you can use those dollars in your retirement years.

If you want to save for medical insur- ance along with you can set up a health savings account and that account has tax advantages. And yet there are no vehicles like that for individuals with disabilities.

You can imagine, there are real- world examples where individuals with disabilities, they receive certain gov- ernment benefits; but if they accumu- late more than $2,000 of assets in their