Unfortunately, it's a hoax. One creator of the DSL program was a Republican with solid fiscal conservative credentials—me. It was developed not by the reviled liberal Clinton, but by the Bush administration.

And there is far more free enterprise in DSL—and less bureaucracy—than in the bloated Guaranteed Student Loan (GSL) program. I dislike the term ''corporate welfare,'' but if any program deserves that title, it's guaranteed student loans.

Here are conservative principles I believe in: substituting market forces for political forces; simplifying programs and cutting bureaucracy; saving taxpayers money.

On all counts, killing the DSL program goes in the wrong direction.

All major functions under DSL are run through private sector services under competitively bid contracts. This competition is bringing down the cost of those contracts via market forces.

Under the guaranteed student loan program, all payment levels are determined politically by Congress—not by the free market. Here's just one example of the resulting built-in profits: While the student is in school or during the six-month grace period following school (a period averaging 2.5 years for each loan), the lender does nothing but collect interest directly from the government at 2.5 percent above the Treasury-bill rate on paper that's as good as a Treasury bill. It's a system of political entitlements, and any conservative ought to prefer the competitive bidding system under direct loans.

The Education Department says it can manage all direct loans with only 400 employees. All important business functions—loan origination, servicing, debt collection—are handled by private firms, with Education Department supervision.

But overseeing 7,100 guaranteed bank lenders takes 525 Education Department employees and another 5,000 employees in 41 federally subsidized guaranty agencies. It's a bureaucratic nightmare.

Congress can easily oversee the direct program because it involves relatively few contractors, all of whom have have incentives to do a good job in order to win additional contracts.

But there's little supervision of the guaranteed program's guaranty agencies. Congress isn't looking over their shoulders because they're not federal entities. State legislatures aren't interested because the guaranty agencies aren't state-funded. And they have no stockholders to answer to. Unsurprisingly, the result is abuse.

In one case, a guaranty agency's chief executive officer earns $700,000 a year plus untold benefits. Some 15 other employees in the same agency earn more than the U.S. secretary of education. In another, board members set up a for-profit corporation to provide services to the guaranty agency that they controlled. More taxpayer money goes largely unchecked in these agencies for platinum parachutes, perks, lavish pensions, executive cadillacs and dining rooms and retreats at posh resorts.

Little wonder the lending moguls want to kill direct lending. Their cause is helped by various scoring errors (including some they lobbied for) that make direct lending look more expensive than guaranteed. The worse is the assumption of a high long-term interest rate as the cost of the federal funds used to make the direct loan. That would be appropriate if the interest rate that student borrowers paid were fixed, but it's not. It's variable, based on 91-day Treasury bills; so these loans do not carry the kind of interest-rate risk that a long-term rate discounts. Indeed, no private bank treats variable-rate loans the way the Congressional Budget Office treats direct student loans.

In general, it's inconceivable that a simpler program based on competitive bidding could be more expensive than a vastly more complex one based on politically negotiated entitlements. Especially when the complex one actually encourages defaults—because guaranty agencies get to keep 27 cents of every dollar they collect *after* a default and their costs for those collections average only 13 cents on the dollar.

Some Republicans believe that if President Clinton supports a program, that program must be opposed. Right now, Mr. Clinton is telling the American people that the GOP Congress is trying to shut down a conservative reform effort, which is good for both students and schools, in order to keep the gravy flowing to powerful special interests.

In this case, the president is right.●

DAPCEP

● Mr. LEVIN. Mr. President, the Detroit Area Pre-College Engineering Program, Inc. [DAPCEP], is celebrating its 20th anniversary in this year. The organization was founded in 1976 with a grant from the Alfred P. Sloan Foundation. DAPCEP's mission is ''to increase the number of minority students who are motivated and academically prepared to choose careers in science, engineering and technical fields.''

In its first year, 245 students took DAPCEP enrichment courses offered through 1 high school and 2 universities. Today, the organization serves more than 5,000 sixth through twelfth graders each year, through a collaboration with 8 universities, 64 Detroit public middle schools and high schools, 30 local corporations, and an active parent group. DAPCEP also receives funding from the National Science Foundation, the State of Michigan, and the city of Detroit. Current DAPCEP programs include an in-school component with hands-on research, experiments and science fairs; Saturday morning classes; and summer enrichment programs. DAPCEP also offers mentoring, tutoring, summer jobs, scholarships, and teacher training.

DAPCEP was featured on the NBC ''Nightly News'' in April 1995 in a story highlighting successful extracurricular enrichment programs. DAPCEP students captured 62 percent of the top awards given at the 1995 Metropolitan Detroit Science and Engineering Fair, one of the largest and most successful fairs in the Nation. Recognized nationally as a model for pre-college programs, DAPCEP was named by Crain's Detroit Business as the 1995 Best-Managed Nonprofit for nonprofits having budgets larger than $2.5 million.

Through working to further the study of science and engineering for all, DAPCEP has made a great contribution to our local community and our country as a whole. I know that my Senate colleagues join me in congratulating the Detroit Area Pre-College Engineering Program on its 20th anniversary.●

AUTISM AWARENESS MONTH

● Mr. DOMENICI. Mr. President, I have long been active in issues of importance for individuals suffering from a mental illness or disability. Through my efforts in this area, I have become familiar with the vast spectrum of these disorders, and I have found that we as a society have much to learn about both the causes and cures for these illnesses. Knowledge of the medical conditions underpinning these disorders has only recently begun to make progress by leaps and bounds, and I fear that public awareness and knowledge has not grown in step. Because society is still unfamiliar with these advances, an aura of fear and suspicion persists with regard to any one of the illnesses or disorders which afflict so many Americans. It is because of this widespread lack of knowledge and understanding that I add my support in recognition of the National Autism Society's designation of January as ''National Autism Awareness Month.''

Autism is a neurological disorder that interrupts the brain's ability to process and understand information. Nearly 400,000 Americans suffer from this disorder, making it more prevalent than Down's syndrome or muscular dystrophy.

Autism is a complex, spectrum disorder that manifests itself in many ways. Symptoms and characteristics present themselves in a variety of combinations, and no two children or adults are affected in the same way.

Autism is not curable, but it is treatable. Many types of treatments have proven effective in combating this disorder, and improvements are being discovered every day.

A generation ago, nearly 90 percent of those suffering from autism were placed in an institution. Today, group homes, assisted living arrangements, and home care are much more common. Thanks to the Individuals With Disabilities Education Act, many children with autism receive appropriate education and go on to become contributing members of the work force.

In April 1995, in response to direction from Congress, the National Institutes of Health [NIH] held a State-of-the-Sciences Conference on Autism. Conference participants included scientists, clinicians, and parents. The conference highlighted how far we have come in diagnosing and treating autism, but also illuminated how far we have yet to go. National Autism Month is designed to bring attention to these issues, and seeks to further the Nation's understanding of this complicated and debilitating disorder. I fully support the National Autism Society's designation of January as ''National Autism Awareness Month,'' I share their goal of teaching America more about this disorder, and I welcome my colleagues' support as well.●

ORDER OF BUSINESS

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

HOUSING OPPORTUNITY PROGRAM EXTENSION ACT OF 1995

Mr. LOTT. Mr. President, I ask unanimous consent that the Banking Committee be immediately discharged from further consideration of S. 1494, and that the Senate proceed to its immediate consideration.

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

The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1494) to provide an extension for fiscal year 1996 for certain programs administered by the Secretary of Housing and Urban Development and the Secretary of Agriculture, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. BOND. Mr. President, I urge support for the Housing Opportunity Program Extenders Act of 1995. This legislation is designed to provide HUD and Farmers Home with authority to continue certain housing programs which are strongly supported by the American public.

Most importantly, similar to the VA/HUD fiscal year 1996 appropriations bill, this bill would require HUD to renew expiring section 8 project-based contracts for fiscal year 1996 for 1 year at current rents. There are some 900,000 FHA-insured units with section 8 project-based assistance expiring over the next 10 years. Many of these section 8 contracts are oversubsidized under existing contracts and fiscal responsibility requires that Congress contain the spiraling costs associated with this inventory. Moreover, under a recent HUD legal opinion, HUD may renew these expiring section 8 project-based contracts at the market rent with some exceptions for contract rents up to 120 percent of the market rents; this means that these section 8 projects will begin to default and face foreclosure by HUD during fiscal year 1996.

I believe it is critical that Congress reform and adjust the costs, including section 8 costs, of this assisted housing to the existing market rents. However, in doing so, we must balance the cost of the expiring section 8 contracts with the cost of foreclosure of these projects to the FHA insurance fund, as well as the significant social policy of the possible displacement of low-income housing residents and the disinvestment by project owners in these projects which could result in significant deterioration of this valuable housing stock. Like the VA/HUD fiscal year 1996 appropriations bill, renewing these section 8 contracts for 1 year will provide the Banking Committee with an opportunity to develop a dialog and resulting meaningful policy that will preserve this valuable housing resource as low-income housing at a reasonable cost to the Federal Government.

Second, the legislation would extend the Home Equity Conversion Mortgage Program through fiscal year 1996, increasing the maximum number of units eligible for insurance from 25,000 to 30,000. This program is designed to allow the elderly to tap the accumulated equity in their homes for needed expenses without the risk of losing the housing as a principal residence. This is a successful program that is growing in popularity among the elderly population as an option to assist in providing continuing independence, both financially and through the continuing use of their homes as a principal resident.

Third, the legislation would extend the home ownership program under the CDBG Program as a continuing eligible activity through fiscal year 1996. This program is widely supported by a number of communities throughout the Nation which use the program as an additional resource to expand homeownership opportunities.

Finally, the bill would extend the FmHA's section 515 rural multifamily program for fiscal year 1996. Currently, the fiscal year 1996 Agriculture appropriations has limited the section 515 funding for fiscal year 1996 to rehabilitation. However, there is a significant number of section 515 projects in the development pipeline. Section 515 projects are, in many cases, the only available and affordable low-income housing in rural areas. While there has been substantial criticism leveled at abuses in the section 515 program, FmHA has addressed a number of the failings in the program and the Banking Committee has pledged to review closely the section 515 program and address any concerns as part of a major housing and community development overhaul and reform bill.

In addition, a manager's amendment to this bill legislation would incorporate Habitat for Humanity as an eligible organization under the National Community Development Initiative [NCDI]. Habitat for Humanity is one of the best models in this country for the development of affordable low-income housing. The foundation of this program is sweat equity, where a potential homeowner must contribute their own labor and hard work to the construction of their home and the homes of others. In this way, participating families develop a tangible bond with their homes combined with a strong interest in maintaining them. Since 1976, Habitat has constructed over 40,000 homes worldwide, in every U.S. State and in 45 other countries. As a consequence, some 250,000 people are living in decent, safe and affordable housing.

Under this program, Habitat for Humanity would receive a $25 million authorization to assist in the acquisition of land or infrastructure improvements, and only in the United States. I urge HUD to develop flexible requirements for Habitat for Humanity's participation in NCDI with deference to the underlying vision of homeowner contribution to the construction of their home.

This manager's amendment also would provide clear statutory guidance to empower PHAs and assisted property owners with the tools to screen out and evict from public and assisted housing persons who illegally use drugs or whose abuse of alcohol is a risk to other tenants. I cannot emphasize enough the need to take the bull by the horns and provide real solutions to the problems created by alcohol abuse and illegal drug use in federally assisted housing.

Mr. President, this legislation is bipartisan, simple, straightforward and necessary. I strongly urge my colleagues to support this legislation.

AMENDMENT NO. 3118

(Purpose: To make a series of amendments)

Mr. LOTT. I understand that there is a managers' amendment at the desk in behalf of Senators D'AMATO, MACK, and BAUCUS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] for Mr. D'AMATO, for himself, Mr. MACK, and Mr. BAUCUS, proposes an amendment numbered 3118.

Mr. LOTT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 2, line 5, strike ''During fiscal year 1996'' and insert the following: ''To the extent that amounts are made available in advance in any appropriations act for contract renewals under section 8 of the United States Housing Act of 1937 for fiscal year 1996''.

On page 2, line 11, insert ''project-based'' after ''for''.

On page 5, between lines 7 and 8, insert the following new sections:

SEC. 7. CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING.

Section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note) is amended—

(1) in subsection (a)—

(A) by striking ''Initiative to develop'' and inserting the following: ''Initiative—

''(1) to develop'';

(B) by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(2) for national or regional organizations or consortia, including Habitat for Humanity International, that have experience in providing or facilitating self-help housing homeownership opportunities.'';

(2) in subsection (b)—

(A) in paragraph (2), by striking ''and'' at the end;

(B) by redesignating paragraph (3) as paragraph (4); and

(C) by inserting after paragraph (2) the following:

''(3) innovative homeownership opportunities for the acquisition and rehabilitation of single family housing through the provision